

SCHOOL DISTRICT
OF
CITY
OF
NORTHFIELD

City of Northfield School District
Northfield, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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Introductory Section

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Northfield Community School District

2000 New Road, Northfield, New Jersey 08225
District Website: www.ncs-nj.org

Pedro P. Bretones
Superintendent
Telephone: (609) 407-4000

Janice Dye
Director of Curriculum
Telephone: (609) 407-4010

Linda Albright
School Business Administrator
Telephone: (609) 407-4002

December 2, 2019

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic

Dear Board Members:

The Comprehensive Annual Financial Report of the City of Northfield School District for the fiscal year ending 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 management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the New Jersey OMB Circular Letter 04-04, *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 report.

"Children First"

1) **REPORTING ENTITY AND ITS SERVICES:** The City of Northfield School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The City of Northfield Board of Education and all its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, vocational as well as special education for handicapped youngsters. The District October 15, 2018 enrollment was 915 students, which is 5 greater students than the previous year’s enrollment. However, in January of 2019, the District began offering preschool under the Preschool Education Expansion Aid initiative and enrolled 24 students in the Northfield Community School and an additional 34 students that were placed with three private preschool providers in Northfield City. This will result in a substantial increase in the October 2019 count. The following details the October 15th official count changes in the student enrollment of the District over the last ten years.

Year	Enrollment	Change
2018-19	915	0.55%
2017-18	910	(1.09%)
2016-17	920	0.88%
2015-16	912	(2.15%)
2014-15	932	(5.28%)
2013-14	984	(3.46%)
2012-13	1,018	(2.77%)
2011-12	1,047	(0.76%)
2010-11	1,055	(1.22%)
2009-10	1,068	(3.17%)

2) **ECONOMIC CONDITION AND OUTLOOK:** For the past ten years enrollments have been consistently declining which is believed to be a result of the difficult economy that surrounded the Atlantic City region. The 2016-17 school year was the first year in seven that saw an increase in enrollments, however enrollments seem to be leveling around 910-920. A new apartment complex is under construction in the municipality consisting of 216 one and two bedroom apartments, and enrollments are predicted to rise even further in the coming years as a result. In a recent Standard & Poor’s Rating for bonds sold, the county’s high unemployment rate and participation in the Atlantic City region caused economic pressures given recent casino closures. However, the District received a bond rating of A+/Stable due to the fact that Northfield had a mature, primary residential local economy with good incomes, moderate debt burden, and the District maintained a strong total general fund balance on a GAAP basis of accounting, despite two consecutive drawdowns. Furthermore, the consequences of the economic downturn and legalized gambling in adjacent states was higher unemployment rates in the region, which includes Northfield. The decrease in housing requirements in Northfield of the casino industry continue to impact community services including schools, but may be leveling as economic conditions are starting to improve.

3) **MAJOR INITIATIVES:** The 2018-19 school year started and maintained a high level of involvement, motivation and momentum by staff, students and parents and several new teachers and support staff were approved by the Board of Education. A new and exciting opportunity for our Elementary School and the Northfield community was the implementation of a full day preschool program, which was made available through the Preschool Expansion Aide initiative from the New Jersey Department of Education. Our preschool program began in January 2019 with the opening of five preschool classrooms housing up to fifteen students in each class.

Throughout the 2018-19 academic year, programs and activities which benefited all Northfield Community School students were sponsored by the District, the active Parent Teacher Organization (PTO), the Sports Booster Club, and the Northfield Board of Education. The level of parent participation continues to grow in Northfield. In addition, the quality of our staff is impressive, with one hundred percent of our teachers deemed highly qualified. Goals identified through the 5 Year Strategic Plan will continue to be pursued throughout the 2019-2020 school year through implementation of the action plans that accompanied the Strategic Plan.

The Northfield Parent Teacher Organization continues to fund several after-school clubs which included the Book Club and Chess Club for both elementary and middle school students, and Multi-Media Club and Future Engineers Club for middle school students.

The Northfield Learning Center which addresses the reading needs of students with dyslexia finished its twelfth year and was completely funded by the Masons.

The 2019-20 budget was developed by the Administration, Board Finance Committee, and full Board of Education, and it was reviewed by the Atlantic County Superintendent of Schools' office. The 2019-20 general fund budget was increased by 2.92%, resulting in a tax increase of 4.58%, or 5.00 cents on the local school tax levy. However, the District budgeted the unspent bond fund balance to decrease the debt service tax levy by 59.40%, resulting in an overall 2019 tax increase of 2.00 cents. Another significant factor affecting the tax levy is the declining net valuation of taxable property in the City. Net valuation of taxable property has been declining since 2010 following the housing and subprime mortgage crisis, and fell another \$13.0 million in 2019.

The 2019-20 budget received a substantial increase in state aid of \$116,004, 3.59%.

Throughout the year, efforts continue to be made at all grade levels to address both strengths and areas of need as a result of state and local testing. Our general student population was tested in the New Jersey Student Learning Assessment – ELA and Math (NJSLA-ELA and Math) in grades 3, 4, 5, 6, 7, and 8. Student performance showed areas of strength and areas of need for which we focused. We continue to work diligently to address the academic needs of our continually growing sub populations, as identified by the New Jersey Department of Education. This is challenging, but a charge we take very seriously.

Professional development activities were aligned to the District Professional Development Plan and the New Jersey Student Learning Standards in math and language arts. All curriculum in grades Pre-school through eight is continuously revised as appropriate. The Professional Development committee continued professional learning communities, focusing on development of benchmark testing and differentiated instruction, and social emotional learning among other topics. We continue to schedule regular and meaningful articulation within and between districts. The Student Information System (SIS) that was implemented last year continues to provide improved communication avenues with families. In addition we provide intervention supports for students who demonstrate a need through the New Jersey Tiered System of Supports (NJTSS). Our Elementary School participate in year one of a three year School Climate Transformation Project (SCTP) grant that is led by Rutgers University. Our Technology and School Safety and Emergency Management Committees continue to meet to achieve our goals.

Hazardous Materials Handling, Anti Bullying, Emergency Management Procedures, and Crisis Prevention workshops continue to help teachers and other staff gain knowledge in these areas to be better prepared to handle situations in their classroom and in the school building.

In an effort to improve our ability to differentiate instruction, our district is committed to assessing the efficacy of the staff to utilize data and provide supports as needed based on results of the assessment.

Technology integration and developing 21st century skill is a high priority as well as preparing for NJSLA-ELA and Math testing. This budget provided funds for the continuation of technology infrastructure, continued development of a STEAM (Science, Technology, Engineering, Art, and Mathematics) programming, curriculum upgrades in the form of a new English Language Arts series in seventh grade as well as a new math series in fifth grade, and professional development of staff.

The 2019-2020 budget also provided funds for District maintenance of building and grounds. With funds made available through the District's recent sale of \$5,678,000 of Bonds, in conjunction with \$1,731,377 in approved New Jersey School Development Authority Grants, the District made major upgrades to the building's HVAC, roofing, exterior and interior doors with enhanced security features, lighting, and exterior improvements. This project has been part of the District's long term facilities plan developed by the Administration and the Board of Education to address building systems that were approaching useful life and to maintain a modern and well-functioning structure. The improvements began at the end of the 2014-15 school year and continued over the 2015-16 school year. The project was scheduled to be finalized in the 2016-17 school year, however, some issues remained and it was concluded 2017-2018. The project came in under budget and after scheduling additional work the District had \$345,943.00 in unspent funds that went to debt service tax relief in the 2019-2020 budget, which significantly offset the general fund tax increase.

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 is 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 valuation 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. District management has developed a standard operating procedures and internal controls manual in accordance with N.J.A.C. 6A:23A-6, which was adopted by the Board of Education in December 2009, and will be revised as needed and re-adopted annually at the Board's Reorganization meeting.

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 Board of Education and Executive County Superintendent of Schools. Annual appropriated budgets are adopted for the general fund and the special revenue fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations to 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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7) **DEBT ADMINISTRATION**: At June 30, 2019, the District's outstanding debt issues included \$4,056,000 in bonds, and \$21,400 for capital leases.

8) **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 1. The District has adopted a cash management plan which requires it to deposit public funds in Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) **RISK MANAGEMENT**: The Board carries various forms of insurance, including, but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft on property and contents, and fidelity bonds.

10) **OTHER INFORMATION**: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Accounting firm of Ford ~ Scott & Associates, L.L.C. was selected by the Board of Education. In addition to meeting the requirements set forth in the state statutes, the audit is designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey OMB Circular Letter 15-08. The auditor’s report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

11) **ACKNOWLEDGEMENTS**: We would like to express our appreciation to the members of the City of Northfield School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

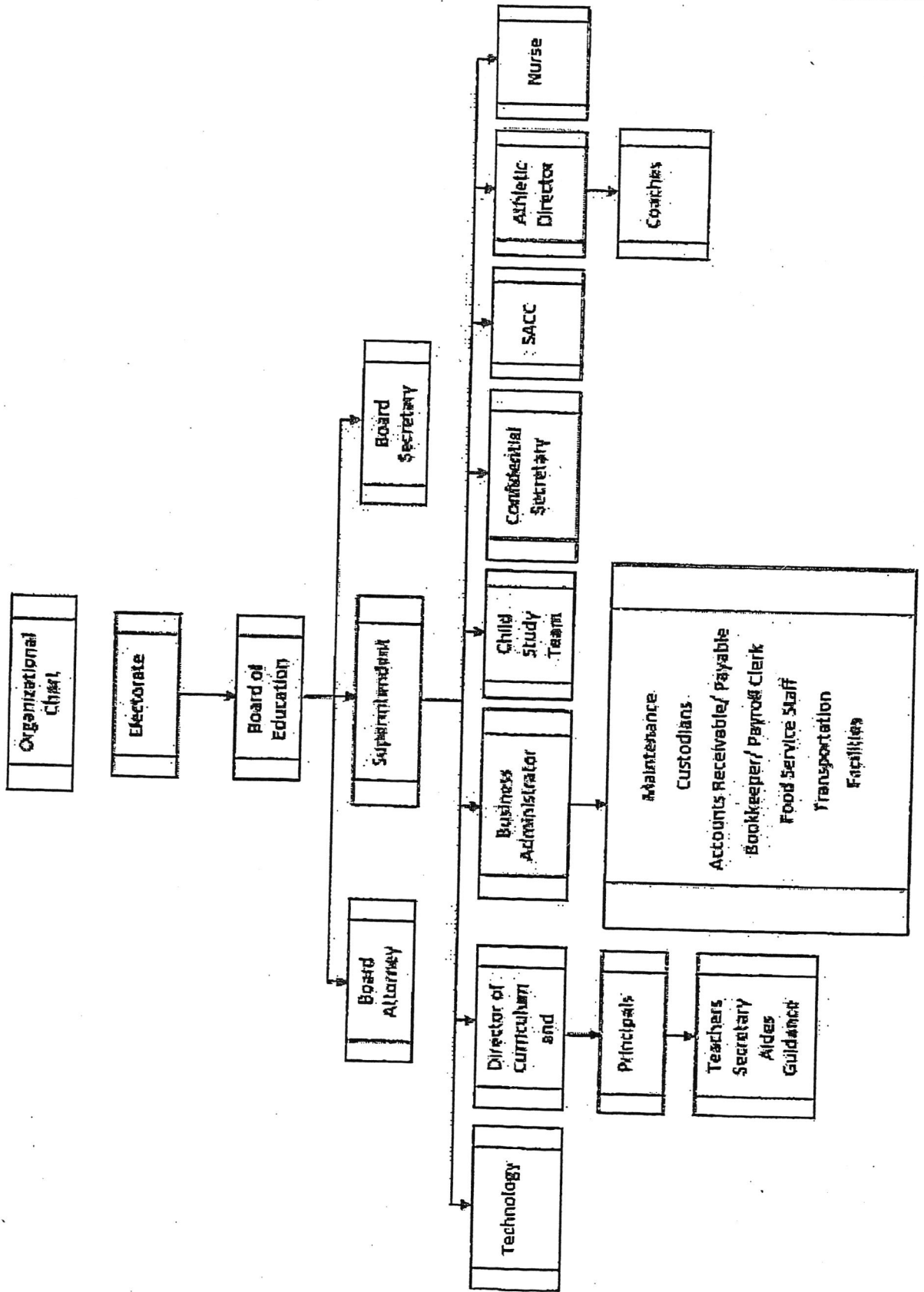
Respectfully submitted,

Pedro Bretones

Pedro Bretones
Superintendent of Schools

Linda Albright

Linda Albright
Business Administrator/



CITY OF NORTHFIELD SCHOOL DISTRICT

**Roster of Officials
June 30, 2019**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Debbie Levitt, President	2021
Stephanie Woodhouse-Hughes, Vice President	2020
Jon Barnhart	2020
Mark Bruno	2019
Angelic Delcher	2021
Christopher Kennedy	2020
Brad Levari	2019
Kerrie Marrone	2021
Zubair Syed	2019

Other Officials

Pedro Bretones, Superintendent

Linda Albright, Business Administrator/Board Secretary

CITY OF NORTHFIELD SCHOOL DISTRICT

Consultants and Advisors

Architect of Record

Spiezle Architectural Group, Inc.
120 Sanhican Drive
Trenton, NJ 08268

Audit Firm

Ford, Scott & Associates, L.L.C.
Certified Public Accountants
1535 Haven Avenue
Ocean City, NJ 08226

Attorney

Andy Brown, Esq.
Schwartz, Simon, Edlestein, Celso & Zitomer, LLC
44 Whippany Road Suite 210
Moorestown, NJ 0762

John Geppert, Esq.
Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Lyndhurst, NJ 07071

Official Depository

OceanFirst Bank
1777 New Road
Linwood, NJ 08221

Continuing Disclosure Agent

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

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Financial Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the City of Northfield School District in the County of Atlantic, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing and opinion on the effectiveness of the

entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Northfield School District, in the County of Atlantic, State of New Jersey, 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 Required Supplementary Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Northfield School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of state financial assistance as required by NJ OMB 15-08 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 December 2, 2019 on our consideration of the City of Northfield School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northfield School District's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

December 2, 2019

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Required Supplemental Information
Part I

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MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Northfield School District (“District”) annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statement.

FINANCIAL HIGHLIGHTS

- The net position of the District decreased \$34,901.57. The decrease is due mainly to a decrease in miscellaneous revenues.
- The State of New Jersey reimbursed the District \$517,017.16 during the fiscal year ended June 30, 2019 for the employer’s share of social security contributions and pension contributions for TPAF members as calculated on their base salaries. Also, the State of New Jersey paid \$1,800,079.00 on behalf of the District for TPAF Pension Contributions. These amounts, which are not budgeted, are included as both a revenue and appropriation in the financial statements.
- As indicated by New Jersey State Statutes, the unreserved fund balance of the general fund is limited to 2% of the total general fund expenditures. Any excess is required to be designated as Reserved Fund Balance – Excess Surplus and included in the next year’s budget as budgeted fund balance. As of June 30, 2019, the District had excess fund balance in the amount of \$967,538.00, of which \$453,645.39 has been included in the 2019-2020 budget and the remaining \$514,072.61 will be included in the 2020-2021 budget.
- During the fiscal year ended June 30, 2019, the District’s revenues exceeded expenditures by \$186,723.27. This was mainly a result of a decrease in instructional expenses. During the prior fiscal year, expenditures exceeded revenues by \$205,314.30.
- In the District’s business-type activities, net assets increased \$22,845.90 due to the revenues exceeding the cost of operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management’s discussion and analysis* (this section), the basic *financial statements*, *required supplementary information*, and an optional section that presents *combining statements for special revenue, proprietary, and fiduciary funds*. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District’s government, reporting on the District’s operations in *more detail* than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like instruction were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the District operates like businesses, such as the food service and after school program.
 - *Fiduciary fund* statements provide information about the financial relationships – like the unemployment trust fund – in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District’s government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

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**Major Features of the City of Northfield School District's
Government-wide and Fund Financial Statements
(Figure A-1)**

	Government wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as food service and after school programs and student activities	Activities the District operates similar to private businesses; food service and after school programs	Instances in which the District is the trustee or agent for someone else's resources, such as payroll agency and student activities.
Required financial statements	Statement of net position Statement of changes in net position	Balance sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenses, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short- term and long- term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.

Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.
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Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of changes in net position regardless of when cash is received or paid.

The two government-wide statements report the District’s *net position* and how they have changed. Net position – the difference between the District’s assets and liabilities – is one way to measure the District’s financial health, or *position*.

- Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the Township’s property tax base and the condition of the District’s facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* – most of the District’s basic services are included here, such as instruction, transportation, administration, and plant operations. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* – the District charges fees to customers to help it cover the costs of certain services it provides. The District’s food program and after school program are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for other assets that - because of a trust arrangement – can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position: The District's governmental activities net position decreased \$34,901.57 between fiscal years 2018 and 2019. The business-type activities net assets increased \$22,845.90 due to revenues exceeding operating cost.

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	2,431,059	2,066,793	308,105	267,114	2,739,164	2,333,907
Capital Assets	15,215,777	15,912,960	48,110	38,752	15,263,887	15,951,712
Deferred Outflows	811,323	1,027,172			811,323	1,027,172
Total Assets	18,458,159	19,006,925	356,215	305,866	18,814,374	19,312,791
Long-term Liabilities	7,629,799	8,703,325			7,629,799	8,703,325
Other Liabilities	467,650	173,743	99,933	72,430	567,583	246,173
Deferred Inflows	1,252,985	987,231			1,252,985	987,231
Total Liabilities	9,350,434	9,864,299	99,933	72,430	9,450,367	9,936,729
Net Position						
Invested in Capital Assets	11,159,777	11,196,959	48,110	38,752	11,207,887	11,235,711
Restricted	514,073	453,469			514,073	453,469
Unrestricted	(2,566,125)	(2,507,802)	208,172	194,684	(2,357,953)	(2,313,118)
Total Net Position	9,107,725	9,142,626	256,282	233,436	9,364,007	9,376,062

Changes in net position. The total general fund revenue of the District increased approximately \$450,000 due to an increase in State aid and charges for services. The local tax levy is 48.74% of total general fund revenues. The municipality levies this tax on properties located in the Township and remits the collections on a monthly basis to the District.

Approximately 19.71% of the District's revenue comes from the State of New Jersey in the form of non-restricted state aid. This aid is based on the District's enrollment as well as other factors such as legislative funding of the SFRA formula. The District expenses are primarily related to instruction, administration, and plant operations.

	2019		2018	
	2019 Amount	Percentage	2018 Amount	Percentage
Property taxes	\$ 10,214,497	48.74%	\$ 9,885,913	48.22%
Unrestricted Federal and State aid	4,130,070	19.71%	3,945,931	19.25%
Charges for Services	30,000	0.14%	12,000	0.06%
Miscellaneous	50,287	0.24%	112,313	0.55%
Operating grants and contributions	6,531,693	31.17%	6,543,472	31.92%
Totals	\$ 20,956,547	100.00%	\$ 20,499,629	100.00%

Governmental Activities

The following schedule summarizes the governmental and business-type activities of the District during the 2019 and 2018 fiscal years.

	Governmental Activities		Business-type Activities		Totals	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program revenue						
Charges for services	\$ 30,000	12,000	427,272	425,216	457,272	437,216
Federal and state grants	6,531,693	6,543,472	135,412	132,260	6,667,105	6,675,732
General revenues						
Property taxes	10,214,497	9,885,913			10,214,497	9,885,913
State aid entitlements	4,130,070	3,945,931			4,130,070	3,945,931
Miscellaneous	50,287	112,313	780	(34,681)	51,067	77,632
Total revenues	20,956,547	20,499,629	563,464	522,795	21,520,011	21,022,424
Expenses						
Total Instruction:	14,806,594	14,457,418				
Total Support services:	6,091,125	6,311,521				
Int & Charges on Long-Term Debt	93,730	107,983			93,730	107,983
Business-type activities			540,618	515,409	540,618	515,409
Total expenses	20,991,449	20,876,922	540,618	515,409	634,348	623,392
Excess (Deficiency) before Extraordinary and Special Transfers	(34,902)	(377,293)	22,846	7,386	(12,056)	(369,907)
Increase (decrease) in net position	(34,902)	(377,293)	22,846	7,386	(12,056)	(369,907)

Business-type Activities

Operating revenues of the District's business-type activities increased by \$5,208 from the previous year, miscellaneous revenues increased by \$35,461 and expenditures decreased by \$25,209.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As of the year end, the governmental funds reported a combined fund balance of \$1,999,931.26 which is \$64,949.06 higher than the beginning of the year. This is mainly a result of the district receiving an increase in tuition as well as a decrease in expenses.

General Fund Budgetary Highlights

As further explained in the notes to the Financial Statements, annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budgets are submitted to the County office annually. Transfers of appropriations that do not exceed 10% on a cumulative basis may be made by Board resolution at any time during the fiscal year. Transfers of appropriations that exceed 10% on a cumulative basis must be approved by the Commissioner of Education. The District is permitted to encumber funds throughout the year for purchases ordered but not yet received. Any open encumbrances as of June 30th carry over to the next fiscal year and are added to the appropriation reflected in the certified budget.

After adjusting total revenue reported on Exhibit C-1 for the Reimbursed TPAF Social Security Contribution and on-behalf contributions, which are not budgeted, the District's actual revenue was more than the budget by \$34,571. This is a result of additional miscellaneous revenue and non-public transportation. Again, after adjusting for the Reimbursed TPAF Social Security Contribution, on-behalf contributions, actual expenditures were \$773,477 less than the budgeted appropriations. This is result of lower maintenance costs and benefits costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the District had invested over \$15 million, net of depreciation, in a broad range of capital assets, including land, buildings and equipment. Refer to Note 4 for more detailed information.

	Governmental Activities		Business-type Activities		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Buildings and Improvements	14,963,465	15,672,038			14,963,465	15,672,038
Equipment	252,312	240,922	48,110	38,752	300,422	279,674
Total	\$ 15,215,777	15,912,960	48,110	38,752	15,263,887	15,951,712

Long-term Debt

At June 30, 2019, the School district has \$7,629,799 of outstanding debt.

	Balance June 30, 2018	Issued	Retired/ Adjusted	Balance June 30, 2019
General Obligations Bonds	\$ 4,716,000		660,000	4,056,000
Compensated Absences Payable	382,211	11,778		393,989
Capital Lease	(0)	32,100	10,700	21,400
Net Pension Liability	3,605,113		446,703	3,158,410
Total	<u>\$ 8,703,324</u>	<u>43,878</u>	<u>1,117,403</u>	<u>7,629,799</u>

More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to present users (residents, receiving districts, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, contact the District's business administrator at

School Business Administrator/ Board Secretary
City of Northfield School District
2000 New Road
Northfield, NJ 08317

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BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of all funds as of June 30, 2019.

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DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide financial statements provide a financial overview of the district's operation. These financial statements present the financial position and operating results of the governmental and business-type funds as of June 30, 2019.

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CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	2,336,784.59	297,558.57	2,634,343.16
Receivables, net			-
Due from other governments	83,211.73	-	83,211.73
Internal Funds	11,063.31	(11,063.31)	-
Other receivables	-	11,598.53	11,598.53
Inventory	-	10,011.50	10,011.50
Capital assets, net of accumulated depreciation	<u>15,215,776.78</u>	<u>48,109.78</u>	<u>15,263,886.56</u>
Total Assets	<u>17,646,836.41</u>	<u>356,215.07</u>	<u>18,003,051.48</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>811,323.00</u>		<u>811,323.00</u>
Total Deferred Outflows of Resources	<u>811,323.00</u>	<u>-</u>	<u>811,323.00</u>
LIABILITIES			
Accounts payable	14,611.65	19,695.05	34,306.70
Accrued Interest Payable	36,522.01		36,522.01
Deferred Revenue	416,516.74	80,237.94	496,754.68
Noncurrent liabilities:			
Due within one year	660,700.00		660,700.00
Due beyond one year	3,810,689.30		3,810,689.30
Net Pension Liability	3,158,410.00		3,158,410.00
Total liabilities	<u>8,097,449.70</u>	<u>99,932.99</u>	<u>8,197,382.69</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>1,252,985.00</u>		<u>1,252,985.00</u>
NET POSITION			
Invested in Capital Assets, net of related debt	11,159,776.78	48,109.78	11,207,886.56
Restricted for:			
Other purposes	514,073.16	-	514,073.16
Unrestricted	(2,566,125.24)	208,172.30	(2,357,952.94)
Total Net Position	<u>9,107,724.71</u>	<u>256,282.08</u>	<u>9,364,006.79</u>

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:						
Instruction:						
Regular	6,880,361.02	2,554,319.83	30,000.00	2,976,484.40	(6,428,196.45)	(6,428,196.45)
Special education	3,488,347.81	1,053,441.86		1,889,945.47	(2,651,844.20)	(2,651,844.20)
Other Special	604,703.74	225,417.95		262,673.85	(567,447.84)	(567,447.84)
Support services:						
Tuition	259,812.39				(259,812.39)	(259,812.39)
Student and Instruction Related Services	2,054,807.30	615,157.49		1,121,420.04	(1,548,544.76)	(1,548,544.76)
General Administration	403,878.74	87,618.97		20,596.43	(470,901.28)	(470,901.28)
School Administration	410,567.34	89,070.03		20,937.52	(478,699.85)	(478,699.85)
Central Services	342,149.33	74,227.16		17,448.44	(388,928.05)	(388,928.05)
Administrative Information Technology	176,835.51	38,363.36		9,018.00	(206,180.87)	(206,180.87)
Plant Operations and Maintenance	1,061,759.96	250,339.52		58,846.84	(1,253,252.64)	(1,253,252.64)
Pupil Transportation	226,538.76				(226,538.76)	(226,538.76)
Unallocated benefits	4,987,956.17	(4,987,956.17)				
Interest and Charges on Long-Term Debt	93,730.48					
Total governmental activities	20,991,448.55	-	30,000.00	154,322.00	60,591.52	60,591.52
Business-type activities:						
School Aged Child Care Program	218,758.90		244,662.40		25,903.50	25,903.50
Food Service	321,859.10		182,609.64		(3,837.41)	(3,837.41)
Total business-type activities	540,618.00		427,272.04		22,066.09	22,066.09
Total Primary Government	21,532,066.55		457,272.04	6,667,105.04	(14,429,755.57)	(14,407,689.48)
General revenues:						
Taxes:						
Property taxes, levied for general purposes					9,609,682.00	9,609,682.00
Property taxes, levied for debt service					604,815.00	604,815.00
Federal and State Aid Not Restricted					4,130,070.48	4,130,070.48
Miscellaneous Income					50,286.50	51,066.31
Cancellation of Interfund						
Total General Revenues, Special Items, Extraordinary Items, and Transfers					14,394,853.98	14,395,633.79
Change in Net Position					(34,901.59)	(12,055.69)
Net Position—beginning					9,142,626.29	9,376,062.47
Net Position—ending					9,107,724.71	9,364,006.79

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

FUND FINANCIAL STATEMENTS

The combining and individual fund statements and schedules present more detailed information for the individual funds in a format that segregates information by fund type. The statements are segregated as follows:

Governmental Funds - This section consists of the general, special revenue, capital projects funds.

Proprietary Funds - This section consists of the food service fund and internal service funds. This fund is operated in a manner similar to a private business enterprise.

Fiduciary Funds - This section consists of the unemployment compensation insurance trust fund, the student activity fund, and the payroll agency fund.

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CITY OF NORTHFIELD SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and cash equivalents	866,638.58	305,673.08	346,981.45	0.55	1,519,293.66
Capital Reserve	514,530.93				514,530.93
Maintenance Reserve	302,960.00				302,960.00
Due from other funds	11,063.31	1,035.00			12,098.31
Receivables from other governments	79,436.24	3,775.49			83,211.73
Other Receivables	-				-
Total assets	<u>1,774,629.06</u>	<u>310,483.57</u>	<u>346,981.45</u>	<u>0.55</u>	<u>2,432,094.63</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	8,759.82	5,851.83			14,611.65
Interfund Payable	1,035.00				1,035.00
Unearned Revenue		416,516.74			416,516.74
Total liabilities	<u>9,794.82</u>	<u>422,368.57</u>	<u>-</u>	<u>-</u>	<u>432,163.39</u>
Fund Balances:					
Restricted for:					
Excess Surplus	514,072.61				514,072.61
Excess Surplus - Designated for Subsequent Year's Expenditures	453,465.39				453,465.39
Maintenance Reserve	302,480.00				302,480.00
Capital Reserve	513,810.93				513,810.93
Capital Projects			346,981.45		346,981.45
Debt Service Fund				0.55	0.55
Assigned to:					
Designated for Subsequent Year's Expenditures	-				-
Encumbrances	85,613.54				85,613.54
Unreserved, reported in:					
General Fund	(104,608.23)				(104,608.23)
Special Revenue Fund		(111,885.00)			(111,885.00)
Total Fund balances	<u>1,764,834.24</u>	<u>(111,885.00)</u>	<u>346,981.45</u>	<u>0.55</u>	<u>1,999,931.24</u>
Total Liabilities and Fund Balances	<u>1,774,629.06</u>	<u>310,483.57</u>	<u>346,981.45</u>	<u>0.55</u>	
Amounts reported for governmental activities in the statement of net assets (A-1) are different because:					
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$24,810,501.36, and the accumulated depreciation is \$9,668,800.85					
					15,215,776.78
Accrued interest payments on long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.					
					(36,522.01)
Pension Liabilities Net of Deferred Outflows & Inflows					
					(3,600,072.00)
Long-term liabilities, including capital leases payable, are not due and payable in the current period therefore, are not reported as liabilities in the funds.					
					<u>(4,471,389.30)</u>
Net assets of governmental activities					
					<u>9,107,724.71</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	9,609,682.00			604,815.00	10,214,497.00
Tuition	30,000.00				30,000.00
Federal Sources	11,906.48	534,866.89			546,773.37
State Sources	6,435,260.16	470,903.89	-	154,322.00	7,060,486.05
Interest Earned	5,176.02				5,176.02
Miscellaneous	45,110.48	2,009.28	1,038.05		48,157.81
Total revenues	<u>16,137,135.14</u>	<u>1,007,780.06</u>	<u>1,038.05</u>	<u>759,137.00</u>	<u>17,905,090.25</u>
EXPENDITURES					
Current:					
Regular instruction	4,802,522.99				4,802,522.99
Special education instruction	1,980,636.36	662,396.28			2,643,032.64
School Sponsored Activities					-
Other instruction	423,821.21				423,821.21
Support services and undistributed costs:					
Tuition	259,812.39				259,812.39
Student and Instruction Related Services	1,156,592.87	404,592.51			1,561,185.38
General Administration	343,840.86				343,840.86
School Administration	349,535.19				349,535.19
Central Services	291,287.73				291,287.73
Administrative Information Technology	150,548.35				150,548.35
Plant Operations and Maintenance	982,400.86				982,400.86
Pupil Transportation	226,538.76				226,538.76
Other Support Services	-				-
Employee Benefits	4,987,956.17				4,987,956.17
Capital outlay	37,942.15	52,676.27	-		90,618.42
Debt Service:					
Principal	-			660,000.00	660,000.00
Interest and Other Charges	-			99,140.26	99,140.26
Total expenditures	<u>15,993,435.89</u>	<u>1,119,665.06</u>	<u>-</u>	<u>759,140.26</u>	<u>17,872,241.21</u>
Excess (Deficiency) of revenues over expenditures	<u>143,699.25</u>	<u>(111,885.00)</u>	<u>1,038.05</u>	<u>(3.26)</u>	<u>32,849.04</u>
OTHER FINANCING SOURCES (USES)					
Assets acquired by Capital Lease	32,100.00				32,100.00
Total other financing sources and uses	<u>32,100.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,100.00</u>
Net change in fund balances	175,799.25	(111,885.00)	1,038.05	(3.26)	64,949.04
Fund balance—July 1	1,589,034.99	-	345,943.40	3.81	1,934,982.20
Fund balance—June 30	<u>1,764,834.24</u>	<u>(111,885.00)</u>	<u>346,981.45</u>	<u>0.55</u>	<u>1,999,931.24</u>

**CITY OF NORTHFIELD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2019**

Total net change in fund balances - governmental funds (from B-2)		64,949.04
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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</p>		
	Depreciation expense	(787,801.15)
	Capital Outlays	90,618.42
		(697,182.73)
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not a revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.</p>		
	Capital Leases	(32,100.00)
<p>Repayment of long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>		
	Bond Principle	660,000.00
	Capital Leases	10,700.00
		670,700.00
<p>District pension contributions - PERS</p>		
		159,557.00
<p>Cost of benefits earned net of employee contributions</p>		
		(194,457.00)
		(34,900.00)
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditure for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+)</p>		
		(11,777.67)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The (decrease)/increase in accrued interest from the previous year is an increase/(decrease) in the reconciliation</p>		
		5,409.78
<p>Internal service funds are used by management to charge the</p>		
		(34,901.58)
Change in net assets of governmental activities		(34,901.58)

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities - Enterprise Funds		Totals
	Food Service	School Aged Child Care	
ASSETS			
Current assets:			
Cash and cash equivalents	32,347.94	265,210.63	297,558.57
Accounts receivable	11,598.53	-	11,598.53
Interfund Receivable	-	-	-
Inventories	10,011.50	-	10,011.50
Total current assets	53,957.97	265,210.63	319,168.60
Noncurrent assets:			
Furniture, machinery & equipment	185,250.78	114,610.00	299,860.78
Less accumulated depreciation	(168,286.00)	(83,465.00)	(251,751.00)
Total noncurrent assets	16,964.78	31,145.00	48,109.78
Total assets	70,922.75	296,355.63	367,278.38
LIABILITIES			
Current liabilities:			
Accounts Payable	19,695.05	-	19,695.05
Deferred Revenue	6,642.33	73,595.61	80,237.94
Interfunds Payable	-	11,063.31	11,063.31
Total liabilities	26,337.38	84,658.92	110,996.30
NET POSITION			
Invested in capital assets net of accumulated depreciation	16,964.78	31,145.00	48,109.78
Unrestricted	27,620.59	180,551.71	208,172.30
Total net position	44,585.37	211,696.71	256,282.08

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-type Activities - Enterprise Fund		Total
	Food Service	School Aged Child Care	
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs	93,645.14	-	93,645.14
Daily Sales - Non-Reimbursable Programs	88,964.50	-	88,964.50
Program Revenue	-	244,662.40	244,662.40
Total Operating Revenues	182,609.64	244,662.40	427,272.04
OPERATING EXPENSES:			
Instructor Costs	-	168,560.09	168,560.09
Cost of Sales - Reimbursable Programs	86,143.15	-	86,143.15
Cost of Sales - Non- Reimbursable Programs	33,457.50	-	33,457.50
Payroll	143,759.93	-	143,759.93
General Supplies	21,378.40	13,880.35	35,258.75
Depreciation	3,168.00	6,374.00	9,542.00
Management Fee	23,320.08	-	23,320.08
Program Costs	-	28,373.14	28,373.14
Other Costs	10,632.04	1,571.32	12,203.36
Total Operating Expenses	321,859.10	218,758.90	540,618.00
Operating income (loss)	(139,249.46)	25,903.50	(113,345.96)
NONOPERATING REVENUES:			
State sources:			
State School Lunch and Breakfast Program	2,875.75	-	2,875.75
Federal sources:			
National School Lunch Program	91,206.96	-	91,206.96
National School Breakfast Program	21,644.24	-	21,644.24
Food Distribution Program	19,685.10	-	19,685.10
Interest on Investments	114.30	665.51	779.81
Total Nonoperating Revenues	135,526.35	665.51	136,191.86
Net Income/(loss)	(3,723.11)	26,569.01	22,845.90
Transfer to other Funds			
Interfund Cancelled		-	-
Net Position - July 1	48,308.48	185,127.70	233,436.18
Net Position - June 30	44,585.37	211,696.71	256,282.08

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

Business-type Activities -
Enterprise Fund

	Food Service	School Aged Child Care	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 190,186.71	262,380.27	452,566.98
Cash payments to employees for services	(143,759.93)	(168,560.09)	(312,320.02)
Cash payments to suppliers for goods and services	(146,112.75)	(43,824.81)	(189,937.56)
Net cash provided/(used) by operating activities	<u>(99,685.97)</u>	<u>49,995.37</u>	<u>(49,690.60)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Cash received from state and federal reimbursements	114,307.34	-	114,307.34
Purchase of capital assets	(12,584.78)	(6,315.00)	(18,899.78)
Operating subsidies and transfers from/(to) other funds	-	-	-
Interfund loans	-	1,073.90	1,073.90
Net cash provided by noncapital financing activities	<u>101,722.56</u>	<u>(5,241.10)</u>	<u>96,481.46</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest and Dividends	114.30	665.51	779.81
Net cash provided by investing activities	<u>114.30</u>	<u>665.51</u>	<u>779.81</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	2,150.89	45,419.78	47,570.67
Cash and Cash Equivalents, July 1	30,197.05	219,790.85	249,987.90
Cash and Cash Equivalents, June 30	<u>32,347.94</u>	<u>265,210.63</u>	<u>297,558.57</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income/(Loss)	(139,249.46)	25,903.50	(113,345.96)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash provided by (used for) Operating Activities:			
Depreciation	3,168.00	6,374.00	9,542.00
Federal Commodities	19,685.10		19,685.10
Change in assets and liabilities:			
(Increase) in accounts receivable	934.74	-	934.74
Decrease in inventory	5,990.70	-	5,990.70
(Decrease) in accounts payable	3,142.62	-	3,142.62
Increase in unearned revenue	6,642.33	17,717.87	24,360.20
Net Cash Provided by (Used for) Operating Activities	<u>\$ (99,685.97)</u>	<u>\$ 49,995.37</u>	<u>\$ (49,690.60)</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 25,354.77
Accounts Receivable	263.44

Total assets	25,618.21
LIABILITIES	
Accounts Payable	2,914.76
Payroll deductions and withholdings	543.29
Payable to Student Groups	22,160.16
Total liabilities	\$ 25,618.21

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Northfield School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education (Board) of the City of Northfield School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. REPORTING ENTITY:

The City of Northfield School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades Pre-K-8. Students in grades 9-12 attend Mainland Regional High School. The City of Northfield School District had an approximate enrollment at June 30, 2019 of 915 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS:

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The District's general, special revenue, capital project, and debt service activities are classified as governmental activities. The District's food service is classified as business-type activities.

In the governmental-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position are reported in three parts-invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions and business-type activities (food service and latch-key program). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, special education, student & instruction related services, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, interest income, etc.).

- a. The District does allocate indirect costs such as depreciation expense, compensated absences, On-behalf TPAF Pension Contributions, On-behalf TPAF Post Retirement Medical Contributions and Reimbursed TPAF Social Security Contributions.

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities. Fiduciary funds are not included in the government-wide statements.

C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The State of New Jersey Department of Education has mandated that all New Jersey School Districts must report all governmental funds as major, regardless of the fund meeting the GASB definition of a major fund. However, the criteria is applied to proprietary funds.

The following fund types are used by the District:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District.

- a. **General fund** is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. **Special revenue** funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The special revenue fund is specifically used to account for state and federal grant monies that have been allocated to the District.
- c. **Capital projects** funds are used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds.
- d. **Debt Service** funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – 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.

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.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

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.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

The details of the fund balances are included in the Governmental Funds Balance Sheet. 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.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

- a. **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designated to recover similar costs. The District’s enterprise funds consist of a food service fund and after school care fund.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position, and are reported using accounting principles similar to proprietary funds.

The District’s fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. FINANCIAL STATEMENT AMOUNTS

1. Cash and Cash Equivalents:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

NJSA 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental units.

2. Investments:

Investments, including deferred compensation and pension funds, are stated at fair value, (quoted market price or the best available estimate). Interest earned on investments in the Capital Projects Fund is recognized as a reserve to pay future debt service or transferred to the general fund.

3. Inventories:

Inventories in the general fund consist of expendable supplies held for the District’s use and are carried at cost using the first-in, first-out method. Inventories in the enterprise fund are valued at cost, which approximates market, using the first-in, first –out method. As of June 30, 2019, the District did not have inventory in the general fund and had the following inventory in the enterprise fund:

Food	\$ 9,067.50
Supplies	944.00
Total	<u>\$ 10,011.50</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2019 is \$8,344.

4. Capital:

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	10-50 years
Equipment & Vehicles	5-10 years
Improvements	10-50 years
Furniture & Equipment	5-20 years

5. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are susceptible to accrual and under New Jersey State Statutes 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. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements are met. Resources transmitted before eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient. Program revenues, including tuition revenue are reported as reductions to expenses in the statement of activities.

6. Expenditures:

Expenses are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

7. Compensated absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the District-wide Financial Statements as a Governmental Activity.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

8. Interfund Activity:

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

9. 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 for approval and, as long as the District budget is within State mandated CAPs, there is no public vote on the budget. If the budget exceeds State mandated CAPS, the voters have an opportunity to approve or reject the budget at the regular election held in November. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-2(g). Transfers of appropriations may be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. The following are the major transfers made during the year.

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City of Northfield School District
Notes to Financial Statements
June 30, 2019

	<u>To</u>	<u>From</u>
Regular Programs - Salaries of Teachers		
Grades 6-8		11,882.00
Regular Programs - General Supplies	20,491.24	
Basic Skills - Salaries of Teachers		48,356.00
Tuition to CSSD & Regional Day Schools		25,739.00
Tuition - Other	27,043.20	
Other Support Services - Students - Related Services		
Salaries	12,500.00	
Undistributed Expenditures - Media Services -Salaries	18,000.00	
Undistributed Expenditures - Admin Info Technology		
Salaries	10,950.40	
Operations and Maintenance - General Supplies		10,882.00
Unallocated Benefits - Health Benefits		34,899.00
Unallocated Benefits - Other Employee Benefits	17,497.00	
Unallocated Benefits - Unused Sick Payments	12,820.00	

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

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

10. Encumbrances

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

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

**City of Northfield School District
Notes to Financial Statements
June 30, 2019**

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.

11. Tuition Payable

Tuition charges for the fiscal years 2018/19 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

12. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those results.

13. Allocation of Costs

In the government-wide statement of activities, the District has allocated unallocated benefits to various programs based on the actual expenditures by program.

14. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and Public Employee Retirement System (PERS) and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the TPAF and PERS. 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.

F. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84 “Fiduciary Activities.” This statement, which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District’s financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 “Leases”. This statement, which is effective for reporting periods beginning after December 15, 2019, may have an effect on the District’s financial reporting.

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period”. This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District’s financial reporting.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, “Majority Equity Interests – an amendment of GASB Statement No. 14 and No. 61”. This statement,

City of Northfield School District
Notes to Financial Statements
June 30, 2019

which is effective for fiscal period beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In May 2019, the Governmental Accounting Standards Board (GASB) issued Statement No. 91, "Conduit Debt Obligations". This statement is effective for fiscal periods beginning after December 15, 2020, will not have any effect on the District's financial reporting.

NOTE 2. INVESTMENTS

As of June 30, 2019, the District had no investments.

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

NOTE 3. CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2019, \$0 of the District's bank balance of \$2,807,408.02 was exposed to custodial credit risk.

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City of Northfield School District
Notes to Financial Statements
June 30, 2019

NOTE 4. FIXED ASSETS

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

	Balance			Adjustment	Balance
	June 30, 2018	Additions	Disposals	s	June 30, 2019
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ -				-
Construction in Progress	-				-
Total capital assets not being depreciated	-	-	-	-	-
Land Improvements	1,437,107.00				1,437,107.00
Bldg and bldg improve	22,583,358.77				22,583,358.77
Machinery & equipment	803,767.59	82,090.40	(19,574.00)		866,283.99
Total at historical cost	24,824,233.36	82,090.40	(19,574.00)	-	24,886,749.76
Less accum depr for:					
Land Improvements	(646,108.00)	(50,590.00)		10,632.00	(686,066.00)
Bldg and improve	(7,702,320.00)	(690,015.00)			(8,392,335.00)
Machinery & equipment	(562,845.85)	(47,196.15)	15,656.00	1,814.00	(592,572.00)
Total accum deprec	(8,911,273.85)	(787,801.15)	15,656.00	12,446.00	(9,670,973.00)
Total capital assets being depr, net of accum depr	15,912,959.51	(705,710.75)	(3,918.00)	12,446.00	15,215,776.76
Governmental activities capital assets, net	15,912,959.51	(705,710.75)	(3,918.00)	12,446.00	15,215,776.76
Business-type activities:					
Equipment	300,244.00	18,898.00	(19,283.00)		299,859.00
Less accum depr for:					
Equipment	(261,492.00)	(9,542.00)	19,283.00		(251,751.00)
Business-type activities capital assets, net	38,752.00	9,356.00	-	-	48,108.00

City of Northfield School District
Notes to Financial Statements
June 30, 2019

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 398,307.04
Special education	164,268.12
Other special instruction	35,150.48
Student & instruction related services	95,924.39
School administrative expenses	28,989.41
General and business administration	28,517.14
Central Services	24,158.54
Information Technology	12,486.03
	\$ 787,801.15

NOTE 5. GENERAL LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Issued	Retired	Balance June 30, 2019	Amounts Due Within One Year
General Obligation	\$ 4,716,000.00		660,000.00	4,056,000.00	650,000.00
Compensated Absences	382,211.63	11,777.67		393,989.30	-
Capital Lease	-	32,100.00	10,700.00	21,400.00	10,700.00
Net Pension Liability	3,605,113.00		446,703.00	3,158,410.00	-
	\$ 8,703,324.63	43,877.67	1,117,403.00	7,629,799.30	660,700.00

A. Bonds Payable – Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On July 22, 2015, the Board issued \$5,678,000 in school refunding bonds, due in annual installments through 2025, with variable interest rates between 2.125% and 2.50%. The balance remaining as of June 30, 2019 is \$3,998,000.

On December 17, 2009, the Board issued \$468,000 in general obligation bonds, due in annual installment through 2020, with interest rate of 4.3%. The balance remaining as of June 30, 2019 is \$58,000.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

Debt Service requirements on serial bonds payable at June 30, 2019 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	658,000.00	83,853.26	741,853.26
2021	600,000.00	69,856.26	669,856.26
2022	600,000.00	57,106.26	657,106.26
2023	575,000.00	44,621.88	619,621.88
2024	550,000.00	32,325.00	582,325.00
2025-2026	1,073,000.00	26,143.75	1,099,143.75
	\$ 4,056,000.00	313,906.41	4,369,906.41

NOTE 6. PENSION PLANS

Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teacher's Pension and Annuity Fund cost-sharing multiple-employer defined benefit pension plans 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 or the reports can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund

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

Public Employees' Retirement System

City of Northfield School District
Notes to Financial Statements
June 30, 2019

The Public Employees' Retirement System was established in January, 1955 under the provisions 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 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.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 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. TPAF and PERS provide for employee contributions of 7.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 27.5% and the PERS rate is 14.11% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2019, 2018 and 2017 were \$964,150.00, \$963,008, and \$686,465, respectively, and paid by the State of New Jersey on behalf of the board. The School District's contributions to PERS for the years ending June 30, 2019, 2018 and 2017 were \$160,582.00, \$145,194.84, and \$148,109, respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2019, 2018 and 2017, the State of New Jersey contributed \$562,235, \$621,378, and \$572,808, respectively, to the TPAF for post-retirement medical benefits on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$517,017.16, \$546,552.66 and \$494,602 during the same fiscal years for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in GASB 27.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teachers' Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

NOTE 7: PUBLIC EMPLOYEES' RETIREMENT SYSTEM

At June 30, 2019, the District reported a liability of \$3,158,410 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was .01604108800% which was an increase of 3.58% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$194,457. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 60,231.00	16286
Changes of assumptions	520,454.00	1009892
Net difference between projected and actual earnings on pension plan investments		29,626.00
Changes in proportion and differences between District contributions and proportionate share of contributions	230,638.00	197,181.00
District contributions subsequent to the measurement date	<u>159,557.00</u>	
Total	<u>\$ 970,880.00</u>	<u>\$ 1,252,985.00</u>

\$159,557 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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 June 30,</u>	
2019	\$ 17,821.00
2020	(30,542.00)
2021	(195,896.00)
2022	(175,509.00)
2023	<u>(57,536.00)</u>
Total	<u>\$ (441,662.00)</u>

**City of Northfield School District
Notes to Financial Statements
June 30, 2019**

Actuarial Assumptions

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

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.00%

Pre-retirement 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. Post-retirement 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 and a one-year static projection based on mortality improvement Scale AA. 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).

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 experience deviates, the larger the impact on future financial statements.

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

City of Northfield School District
Notes to Financial Statements
June 30, 2019

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Funds	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 Markets Equ	11.50%	9.00%
Emerging Markets 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% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 contributed 50% of the actuarially determined contributions and the local employers contributed 100% 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 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participated employers 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:

City of Northfield School District
Notes to Financial Statements
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	1% Decrease █ (4.66%)	Current Discount Rate █ (5.66%)	1% Increase █ (6.66%)
District's proportionate share of the net pension liability	\$ 3,797,208	3,158,410	2,622,821.61

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 8. TEACHERS' PENSION AND ANNUITY FUND (TPAF)

At June 30, 2019, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ -
State's proportionate share of the net position liability associated with the District	<u>40,576,219.00</u>
Total	<u>\$ 40,576,219.00</u>

The net pension liability was measured as of June 30, 2018 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 school districts and the State, actuarially determined. At June 30, 2018, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$2,365,452 and revenue of \$2,365,452 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

City of Northfield School District
Notes to Financial Statements
June 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 905,845.00	61,377.00
Changes of assumptions	7,050,219.00	10,255,217
Net difference between projected and actual earnings on pension plan investments		3,695.00
Changes in proportion and differences between District contributions and proportionate share of contributions	1,713,823.00	
District contributions subsequent to the measurement date	964,150.00	
Total	<u>\$ 10,634,037.00</u>	<u>10,320,289.00</u>

\$964,150 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 70,461.00
2020	36,660.00
2021	(39,115.00)
2022	(26,183.00)
2023	(128,973.00)
Thereafter	(563,253.00)
Total	<u>\$ (650,403.00)</u>

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation 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 assumptions, applied to all period included in the measurement:

Inflation Rate	2.25%
Salary increases	
2012-2021	1.55-4.55%
Thereafter	2.00-5.45%
Investment rate of return	7.00%

City of Northfield School District
Notes to Financial Statements
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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% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

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City of Northfield School District
Notes to Financial Statements
June 30, 2019

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return.
Risk Mitigation Services	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 Funds	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 Markets Equit	11.50%	9.00%
Emerging Markets 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 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.78% as of June 30, 2018, 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 District's proportionate share of the net pension liability to changes in the discount rate.

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.86% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.86%) or 1-percentage point higher (5.86%) than the current rate:

City of Northfield School District
Notes to Financial Statements
June 30, 2019

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
District's proportionate share of the net pension liability	\$ -	-	-

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

NOTE 9. OTHER POST-RETIREMENT BENEFITS

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirement. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, and increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportional share percentage determined under paragraphs 193 and 203 through 205 of GASBS no. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State CAFR at <https://www.nj.gov/treasury/omb/cafr.shtml>.

Actuarial assumptions and other imputes:

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate: The discount rate basis under GASB 75 is required to be consistent with a 20-Year Municipal Bond Index. The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate will be based on this index rate that is reported on the last Friday prior to the measurement date.

The discount rates as of June 30, 2016, 2017, and 2018 are 2.58%, 3.58%, and 3.87%, respectively.

Health Care Trend: For pre-Medicare PPO medical benefits, the initial amount is 5.8% and decreases to 5.0% long term trend rate after 8 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after 8 years. For prescription drug benefits, the initial trend rate is 8% decreasing to a 5.0% long-term trend rate after 7 years.

Salary Scale: The salary scale assumptions in the calculation of Entry Age Normal (Level Percent) liability and normal costs will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.

Mortality rates were based on RP-2006 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

Pre-retirement Healthy Mortality: RP-2006 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.

Post-retirement Healthy Mortality: RP-2006 headcount-weighted healthy annuitant male/female

City of Northfield School District
Notes to Financial Statements
June 30, 2019

mortality table with fully generational improvement projections from the central year using scale MP-2017.

Disabled Mortality: RP-2006 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

Changes in the Total OPEB liability reported by the State of New Jersey:

Balance at 6/30/17	\$ 53,639,841,858.00
Changes for the year:	
Service cost	1,984,642,729.00
Interest	1,970,236,232.00
Differences between Expected & Actual Experiences	(5,002,065,740.00)
Changes in assumptions or other inputs	(5,291,448,855.00)
Contributions: Member	42,614,005.00
Benefit payments	<u>(1,232,987,247.00)</u>
Net changes	<u>(7,529,008,876.00)</u>
Balance at 6/30/18	<u>\$ 46,110,832,982.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% in 2017 to 3.87% in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability (School Retirees)	54,512,391,175.00	46,110,832,982.00	39,432,461,816.00

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

City of Northfield School District
Notes to Financial Statements
June 30, 2019

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	38,113,289,045.00	46,110,832,982.00	56,687,891,003.00

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

For the year ended June 30, 2019, the board of education recognized OPEB expense of \$1,249,212 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

In accordance with GASB 75, the board of education’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. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees’ OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (4,476,086,167.00)
Changes of assumptions		(10,335,978,867.00)
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
Total	<u>\$ -</u>	<u>(14,812,065,034.00)</u>

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

<u>Year ended June 30,</u>	
2019	\$ (1,825,218,593.00)
2020	(1,825,218,593.00)
2021	(1,825,218,593.00)
2022	(1,825,218,593.00)
2023	(1,825,218,593.00)
Thereafter	(5,685,972,069.00)
Total	<u>\$ (14,812,065,034.00)</u>

City of Northfield School District
Notes to Financial Statements
June 30, 2019

(Contributions made after June 30, 2018 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

NOTE 10. 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 policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee and are capped based on the terms stated in the various contracts.

In the District-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

TSA Consulting Group

NOTE 12. 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 commercial insurance coverage for property, liability and surety bonds. During the fiscal year ended June 30, 2019 the District did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 11,063.31	1,035.00
Special Revenue Fund	1,035.00	
School Aged Child Care		11,063.31

Interfunds were created throughout the year due to short term borrowings to cover cash flow needs in the various funds. It is anticipated that all interfunds will be liquidated during the fiscal year. All governmental fund interfunds are eliminated in the governmental-wide statements, except for Due From Agency, which is a Fiduciary Fund.

NOTE 14. ECONOMIC DEPENDENCY

The District receives support from the federal government and from the state government. A significant reduction in the level of support, if this were to occur, would have an effect on the District’s programs and activities.

NOTE 15 – MAINTENANCE RESERVE ACCOUNT

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

The activity of the Maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	\$ 252,480
Budgeted Increase - FY 2019	50,000
	<hr/>
Ending Balance, June 30, 2019	<u>\$ 302,480</u>

NOTE 16. FUND BALANCE APPROPRIATED

General Fund – Of the \$2,156,080.24 General Fund fund balance at June 30, 2019, \$85,613.54 is reserved for encumbrances; \$967,538.00 is reserved as excess surplus in accordance with N.J.S.A.

City of Northfield School District
Notes to Financial Statements
June 30, 2019

18A:7F-7 (\$453,465.39 of the total reserve for excess surplus has been appropriated and also included as anticipated revenue for the year ending June 30, 2020); \$0 has been legally restricted and included as anticipated revenue for the year ending June 30, 2020; \$302,480.00 has been reserved in the Maintenance Reserve Account; \$513,810.93 has been reserved in the Capital Reserve Account, and \$286,637.77 is unreserved and undesignated.

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Reserved Fund Balance – Excess Surplus is a required calculation. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$967,538, of which \$453,465.39 has been appropriated and included as anticipated revenue for the year ended June 30, 2020.

NOTE 18. LITIGATION

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any legal proceedings will not have any adverse effect on the accompanying financial statements.

NOTE 19. SUBSEQUENT EVENTS

The District has evaluated events through December 2, 2019, the date on which the financial statements were available to be issued and no additional items were noted for disclosure.

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Required Supplemental Information
Part II

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BUDGETARY COMPARISON SCHEDULES

The budgetary comparison schedules consist of the comparison of anticipated revenues and budgeted expenditures to actual results for the general and special revenue funds.

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**CITY OF NORTHFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,609,682.00	-	9,609,682.00	9,609,682.00	-
Tuition	12,000.00	-	12,000.00	30,000.00	18,000.00
Interest Earned on Investments	2,000.00	-	2,000.00	3,976.02	1,976.02
Interest Earned on Maintenance Reserve Funds	480.00	-	480.00	480.00	-
Interest Earned on Capital Reserve Funds	720.00	-	720.00	720.00	-
Miscellaneous	43,000.00	-	43,000.00	45,110.48	2,110.48
Total - Local Sources	9,667,882.00	-	9,667,882.00	9,689,968.50	22,086.50
State Sources:					
Equalization Aid	3,234,667.00	-	3,234,667.00	3,234,667.00	-
Special Education Categorical Aid	666,852.00	-	666,852.00	666,852.00	-
Categorical Security Aid	114,731.00	-	114,731.00	114,731.00	-
Categorical Transportation Aid	59,085.00	-	59,085.00	59,085.00	-
Nonpublic Transportation Aid	-	-	-	4,350.00	4,350.00
Extraordinary Special Education Aid	40,000.00	-	40,000.00	49,403.00	9,403.00
On-Behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,237,844.00	1,237,844.00
On-Behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	562,235.00	562,235.00
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	517,017.16	517,017.16
Total - State Sources	4,115,335.00	-	4,115,335.00	6,446,184.16	2,330,849.16
Federal Sources:					
Medicaid Aid Reimbursement	13,175.00	-	13,175.00	11,906.48	(1,268.52)
Total - Federal Sources	13,175.00	-	13,175.00	11,906.48	(1,268.52)
Total Revenues	\$ 13,796,392.00	-	13,796,392.00	16,148,059.14	2,351,667.14

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool and Kindergarten	\$ 425,087.00	-	425,087.00	420,996.00	4,091.00
Grades 1-5	2,282,191.00	(3,500.00)	2,278,691.00	2,254,621.02	24,069.98
Grades 6-8	1,880,286.00	(11,882.00)	1,868,404.00	1,833,885.99	34,518.01
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000.00	2,000.00	7,000.00	6,394.50	605.50
Regular Programs - Undistributed Instruction:					
Other Purchased Services (400-500 series)	30,500.00	1,000.00	31,500.00	27,795.63	3,704.37
General Supplies	176,000.00	20,491.24	196,491.24	194,288.34	2,202.90
Textbooks	60,000.00	1,198.00	61,198.00	61,146.82	51.18
Other Objects	6,600.00	(365.00)	6,235.00	3,394.69	2,840.31
Total Regular Programs	4,865,664.00	8,942.24	4,874,606.24	4,802,522.99	72,083.25
Special Education - Multiple Disabilities					
Salaries of Teachers	187,716.00	(3,000.00)	184,716.00	183,575.12	1,140.88
Other Salaries for Instruction	302,121.00	6,000.00	308,121.00	303,125.06	4,995.94
General Supplies	3,000.00	(1,000.00)	2,000.00	1,687.10	312.90
Other Objects	-	-	-	-	-
Total Multiple Disabilities	492,837.00	2,000.00	494,837.00	488,387.28	6,449.72
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	1,046,596.00	(3,000.00)	1,043,596.00	1,037,352.03	6,243.97
Other Salaries for Instruction	363,141.00	(2,300.00)	360,841.00	356,579.57	4,261.43
General Supplies	4,000.00	(48.00)	3,952.00	3,620.10	331.90
Other Objects	-	-	-	-	-
Total Resource Room/Resource Center	1,413,737.00	(5,348.00)	1,408,389.00	1,397,551.70	10,837.30
Special Education - Preschool Disabilities					
Salaries of Teachers	56,912.00	(900.00)	56,012.00	53,723.60	2,288.40
Other Salaries for Instruction	37,741.00	3,090.00	40,831.00	36,972.86	3,858.14
General Supplies	400.00	5,010.00	5,410.00	3,255.42	2,154.58
Other Objects	100.00	648.00	748.00	745.50	2.50
Total Preschool Disabilities - Part Time	95,153.00	7,848.00	103,001.00	94,697.38	8,303.62
Total Special Education - Instruction	2,001,727.00	4,500.00	2,006,227.00	1,980,636.36	25,590.64

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Home Instruction					
Salaries of Teachers	20,000.00	(800.00)	19,200.00	7,413.00	11,787.00
Total Home Instruction	20,000.00	(800.00)	19,200.00	7,413.00	11,787.00
Basic Skills/ Remedial - Instruction					
Salaries of Teachers	374,247.00	(48,356.00)	325,891.00	296,544.93	29,346.07
Total Basic Skills/Remedial - Instruction	374,247.00	(48,356.00)	325,891.00	296,544.93	29,346.07
Bilingual Education - Instruction					
Salaries of Teachers	58,692.00	800.00	59,492.00	59,479.84	12.16
Total Bilingual Education - Instruction	58,692.00	800.00	59,492.00	59,479.84	12.16
School Sponsored Cocurricular Activities - Instruction:					
Salaries	21,000.00	(333.50)	20,666.50	19,891.94	774.56
Other Objects	800.00	1,200.00	2,000.00	2,000.00	-
Total School Sponsored Cocurricular Activities - Instruction	21,800.00	866.50	22,666.50	21,891.94	774.56
School Sponsored Athletics - Instructor					
Salaries	28,849.00	2,759.00	31,608.00	31,608.00	-
Purchased Services (300-500 Series)	6,750.00	133.50	6,883.50	6,883.50	-
Total School Sponsored Athletics - Instruction	35,599.00	2,892.50	38,491.50	38,491.50	-
Total Instruction	7,377,729.00	(31,154.76)	7,346,574.24	7,206,980.56	139,593.68
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs within the State - Special	-	-	-	-	-
Tuition to CSSD & Regional Day Schools	356,587.00	(25,739.00)	330,848.00	205,333.00	125,515.00
Tuition to Private Schools for the Disabled- Within State	56,992.00	(6,304.20)	50,687.80	29,389.31	21,298.49
Tuition - Other	-	27,043.20	27,043.20	25,090.08	1,953.12
Total Undistributed Expenditures - Instructor	413,579.00	(5,000.00)	408,579.00	259,812.39	148,766.61

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Health Services:					
Salaries	109,069.00	5,106.88	114,175.88	114,175.88	-
Other Purchased Service (400-500 series)	-	-	-	-	-
Supplies and Materials	3,000.00	200.00	3,200.00	3,196.33	3.67
Total Undistributed Expenditures - Health Services	112,069.00	5,306.88	117,375.88	117,372.21	3.67
Other Support Services - Students - Related Services					
Salaries	195,478.00	12,500.00	207,978.00	207,687.72	290.28
Purchased Professional Educational Services	40,000.00	(2,000.00)	38,000.00	33,336.78	4,663.22
Supplies and Materials	3,000.00	-	3,000.00	2,464.02	535.98
Other Objects	-	-	-	-	-
Total Support Services - Students - Related Service	238,478.00	10,500.00	248,978.00	243,488.52	5,489.48
Other Support Services - Students - Extraordinary					
Salaries	25,861.00	(7,000.00)	18,861.00	18,664.80	196.20
Professional Services	-	5,000.00	5,000.00	4,787.50	212.50
Total Support Services - Students - Extraordinary	25,861.00	(2,000.00)	23,861.00	23,452.30	408.70
Undistributed Expenditures - Guidance					
Salaries	148,478.00	-	148,478.00	147,658.00	820.00
Supplies and Materials	2,000.00	(325.00)	1,675.00	550.61	1,124.39
Total Undistributed Services - Guidance	150,478.00	(325.00)	150,153.00	148,208.61	1,944.39
Undistributed Expenditures - Other Support Services - Students - Special (CHILD STUDY TEAM)					
Salaries of Other Professional Staff	234,384.00	6,122.84	240,506.84	240,505.90	0.94
Salaries of Secretarial and Clerical Assistants	59,178.00	0.16	59,178.16	59,178.00	0.16
Purchased Professional - Educational Services	1,500.00	-	1,500.00	1,453.50	46.50
Other Purchased Professional and Technical Services	24,000.00	(5,000.00)	19,000.00	17,912.00	1,088.00
Travel	100.00	-	100.00	-	100.00
Supplies and Materials	2,000.00	500.00	2,500.00	2,368.65	131.35
Total Undistributed Expenditures - Other Support Services - Students - Special	321,162.00	1,623.00	322,785.00	321,418.05	1,366.95

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Improvement of Instructional Services					
Salaries	91,435.00	-	91,435.00	91,434.96	0.04
Supplies and Materials	150.00	-	150.00	-	150.00
Other Objects	1,250.00	-	1,250.00	1,109.00	141.00
Total Undistributed Expenditures - Improvement of Instructional Services	92,835.00	-	92,835.00	92,543.96	291.04
Undistributed Expenditures - Educational Media Services/School Libran					
Salaries	80,885.00	18,000.00	98,885.00	97,892.86	992.14
Salaries of Technology Coordinators	40,670.00	-	40,670.00	40,669.92	0.08
Purchased Professional and Technical Service	2,250.00	-	2,250.00	1,506.00	744.00
Other Purchased Services (400-500 Services)	-	-	-	-	-
Supplies and Materials	35,000.00	(6,535.52)	28,464.48	28,114.13	350.35
Other Objects	34,000.00	4,935.00	38,935.00	38,931.81	3.19
Total Undistributed Expenditures - Educational Media Services/School Libran	192,805.00	16,399.48	209,204.48	207,114.72	2,089.76
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional -Educational Services	3,500.00	-	3,500.00	2,994.50	505.50
Other Purchased Services (400-500 Services)	100.00	-	100.00	-	100.00
Other Objects	-	-	-	-	-
Total Undistributed Expenditures - Instructional Staff Training Services	3,600.00	-	3,600.00	2,994.50	605.50
Undistributed Expenditures - Central Services					
Salaries	276,539.00	-	276,539.00	275,571.06	967.94
Purchased Professional Services	2,000.00	(1,000.00)	1,000.00	850.00	150.00
Purchased Technical Services	9,600.00	1,084.00	10,684.00	10,418.11	265.89
Other Purchased Services (400-500 Services)	1,500.00	(84.00)	1,416.00	830.29	585.71
Supplies and Materials	2,500.00	(182.60)	2,317.40	1,635.67	681.73
Other Objects	1,800.00	182.60	1,982.60	1,982.60	-
Total Undistributed Expenditures - Central Services	293,939.00	-	293,939.00	291,287.73	2,651.27
Undistributed Expenditures - Administration Information Technology					
Salaries	84,870.00	410.00	85,280.00	85,279.92	0.08
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	10,950.40	10,950.40	10,950.40	-
Supplies and Materials	4,000.00	1,100.00	5,100.00	3,579.24	1,520.76
General Supplies	63,100.00	(6,445.00)	56,655.00	50,738.79	5,916.21
Total Undistributed Expenditures - Administration Information Technology	151,970.00	6,015.40	157,985.40	150,548.35	7,437.05

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Support Services - Gen. Admin.					
Salaries	193,637.00	500.00	194,137.00	194,136.96	0.04
Legal Services	75,000.00	(7,500.00)	67,500.00	47,994.74	19,505.26
Audit Fees	19,750.00	(730.00)	19,020.00	15,500.00	3,520.00
Other Purchased Prof. Services	14,000.00	-	14,000.00	11,378.38	2,621.62
Purchased Technical Services	5,500.00	2,028.09	7,528.09	7,528.09	-
Communications/Telephone	34,000.00	(2,028.09)	31,971.91	26,580.39	5,391.52
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	35,000.00	-	35,000.00	23,714.86	11,285.14
General Supplies	4,500.00	-	4,500.00	4,410.74	89.26
Judgements Against the School	-	7,500.00	7,500.00	-	7,500.00
Miscellaneous Expenditures	5,500.00	(32.45)	5,467.55	4,564.25	903.30
BOE Membership Dues & Fees	8,000.00	32.45	8,032.45	8,032.45	-
Total Undistributed Expenditures - Support Services - Gen. Admin	394,887.00	(230.00)	394,657.00	343,840.86	50,816.14
Undistributed Expenditures - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals/Program Directors	225,102.00	-	225,102.00	225,102.00	-
Salaries of Secretarial and Clerical Assistants	112,866.00	115.00	112,981.00	112,967.24	13.76
Other Purchased Services		-	-	-	-
Supplies and Materials	9,522.91	(115.00)	9,407.91	7,841.10	1,566.81
Other Objects	4,672.00	(618.00)	4,054.00	3,624.85	429.15
Total Undistributed Expenditures - Support Serv. - School Admin	352,162.91	(618.00)	351,544.91	349,535.19	2,009.72
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	112,383.00	1,153.00	113,536.00	113,535.39	0.61
Maintenance Contracts	100,000.00	7,748.13	107,748.13	101,438.97	6,309.16
General Supplies	50,000.00	7,442.68	57,442.68	48,869.05	8,573.63
Total Undistributed Expenditures - Required Maintenance for School Facilities	262,383.00	16,343.81	278,726.81	263,843.41	14,883.40

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Undistributed Expenditures - Operation and Maintenance - Custodial Services:					
Salaries	297,936.00	(2,717.65)	295,218.35	288,691.81	6,526.54
Salaries of Non-Instructional Aides	24,160.00	(3,500.00)	20,660.00	18,236.20	2,423.80
Lease Rent Payments	-	-	-	-	-
Other Purchased Property Services	8,500.00	3,000.00	11,500.00	10,426.24	1,073.76
Insurance	54,335.00	(475.00)	53,860.00	52,186.00	1,674.00
Miscellaneous Purchased Services	3,275.00	1,225.00	4,500.00	4,500.00	-
General Supplies	35,000.00	(10,882.00)	24,118.00	22,024.13	2,093.87
Energy (Natural Gas)	85,000.00	(5,626.16)	79,373.84	52,317.32	27,056.52
Energy (Electricity)	265,000.00	(750.00)	264,250.00	236,705.02	27,544.98
Total Undistributed Exp - Operation and Maintenance - Custodial Services:	773,206.00	(19,725.81)	753,480.19	685,086.72	68,393.47
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	-	-	21,000.00	13,776.62	7,223.38
Cleaning, Repair and Maintenance Services	21,000.00	-	-	-	-
General Supplies	-	-	-	-	-
Total Undistributed Expenditures - Care and Upkeep of Grounds:	21,000.00	-	21,000.00	13,776.62	7,223.38
Undistributed Expenditures - Security					
Salaries	17,198.00	2,500.00	19,698.00	19,694.11	3.89
Total Undistributed Expenditures - Security:	17,198.00	2,500.00	19,698.00	19,694.11	3.89
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	1,073,787.00	(882.00)	1,072,905.00	982,400.86	90,504.14
Undistributed Expenditures - Student Transportation Services					
Contracted Services - (Other Than Between Home and School) - Vendors:	12,000.00	365.00	12,365.00	9,015.00	3,350.00
Contracted Services - (Between Home and School) - Joint Agreements	12,000.00	-	12,000.00	11,659.98	340.02
Contracted Services - (Sp Ed Students) - Vendors	25,000.00	-	25,000.00	-	25,000.00
Contracted Services - (Sp Ed Students) - Joint Agreements	225,000.00	-	225,000.00	199,233.78	25,766.22
Contracted Services - Aid in Lieu of Payments-Non Public School	23,000.00	-	23,000.00	6,630.00	16,370.00
Miscellaneous Purchased Services - Transportator	-	-	-	-	-
Total Undistributed Expenditures - Student Transportation Serv	297,000.00	365.00	297,365.00	226,538.76	70,826.24

CITY OF NORTHFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Unallocated Benefits:					
Social Security Contributions	170,000.00	-	170,000.00	164,578.87	5,421.13
Other Retirement Contributions - PERS	160,000.00	582.00	160,582.00	160,167.16	414.84
Other Retirement Contributions - Regular	25,000.00	4,000.00	29,000.00	28,896.40	103.60
Unemployment Compensation	38,000.00	-	38,000.00	36,914.13	1,085.87
Workmen's Compensation	73,000.00	-	73,000.00	70,928.00	2,072.00
Health Benefits	2,395,000.00	(34,899.00)	2,360,101.00	2,126,067.54	234,033.46
Tuition Reimbursement	25,975.00	-	25,975.00	20,591.40	5,383.60
Other Employee Benefits	32,000.00	17,497.00	49,497.00	49,496.51	0.49
Unused Sick Payment to Term/Ret Staff	400.00	12,820.00	13,220.00	13,220.00	-
Total Unallocated Benefits	2,919,375.00	-	2,919,375.00	2,670,860.01	248,514.99
On-Behalf TPAF Pension Contributions (Non-Budgeted)	-	-	-	1,237,844.00	(1,237,844.00)
On-Behalf TPAF Post Retirement Medical (Non-Budgeted)	-	-	-	562,235.00	(562,235.00)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	517,017.16	(517,017.16)
Total On-Behalf Contributions	-	-	-	2,317,096.16	(2,317,096.16)
Total Undistributed Expenditures	7,033,987.91	31,154.76	7,065,142.67	8,748,513.18	(1,683,370.51)
Total Current Expense	14,411,716.91	-	14,411,716.91	15,955,493.74	(1,543,776.83)
Capital Outlay:					
Undistributed Expenditures	6,000.00	-	6,000.00	5,842.15	157.85
Non-Instructional Equipment	6,000.00	-	6,000.00	5,842.15	157.85
Total Equipment					
Assets Acquired Under Capital Lease (non-budget)					
Undistributed Expenditures:					
Equipment:				32,100.00	(32,100.00)
Total Assets Acquired Under Capital Lease (non-budget)				32,100.00	(32,100.00)
Total Capital Outlay	6,000.00	-	6,000.00	37,942.15	(31,942.15)

CITY OF NORTHFIELD SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Transfers to Charter Schools	-	-	-	-	-
Total Expenditures	14,417,716.91	-	14,417,716.91	15,993,435.89	(1,575,718.98)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(621,324.91)	-	(621,324.91)	154,623.25	775,948.16
Other Financing Sources (Uses):					
Assets acquired by Capital Lease				32,100.00	32,100.00
Total Other Financing Sources (Uses)				32,100.00	32,100.00
Fund Balances, July 1	1,969,356.99		1,969,356.99	1,969,356.99	-
Fund Balances, June 30	1,348,032.08		1,348,032.08	2,156,080.24	808,048.16

Recapitulation:

Restricted Fund Balance:

Capital Reserve 513,810.93
 Maintenance Reserve 302,480.00
 Excess Surplus

Designated for Subsequent Years Expenditures
 Current Year

Assigned Fund Balance:

Designated for Subsequent Years Expenditures
 Reserve for Encumbrances

Unassigned Fund Balance

Reconciliation to Governmental Funds Statements (GAAP):
 Last State Aid Payment not Recognized on GAAP Basis

Fund Balance Per Governmental Funds (GAAP)

513,810.93
302,480.00
453,465.39
514,072.61
-
85,613.54
286,637.77
<u>2,156,080.24</u>
<u>(391,246.00)</u>
<u>1,764,834.24</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance with Under/(Over) Final Budget to Actual
REVENUES:					
Local Sources	-	2,054.01	2,054.01	2,054.01	-
State Sources:	-	951,030.00	951,030.00	737,396.20	(213,633.80)
Federal Sources:	423,289.00	172,071.30	595,360.30	539,589.79	(55,770.51)
Total Revenues	423,289.00	1,125,155.31	1,548,444.31	1,279,040.00	(269,404.31)
EXPENDITURES:					
Instruction					
Salaries of Teachers	213,305.00	158,718.00	372,023.00	369,702.07	2,320.93
Purchased Prof. and Technical Services	-	4,000.00	4,000.00	4,000.00	-
General Supplies	7,500.00	104,115.70	111,615.70	111,615.70	-
Tuition	168,747.00	3,280.00	172,027.00	172,027.00	-
Other Objects	-	8,054.01	8,054.01	5,051.51	3,002.50
Total Instruction	389,552.00	278,167.71	667,719.71	662,396.28	5,323.43
EXPENDITURES (CONTD):					
Support Services					
Program Administration - Salaries	-	40,054.00	40,054.00	25,471.03	14,582.97
Personal Services- Employee Benefits	-	88,546.49	88,546.49	29,626.25	58,920.24
Professional and Technical Services	33,737.00	24,386.98	58,123.98	43,052.11	15,071.87
Educational Services	-	636,480.00	636,480.00	465,590.09	170,889.91
Supplies and Materials	-	920.00	920.00	227.97	692.03
Other Objects	-	-	-	-	-
Total Support Services	33,737.00	790,387.47	824,124.47	563,967.45	260,157.02
Facilities acquisition and construction services:					
Instructional Equipment	-	46,042.80	46,042.80	42,118.94	3,923.86
Non-Instructional Equipment	-	10,557.33	10,557.33	10,557.33	-
Building Renovations	-	-	-	-	-
Total Facilities acquisition and construction services	-	56,600.13	56,600.13	52,676.27	3,923.86
Total expenditures	423,289.00	1,125,155.31	1,548,444.31	1,279,040.00	269,404.31
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-

CITY OF NORTHFIELD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2019

Note A - Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	C-1; C-2	16,148,059.14	1,279,040.00
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized			
Prior Year			235.00
Current year			(159,609.94)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		380,322.00	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(391,246.00)	(111,885.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	B-2	16,137,135.14	1,007,780.06
 Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	C-1; C-2	15,993,435.89	1,279,040.00
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is place for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Prior Year			235.00
Current year			(159,609.94)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	B-2	15,993,435.89	1,119,665.06

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Required Supplemental Information
Part III

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CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employee Retirement System
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.016041088%	0.0154869444%	0.0166716998%	0.0157709648%	0.0163436872%	0.0152836260%
District's proportionate of the net pension liability (asset)	3,158,410.00	3,605,113.00	4,937,679.29	3,540,265.57	3,059,985.24	2,921,004.60
District's covered payroll	1,153,239.00	1,110,770.00	1,058,262.00	1,094,923.00	1,104,303.00	Not available
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	273.87%	324.56%	466.58%	323.33%	277.10%	
Plan fiduciary net position as a percentage of the total pension liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of District Contributions
Public Employee Retirement System
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
Contractually required contribution	159,557.00	143,470.00	148,109.00	135,588.00	134,735.00	124,089.00
Contributions in relation to the contractually required contribution	159,557.00	143,470.00	148,109.00	135,588.00	134,735.00	124,089.00
Contribution deficiency (excess)	\$ -	-	-	-	-	-
District's covered-employee payroll	1,153,239.00	1,110,770.00	1,058,262.00	1,094,923.00	1,104,303.00	Not available
Contributions as a percentage of covered-employee payroll	13.84%	12.92%	14.00%	12.38%	12.20%	#VALUE!

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund
Last Six Fiscal Years

	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	-	-	-	-	-
State's proportionate share of the net pension liability (asset) associated with the District	40,576,219.00	41,148,480.00	46,781,937.00	39,649,051.00	34,084,659.00	31,883,506.00
Total	40,576,219.00	41,148,480.00	46,781,937.00	39,649,051.00	34,084,659.00	31,883,506.00
District's covered payroll	7,215,992	7,014,131.00	6,632,902.54	6,381,729.39	6,158,582.81	5,887,285.89
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.64%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for six years. Additional years will be presented as they become available.

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Public Employee Retirement System and Teachers' Pension and Annuity Fund
Last Three Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>31,124,777.00</u>	<u>36,878,476.00</u>	<u>39,638,026.00</u>
Total	<u>\$ 31,124,777.00</u>	<u>36,878,476.00</u>	<u>39,638,026.00</u>
District's covered payroll	8,369,231.00	8,124,901.00	7,691,164.54
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period.
However, information is only currently available for three years.
Additional years will be presented as they become available.

Other Supplementary Information

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SPECIAL REVENUE FUND

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

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CITY OF NORTHFIELD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenue and Expenditures
Budgetary Basis
For the Fiscal Year Ended June 30, 2019

	Title I	Title II A	IDEA Basic	IDEA Pre-K	Title IV	Total Federal	Preschool	Total State	Lowes Education Grant	Atlanticare Garden Grant	Local Projects	Total
REVENUES:												
Federal Sources	236,629.00	49,360.96	216,386.00	11,136.00	26,074.83	539,589.79	737,396.20	737,396.20	2,004.01	50.00	2,054.01	539,589.79
State Sources												737,396.20
Local Sources												2,054.01
Total revenues	236,629.00	49,360.96	216,386.00	11,136.00	26,074.83	539,589.79	737,396.20	737,396.20	2,004.01	50.00	2,054.01	1,279,040.00
EXPENDITURES												
Instruction												
Salaries of Teachers	227,054.00	5,600.00	37,366.00	11,000.00	1,316.00	271,336.00	98,364.07	98,364.07	-	-	-	369,702.07
Unfunded Prof. and Technical Services			161,027.00		4,000.00	172,027.00	-	-	-	-	-	172,027.00
General Supplies	1,744.00		1,157.00	136.00	20,898.15	23,135.15	88,480.55	88,480.55	2,004.01	50.00	2,054.01	111,615.70
Other Objects						-	2,997.50	2,997.50				5,051.51
Total instructor	228,798.00	5,600.00	169,552.00	11,136.00	25,414.15	470,500.15	189,842.12	189,842.12	2,004.01	50.00	2,054.01	662,396.28
Support services:												
Program Administration - Salaries	7,831.00	9,074.00	3,696.00			12,770.00	12,701.03	12,701.03				25,471.03
Personal Services- Employee Benefits		1,122.57	3,141.00		100.68	12,195.25	17,431.00	17,431.00				29,626.25
Professional and Technical Services		31,378.30	10,000.00		560.00	41,938.30	1,113.81	1,113.81				43,052.11
Educational Services		2,186.09				2,186.09	463,404.00	463,404.00				465,590.09
Supplies and Materials						-	227.97	227.97				227.97
Other Objects						-	-	-				-
Total support services	7,831.00	43,760.96	16,837.00	-	660.68	69,089.64	494,877.81	494,877.81	-	-	-	563,967.45
Facilities Acquisition and Construction Services:												
Instructional Equipment							42,118.94	42,118.94				42,118.94
Non-instructional Equipment							10,557.33	10,557.33				10,557.33
Total Facilities Acquisition and Construction Services:	-	-	-	-	-	-	52,676.27	52,676.27	-	-	-	52,676.27
Total expenditures	236,629.00	49,360.96	216,386.00	11,136.00	26,074.83	539,589.79	737,396.20	737,396.20	2,004.01	50.00	2,054.01	1,279,040.00
Excess (Deficiency) of Revenues Over (Under) Expenditure	-	-	-	-	-	-	-	-	-	-	-	-

CITY OF NORTHFIELD SCHOOL DISTRICT
Special Revenue Fund
Preschool Education Aid
Budgetary Basis
For the Year Ended June 30, 2019

	Total		
	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 100,685.00	98,364.07	2,320.93
General Supplies	88,480.55	88,480.55	-
Other Objects	6,000.00	2,997.50	3,002.50
Total Instruction	<u>195,165.55</u>	<u>189,842.12</u>	<u>5,323.43</u>
Support Services:			
Salaries of Other Professional Staff	6,866.60	4,995.72	1,870.88
Salaries of Program Directors	15,000.00	7,200.00	7,800.00
Salaries of Secretarial and Clerical Assistants	1,133.40	505.31	628.09
Personal Services - Employee Benefits	32,750.51	17,431.00	15,319.51
Purchased Professional Educational Services	642,593.81	464,517.81	178,076.00
Supplies	920.00	227.97	692.03
Total Support Services	<u>699,264.32</u>	<u>494,877.81</u>	<u>204,386.51</u>
Facilities Acquisition and Construction Services			
Instructional Equipment	46,042.80	42,118.94	3,923.86
Non-Instructional Equipment	10,557.33	10,557.33	-
Total Facilities Acquisition and Construction Ser.	<u>56,600.13</u>	<u>52,676.27</u>	<u>3,923.86</u>
Total Expenditures	<u>\$ 951,030.00</u>	<u>\$ 737,396.20</u>	<u>\$ 213,633.80</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2018-19 Preschool Aid Allocation	\$ 951,030.00
Adjustments	-
Add: Actual ECPA Carryover June 30, 2018	-
Add: Budgeted Transfer from the General Fund	-
Total Preschool Education Aid Funds Available for 2018-19 Budget	<u>951,030.00</u>
Less: 2018-19 Budgeted Preschool Education Aid	<u>(951,030.00)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018	-
Add: June 30, 2019 Unexpended Preschool Education Aid	<u>213,633.80</u>
2018-19 Actual Carryover - Preschool Education Aid	<u>\$ 213,633.80</u>
2018-19 Preschool Education Aid Carryover Budgeted for 2019-20	<u>\$ -</u>

CAPITAL PROJECTS FUND

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment other than those financed by proprietary funds.

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CITY OF NORTHFIELD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Statement of Project Expenditures
 For the Fiscal Year Ended June 30, 2019

Project Title/Issue	Original Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2019
			Prior Years	Current Year	
HVAC. Security, Roofing and Site Upgrade:	9/30/14	7,410,085.00	6,845,069.59		565,015.41
		\$ 7,410,085.00	6,845,069.59	-	565,015.41
					218,034

CITY OF NORTHFIELD SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budgetary Basis
For the Fiscal Year Ended June 30, 2019

Revenues and Other Financing Sources:

State Sources - SDA Grant	\$	-
Bond Proceeds		-
Local Sources		<u>1,038.05</u>
 Total revenues		 <u>1,038.05</u>

Expenditures and Other Financing Uses:

Purchased professional & technical services		-
Construction Services		-
Equipment Purchases		-
Transfer to Debt Service		<u>-</u>
 Total expenditures		 <u>-</u>
 Excess of revenues over expenditures		 1,038.05
 Fund balance - beginning		 345,943.40
 Fund balance - ending	 \$	 <u><u>346,981.45</u></u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
HVAC Security, Roofing and Site Upgrades
For the Fiscal 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:				
Bond Proceeds	\$ 5,678,000.00		5,678,000.00	5,678,708.00
SDA Grant 5943	510,070.82		510,070.82	588,592.00
SDA Grant 5944	1,002,942.17		1,002,942.17	1,142,785.00
Local Sources			-	
Total revenues	<u>7,191,012.99</u>	<u>-</u>	<u>7,191,012.99</u>	<u>7,410,085.00</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	575,558.90		575,558.90	747,010.00
Construction Services	6,051,809.87		6,051,809.87	6,245,365.00
Equipment Purchases	217,700.82		217,700.82	417,710.00
Total expenditures	<u>6,845,069.59</u>	<u>-</u>	<u>6,845,069.59</u>	<u>7,410,085.00</u>
Excess of revenues over expenditures	<u>\$ 345,943.40</u>	<u>-</u>	<u>345,943.40</u>	<u>-</u>
Additional project information:				
Project numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	9/30/2014			
Bond Authorized	5,678,708.00			
Bonds Issued	5,500,000.00			
Original Authorized Cost	7,410,085			
Additional Authorized Cost	-			
Revised Authorized Cost	7,410,085			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100.00%			
Original Target Completion Date	12/31/2015			
Revised Target Completion Date	9/1/2018			

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PROPRIETARY FUNDS

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CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Balance Sheet
June 30, 2019

	Business Type Activity		Total
	Food Service	School Aged Child Care	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 32,347.94	265,210.63	297,558.57
Accounts Receivable:			
State	241.96		241.96
Federal	9,691.31		9,691.31
Other	1,665.26		1,665.26
Interfund Receivable	-		-
Inventories	10,011.50		10,011.50
	-		-
Total Current Assets	<u>53,957.97</u>	<u>265,210.63</u>	<u>319,168.60</u>
Fixed Assets:			
Furniture, Machinery and Equipment	185,250.78	114,610.00	299,860.78
Accumulated depreciation	(168,286.00)	(83,465.00)	(251,751.00)
	-		-
Total Fixed Assets	<u>16,964.78</u>	<u>31,145.00</u>	<u>48,109.78</u>
Total assets	<u><u>70,922.75</u></u>	<u><u>296,355.63</u></u>	<u><u>367,278.38</u></u>
LIABILITIES:			
Current liabilities:			
Accounts payable	19,695.05		19,695.05
Unearned Revenue	6,642.33	73,595.61	80,237.94
Interfunds Payable	-	11,063.31	11,063.31
	-		-
Total current liabilities	<u>26,337.38</u>	<u>84,658.92</u>	<u>110,996.30</u>
NET ASSETS			
Investment in capital assets, net of related debt	16,964.78	31,145.00	48,109.78
Unreserved Net Assets	27,620.59	180,551.71	208,172.30
	-		-
Total net assets	<u>44,585.37</u>	<u>211,696.71</u>	<u>256,282.08</u>
Total liabilities and net assets	<u><u>\$ 70,922.75</u></u>	<u><u>296,355.63</u></u>	<u><u>367,278.38</u></u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Enterprise Funds
Combining Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balance
For the Fiscal Year ended June 30, 2019

	Business Type Activity		Total
	Food Service	School Aged Child Care	
OPERATING REVENUES:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 93,645.14		93,645.14
Daily Sales - Non-Reimbursable Programs	88,964.50		88,964.50
Program Revenue		244,662.40	244,662.40
Total Operating Revenues	182,609.64	244,662.40	427,272.04
OPERATING EXPENSES:			
Instructor Costs		168,560.09	168,560.09
Cost of Sales	119,600.65		119,600.65
Sales			-
Payroll	143,759.93		143,759.93
General Supplies	21,378.40	13,880.35	35,258.75
Depreciation	3,168.00	6,374.00	9,542.00
Management Fee	23,320.08		23,320.08
Program Costs		28,373.14	28,373.14
Miscellaneous	10,632.04	1,571.32	12,203.36
Total Operating Expenses	321,859.10	218,758.90	540,618.00
Operating income (loss)	(139,249.46)	25,903.50	(113,345.96)
NONOPERATING REVENUES:			
State sources:			
State School Lunch Program	2,875.75		2,875.75
Federal sources:			
National School Lunch Program	91,206.96		91,206.96
National School Breakfast Program	21,644.24		21,644.24
Food Distribution Program	19,685.10		19,685.10
Interest Revenues	114.30	665.51	779.81
Total Nonoperating Revenues	135,526.35	665.51	136,191.86
Net Income (Loss)	(3,723.11)	26,569.01	22,845.90
Operating Transfer	-	-	-
Interfund Cancelled	-	-	-
Net Assets - July 1	48,308.48	185,127.70	233,436.18
Net Assets - June 30	\$ 44,585.37	211,696.71	256,282.08

CITY OF NORTHFIELD SCHOOL DISTRICT
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year ended June 30, 2019

	Business Type Activities		Total
	Food Service	School Aged Child Care	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 190,186.71	262,380.27	452,566.98
Cash payments to employees for services	(143,759.93)	(168,560.09)	(312,320.02)
Cash payments to suppliers for goods and services	(146,112.75)	(43,824.81)	(189,937.56)
Net cash provided (used) by operating activities	<u>(99,685.97)</u>	<u>49,995.37</u>	<u>(49,690.60)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Cash received from state and federal reimbursements	114,307.34		114,307.34
Purchase of capital assets	(12,584.78)	(6,315.00)	(18,899.78)
Operating subsidies and transfers to other funds	-		-
Interfund loans	-	1,073.90	1,073.90
Net cash provided by noncapital financing activities	<u>101,722.56</u>	<u>(5,241.10)</u>	<u>96,481.46</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	114.30	665.51	779.81
Net cash provided by investing activities	<u>114.30</u>	<u>665.51</u>	<u>779.81</u>
Net Increase in Cash and Cash Equivalents	2,150.89	45,419.78	47,570.67
Cash and Cash Equivalents, July 1	<u>30,197.05</u>	<u>219,790.85</u>	<u>249,987.90</u>
Cash and Cash Equivalents, June 30	<u><u>32,347.94</u></u>	<u><u>265,210.63</u></u>	<u><u>297,558.57</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)	(139,249.46)	25,903.50	(113,345.96)
Adjustments to Reconcile Operating Income (Loss) to Net Cash provided by (used for) Operating Activities:			-
Depreciation	3,168.00	6,374.00	9,542.00
Federal Commodities			-
Change in assets and liabilities:			-
Decrease in accounts receivable	934.74	-	934.74
(Increase) in inventory	5,990.70	-	5,990.70
Increase in accounts payable	3,142.62	-	3,142.62
Increase in unearned revenue	6,642.33	17,717.87	24,360.20
Commodities	19,685.10	-	19,685.10
Net Cash Provided by (Used for) Operating Activities	<u>\$ (99,685.97)</u>	<u>49,995.37</u>	<u>(49,690.60)</u>

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FIDUCIARY FUNDS

Trust funds are used to account for gifts and bequests to the school district for a specific purpose.

Unemployment Compensation Insurance Trust Fund-

This is an expendable trust fund used to pay unemployment compensation insurance claims.

Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

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

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CITY OF NORTHFIELD SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Fiduciary Net
Position
June 30, 2019

	Agency		Totals
	Student Activity	Payroll	
ASSETS:			
Cash and Cash Equivalents	24,811.48	543.29	25,354.77
Accounts Receivable	263.44	-	263.44
Total Assets	<u>25,074.92</u>	<u>543.29</u>	<u>25,618.21</u>
LIABILITIES:			
Liabilities:			
Accounts Payable	2,914.76		2,914.76
Payroll Deductions		543.29	543.29
Payable to Student Groups	22,160.16		22,160.16
Total Liabilities	<u>25,074.92</u>	<u>543.29</u>	<u>25,618.21</u>

**CITY OF NORTHFIELD SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2019**

H-3

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS:				
Cash	\$ 20,038.14	31,880.88	27,107.54	24,811.48
Accounts Receivable	-	263.44		263.44
Total Assets	<u>20,038.14</u>	<u>32,144.32</u>	<u>27,107.54</u>	<u>25,074.92</u>
LIABILITIES:				
Due to Student Groups	17,943.64	29,229.56	25,013.04	22,160.16
Accounts Payable	2,094.50	2,914.76	2,094.50	2,914.76
Total Liabilities	<u>\$ 20,038.14</u>	<u>32,144.32</u>	<u>27,107.54</u>	<u>25,074.92</u>

**CITY OF NORTHFIELD SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year ended June 30, 2019**

H-4

	Balance July 1, 2018	Additions	Deletions	Balance July 1, 2019
ASSETS:				
Cash and cash equivalents	\$ 74,738.68	7,402,865.17	7,477,060.56	543.29
Total assets	<u>74,738.68</u>	<u>7,402,865.17</u>	<u>7,477,060.56</u>	<u>543.29</u>
LIABILITIES:				
Payroll Deductions and Withholding Due to other Governments	74,738.68	7,402,865.17	7,477,060.56	543.29
Total Liabilities	<u>\$ 74,738.68</u>	<u>7,402,865.17</u>	<u>7,477,060.56</u>	<u>543.29</u>

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LONG-TERM DEBT

The long-term debt section consists of the schedules of obligations under capital leases.

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CITY OF NORTHFIELD SCHOOL DISTRICT
Long-Term Debt
Schedule of General Serial Bonds
For the Fiscal Year Ended June 30, 2019

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding June 30, 2018	Date	Amount	Interest Rate	Balance June 30, 2018	Increased	Decreased	Balance June 30, 2019
School Refunding Bonds	7/22/2015	\$ 5,678,000	600,000	8/1/2019	600,000	2.125%	4,598,000.00		600,000.00	3,998,000.00
			600,000	8/1/2020	600,000	2.125%				
			600,000	8/1/2021	600,000	2.125%				
			575,000	8/1/2022	575,000	2.125%				
			550,000	8/1/2023	550,000	2.250%				
			550,000	8/1/2024	550,000	2.375%				
			523,000	8/1/2025	523,000	2.500%				
							<u>4,598,000.00</u>	<u>-</u>	<u>600,000.00</u>	<u>3,998,000.00</u>
Solar Project	12/17/2009	468,000	58,000	6/30/2020	58,000	4.300%	118,000.00		60,000.00	58,000.00
							<u>118,000.00</u>	<u>-</u>	<u>60,000.00</u>	<u>58,000.00</u>
Total Bond Issue							<u>4,716,000.00</u>	<u>-</u>	<u>660,000.00</u>	<u>4,056,000.00</u>

CITY OF NORTHFIELD SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Capital Leases
For the Fiscal Year Ended June 30, 2019

Purpose	Date of Lease	Interest Rate Payable	Amount of Original Issue	Balance June 30, 2018	Increased	Decreased	Balance June 30, 2019
Wireless Access Points	9/1/2018	5.44%	32,100.00 \$	-	32,100.00	10,700.00	21,400.00

CITY OF NORTHFIELD SCHOOL DISTRICT
Long-Term Debt
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 604,815.00		604,815.00	604,815.00	-
State Sources:					
Debt Service Aid Type II	154,322.00		154,322.00	154,322.00	-
Miscellaneous	4.00		4.00	-	4.00
Total - State Sources	<u>154,322.00</u>		<u>154,322.00</u>	<u>154,322.00</u>	<u>-</u>
Total Revenues	<u>759,141.00</u>	<u>-</u>	<u>759,141.00</u>	<u>759,137.00</u>	<u>4.00</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	99,141.00		99,141.00	99,140.26	0.74
Redemption of Principal	660,000.00		660,000.00	660,000.00	-
Total Regular Debt Service	<u>759,141.00</u>	<u>-</u>	<u>759,141.00</u>	<u>759,140.26</u>	<u>0.74</u>
Total Expenditures	<u>759,141.00</u>	<u>-</u>	<u>759,141.00</u>	<u>759,140.26</u>	<u>0.74</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3.26)</u>	<u>(3.26)</u>
Fund Balance, July 1	3.81		3.81	3.81	-
Fund Balance, June 30	<u>3.81</u>	<u>-</u>	<u>3.81</u>	<u>0.55</u>	<u>(3.26)</u>

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Statistical Section

Governmental Accounting Standards Board (GASB) requires 10 years of statistical information to be included in the CAFR. However due to the change in the statistical requirements information was unavailable for all 10 years.

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CITY OF NORTHFIELD SCHOOL DISTRICT
Net Position by Component,
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Invested in capital assets, net of related debi	3,654,750.93	5,085,340.12	6,216,821.94	7,187,736.61	8,081,963.52	11,355,552.32	10,647,820.81	10,893,968.48	11,196,959.51	11,159,776.78
Restricted	1,412,623.91	1,342,277.00	1,659,368.44	1,361,826.00	1,374,107.92	(366,124.07)	2,672,501.91	2,233,430.20	453,469.20	514,073.16
Unrestricted	(111,070.68)	(371,812.95)	(556,489.05)	(520,652.16)	(534,864.29)	(3,333,650.18)	(3,717,547.06)	(3,607,479.44)	(2,507,802.42)	(2,566,125.24)
Total governmental activities net position	4,956,304.16	6,055,804.17	7,319,701.33	8,028,910.45	8,921,207.15	7,655,778.07	9,602,775.66	9,519,919.24	9,142,626.29	9,107,724.71
Business-type activities										
Invested in capital assets, net of related debi	79,812.00	66,610.00	91,967.00	78,703.00	70,189.00	61,521.00	59,322.00	49,037.00	38,752.00	48,109.78
Unrestricted	101,328.18	163,851.39	87,885.12	81,635.40	73,150.73	46,443.48	114,078.59	177,013.04	194,684.18	208,172.30
Total business-type activities net position	181,140.18	230,461.39	179,852.12	160,338.40	143,339.73	107,964.48	173,400.59	226,050.04	233,436.18	256,282.08
District-wide										
Invested in capital assets, net of related debi	3,734,562.93	5,151,950.12	6,308,788.94	7,266,439.61	8,152,152.52	11,417,073.32	10,707,142.81	10,943,005.48	11,235,711.51	11,207,886.56
Restricted	1,412,623.91	1,342,277.00	1,659,368.44	1,361,826.00	1,374,107.92	(366,124.07)	2,672,501.91	2,233,430.20	453,469.20	514,073.16
Unrestricted	(9,742.50)	(207,961.56)	(468,603.93)	(439,016.76)	(461,713.56)	(3,287,206.70)	(3,603,468.47)	(3,430,466.40)	(2,313,118.24)	(2,357,952.94)
Total district net position	5,137,444.34	6,286,265.56	7,489,553.45	8,189,248.85	9,064,546.88	7,763,742.55	9,776,176.25	9,743,969.28	9,376,062.47	9,364,006.79

* Net position was restated as of June 30, 2014 as required by implementation of GASB 68

Source: CAFR Schedule A-1

CITY OF NORTHFIELD SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities										
Instruction										
Regular	6,674,688.49	6,132,109.34	6,897,104.64	7,248,523.57	6,806,412.90	8,099,518.04	8,871,544.89	9,781,714.41	9,119,311.44	9,434,680.85
Special education	1,810,546.09	2,428,341.71	1,855,027.19	2,082,986.69	2,111,729.94	2,672,855.57	2,959,332.96	3,395,988.26	4,434,405.05	4,541,789.67
Other special education	64,450.00	47,402.07	47,034.03	49,548.55	51,827.86	56,065.62	55,843.11	51,816.38	-	-
Other instruction	491,214.54	357,306.87	390,268.43	419,986.63	424,594.59	358,553.36	382,450.27	391,831.06	903,701.77	830,121.69
Nonpublic School Programs										
Support Services:										
Tuition	4,531.24	7,912.00	16,889.00	27,476.89	242,849.50	244,790.00	167,532.17	131,929.60	213,782.59	259,812.39
Student & Instruction Related Services	1,549,572.51	1,522,556.45	1,513,018.34	1,545,330.92	1,534,038.05	1,798,907.57	1,833,874.91	1,963,855.05	2,169,636.83	2,669,964.79
General Administrative Services	577,824.18	477,223.89	519,417.46	749,339.89	753,945.69	585,174.45	739,548.54	703,758.87	625,016.73	491,497.71
School Administrative Services	524,343.83	442,346.29	472,465.94	458,744.84	482,010.13	541,167.04	590,271.23	610,561.08	570,676.95	499,637.37
Plant Operations	936,889.52	927,471.27	928,684.42	1,151,632.72	1,095,473.20	1,051,986.70	1,081,809.56	994,505.37	479,982.46	416,376.49
Pupil Transportation	204,228.61	203,488.87	171,597.11	218,224.79	217,772.02	231,823.08	211,301.26	207,078.22	292,676.49	215,198.87
Central Services	204,721.40	196,679.41	229,265.96	265,858.96	255,831.00	282,203.10	286,353.08	273,670.18	-	-
Administrative Technology	127,346.94	111,512.89	135,106.33	107,236.77	165,240.87	152,395.68	173,661.63	172,796.00	1,677,472.31	1,312,099.48
Unallocated benefits	-	-	-	-	-	-	-	367,614.29	282,267.11	226,538.76
Capital Outlay	337,061.01	310,447.80	264,956.86	228,312.01	165,974.84	95,805.09	134,994.57	16,481.00	107,982.60	93,730.48
Interest on Long-Term Debt	434,326.00	452,073.00	477,572.00	484,820.00	510,705.00	504,855.00	497,241.00	499,582.00	-	-
Unallocated Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	13,941,744.36	13,616,871.86	13,918,407.71	15,037,992.87	14,818,310.59	16,676,102.30	17,985,759.18	19,686,902.52	20,876,922.33	20,991,448.55
Business-type activities:										
Food Service	329,071.06	321,955.71	360,987.25	338,733.69	343,644.07	341,591.65	337,062.88	326,263.33	333,682.79	321,859.10
Child Care	175,292.77	198,601.15	261,814.18	222,507.41	203,548.05	199,367.33	171,827.48	204,149.59	195,831.36	218,758.90
Total business-type activities expense	504,363.83	520,556.86	622,801.43	561,241.10	547,192.12	540,958.98	508,890.36	530,412.92	529,514.15	540,618.00
Total district expenses	14,446,108.19	14,137,428.72	14,541,209.14	15,599,233.97	15,365,502.71	17,217,061.28	18,494,649.54	20,217,315.44	21,406,436.48	21,532,066.55

CITY OF NORTHFIELD SCHOOL DISTRICT
Changes in Net Position, Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues										
Governmental activities:										
Charges for services:										
Food Service	18,227.45	2,074.80	7,917.00	14,475.96	12,503.30	3,932,897.61	5,137,251.89	6,563,456.08	12,000.00	30,000.00
Grants and Contributions	2,829,663.64	2,207,548.40	2,257,043.86	2,618,221.18	2,312,279.64	3,932,897.61	5,137,251.89	6,563,456.08	6,543,472.42	6,531,692.99
Total governmental activities program revenues	2,847,891.09	2,209,623.20	2,264,960.86	2,632,697.14	2,324,782.94	3,932,897.61	5,137,251.89	6,563,456.08	6,555,472.42	6,561,692.99
Business-type activities:										
Charges for services:										
Food Service	219,898.95	215,843.78	202,825.39	195,356.47	201,357.56	197,750.01	206,236.36	200,655.63	195,103.01	182,609.64
Child Care	193,736.35	212,837.01	240,248.82	221,301.50	201,362.19	183,823.47	217,215.83	242,401.25	230,113.00	244,662.40
Operating Grants and Contributions	109,066.75	114,135.45	128,236.56	124,858.80	127,338.60	123,912.90	134,383.12	139,757.43	146,365.40	135,412.05
Total business type activities program revenues	522,702.05	542,816.24	571,310.77	541,516.77	530,058.35	505,486.38	567,835.31	582,814.31	571,581.41	562,684.09
Total district program revenues	3,370,593.14	2,752,439.44	2,836,271.63	3,174,213.91	2,854,841.29	4,438,383.99	5,695,087.20	7,146,270.39	7,127,053.83	7,124,377.08
Net (Expense)/Revenue										
Governmental activities	(11,093,853.27)	(11,407,248.66)	(11,653,446.85)	(12,405,295.73)	(12,493,527.65)	(12,743,204.69)	(12,848,507.29)	(13,123,446.44)	(14,321,449.91)	(14,429,755.57)
Business-type activities	18,338.22	22,259.38	(51,490.66)	(19,724.33)	(17,133.77)	(35,472.60)	48,944.95	52,401.39	42,067.26	22,066.09
Total district-wide net expense	(11,075,515.05)	(11,384,989.28)	(11,704,937.51)	(12,425,020.06)	(12,510,661.42)	(12,778,677.29)	(12,799,562.34)	(13,071,045.05)	(14,279,382.65)	(14,407,689.48)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property Taxes Levied for General Purposes, Net	8,306,966.00	8,448,154.00	8,490,117.00	8,570,534.00	8,741,945.00	8,741,945.00	9,055,118.00	9,090,632.00	9,272,445.00	9,609,682.00
Taxes Levied for Debt Service	958,802.00	1,072,312.00	1,039,226.00	1,034,624.00	1,033,869.00	1,033,869.00	1,081,660.00	572,882.00	613,468.00	604,815.00
Unrestricted Grants and Contributions	2,660,347.18	3,085,920.52	3,340,066.70	3,512,604.35	3,615,068.88	3,615,068.88	4,685,591.42	3,293,236.65	3,945,931.43	4,130,070.48
Investment Earnings	15,497.48	16,823.54	4,883.06	3,482.98	2,389.31	2,389.31	4,242.85	3,128.32	77,312.53	50,286.50
Miscellaneous Income	45,029.49	6,213.93	77,634.25	48,233.33	27,135.16	27,135.16	56,239.61	94,165.95	35,000.00	-
Special Items	(120,889.00)	(122,575.32)	(34,583.00)	(54,973.80)	(34,583.00)	(34,583.00)	(87,347.00)	(13,454.00)	-	-
Total governmental activities	11,865,753.15	12,506,648.67	12,917,344.01	13,114,504.86	13,385,824.35	13,385,824.35	14,795,504.88	13,040,590.92	13,944,156.96	14,394,853.98
Business-type activities:										
Investment Earnings	1,984.00	2,061.83	881.39	210.61	135.10	135.10	173.16	248.06	318.88	779.81
Special Items	25,000.00	25,000.00	-	-	-	-	-	-	(35,000.00)	-
Total business-type activities	26,984.00	27,061.83	881.39	210.61	135.10	135.10	173.16	248.06	(34,681.12)	779.81
Total district-wide	11,892,737.15	12,533,710.50	12,918,225.40	13,114,715.47	13,385,959.45	13,385,959.45	14,795,678.04	13,040,838.98	13,909,475.84	14,395,633.79
Change in Net Position										
Governmental activities	771,899.88	1,099,400.01	1,263,897.16	709,209.13	892,296.70	642,619.66	1,946,987.59	(82,855.52)	(377,282.95)	(34,901.59)
Business-type activities	45,322.22	49,321.21	(50,609.27)	(19,513.72)	(16,998.67)	(35,337.50)	49,118.11	52,649.45	7,386.14	22,845.90
Total district	817,222.10	1,148,721.22	1,213,287.89	689,695.41	875,298.03	607,282.16	1,996,115.70	(30,206.07)	(369,906.81)	(12,055.69)

Source: CAFR Schedule A-2

CITY OF NORTHFIELD SCHOOL DISTRICT
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Restricted		762,524.95	1,065,386.45	1,232,531.73	1,087,697.20	1,314,041.89	1,753,962.10	1,810,900.04	1,687,232.95	1,783,828.93
Committed										
Assigned		483,895.37	483,125.07	58,437.48	260,553.43	118,935.34	2,242.07	63,477.45	5,047.91	85,613.54
Unassigned		(73,575.00)	(106,356.00)	(82,869.23)	(67,882.63)	(116,264.31)	(108,584.82)	(107,725.20)	(103,245.87)	(104,608.23)
Reserved										
Unreserved		1,172,845.32	1,442,155.52	1,208,099.98	1,280,368.00	1,316,712.92	1,647,619.35	1,766,652.29	1,589,034.99	1,764,834.24
Total general fund	-	1,172,845.32	1,442,155.52	1,208,099.98	1,280,368.00	1,316,712.92	1,647,619.35	1,766,652.29	1,589,034.99	1,764,834.24
All Other Governmental Funds										
Reserved	214,767.00	-								
Restricted:										
Capital Projects Fund		95,856.68	110,856.92	70,856.79	25,257.29	2.79	2.79	359,052.71	345,943.40	346,981.45
Debt Service Fund		-	-	-	-	-	-	-	3.81	0.55
Unassigned:										
Special Revenue Fund		-	-	-	-	-	-	-	-	-
Total all other governmental funds	214,767.00	95,856.68	110,856.92	70,856.79	25,257.29	2.79	2.79	359,052.71	345,947.21	235,097.00

Source: CAFR Schedule B-1

CITY OF NORTHFIELD SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax levy	9,265,768.00	9,520,466.00	9,529,343.00	9,605,158.00	9,775,814.00	9,970,813.00	10,136,778.00	9,663,514.00	9,885,913.00	10,214,497.00
Tuition Charges	18,227.45	2,074.80	7,917.00	14,475.96	12,503.30	6,000.00	6,000.00	9,932.75	12,000.00	30,000.00
Interest Earnings	15,497.48	16,623.54	4,883.05	3,482.98	2,389.31	2,388.49	4,242.85	3,128.32	2,896.14	5,176.02
Local Sources	46,691.50	6,213.93	77,634.25	48,233.33	27,135.16	39,604.30	5,728,239.33	84,233.20	79,914.03	48,157.81
State Sources	4,452,409.51	4,794,734.11	5,105,763.00	5,662,554.19	5,534,599.45	6,335,553.81	6,827,963.69	5,848,942.96	7,747,513.92	7,060,486.05
Federal Sources	1,035,939.30	498,734.81	491,347.56	468,271.34	392,749.07	388,176.61	462,060.90	492,737.77	571,144.29	546,773.37
Total Revenues	14,834,533.24	14,838,847.19	15,216,887.86	15,802,175.80	15,745,190.29	16,736,536.21	23,165,284.77	16,102,489.00	18,299,381.38	17,905,090.25
Expenditures										
Instruction										
Regular Instruction	4,673,879.28	4,199,752.83	4,615,046.97	4,820,290.64	4,543,752.81	4,917,271.47	5,014,673.14	5,221,401.84	4,809,830.00	4,802,522.99
Special education instruction	1,269,201.91	1,648,605.83	1,238,038.02	1,375,340.79	1,405,179.66	1,610,507.09	1,664,358.79	1,811,904.22	2,353,181.14	2,643,032.64
Other special instruction	491,214.54	357,306.87	390,268.43	419,986.63	424,594.59	358,555.36	382,450.27	391,831.06	-	-
Other instruction	64,450.00	47,402.07	47,034.03	49,548.65	51,827.86	56,085.62	55,843.11	51,816.38	479,562.41	423,821.21
Nonpublic School Programs										
Support Services:										
Tuition	4,531.24	7,912.00	16,889.00	27,476.89	242,849.50	244,790.00	167,532.17	131,929.60	213,782.59	259,812.39
Student & Instruction Related Services	1,086,258.12	1,033,666.48	1,009,782.63	1,022,906.14	1,018,466.26	1,083,916.93	1,031,389.80	1,047,800.22	1,151,349.15	1,561,185.38
General Admin Services	405,057.66	323,989.21	346,657.22	495,958.30	501,621.26	352,592.04	415,929.58	375,485.30	370,343.95	343,840.86
School Admin Services	367,567.66	300,241.85	315,321.95	303,625.13	320,737.43	326,075.74	331,974.51	325,760.31	338,145.76	349,535.19
Central Services	204,721.40	196,679.41	229,265.96	266,858.96	255,831.00	282,203.10	286,353.08	273,670.18	284,412.07	291,267.73
Administrative Information Technology	127,346.94	111,512.89	135,106.33	107,236.77	165,240.87	152,385.68	173,661.63	172,796.90	173,420.91	150,548.35
Plant Operations and Maintenance	936,869.52	927,471.27	928,684.42	1,151,632.72	1,095,478.20	1,051,966.70	1,061,809.56	994,505.37	1,044,344.04	982,400.86
Pupil Transportation	204,228.61	203,488.87	171,597.11	218,224.79	217,772.02	231,823.08	211,301.26	207,078.22	282,267.11	226,538.76
Unallocated employee benefits	3,327,719.67	3,550,209.78	3,750,584.30	4,096,395.59	3,916,833.89	3,919,651.17	3,804,701.09	4,163,088.94	6,218,547.29	4,987,956.17
Capital Outlay	380,768.38	382,976.64	211,663.30	195,327.44	282,445.92	2,349,359.40	3,999,219.31	638,274.33	36,555.00	90,618.42
Debt Service:	1,466,568.76	1,523,284.10	1,526,637.76	1,528,422.13	1,532,641.50	1,533,956.50	1,536,664.00	718,704.22	769,362.76	759,140.26
Total expenditures	15,010,403.69	14,814,499.10	14,932,577.43	16,076,231.57	15,975,727.77	18,471,149.88	20,157,861.30	16,526,047.09	18,525,104.18	17,872,241.21
Excess (Deficiency) of revenues over (under) expenditures	(175,870.45)	24,348.09	284,310.43	(274,055.77)	(230,082.48)	(1,734,613.67)	3,007,423.47	(423,558.09)	(225,722.80)	32,849.04
Other Financing sources (uses)										
Capital Leases (Non-Budgeted)	66,867.07	-	-	257,351.00	-	-	-	-	35,000.00	-
Bonds Proceeds	468,000.00	-	-	-	-	-	(16,318.00)	(13,454.00)	-	-
Transfer	(25,000.00)	(25,000.00)	-	-	-	-	(16,318.00)	(13,454.00)	-	-
Total other financing sources (uses)	509,867.07	(25,000.00)	-	257,351.00	-	-	(16,318.00)	(13,454.00)	35,000.00	-
Net change in fund balances	333,996.62	(651.91)	284,310.43	(274,055.77)	27,268.52	(1,734,613.67)	2,991,105.47	(437,012.09)	(190,722.80)	32,849.04
Debt service as a percentage of noncapital expenditures	0.10	0.11	0.10	0.10	0.10	0.10	0.10	0.05	0.04	0.04

Source: CAFR Schedule B-2

CITY OF NORTHFIELD SCHOOL DISTRICT
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Misc.</u>	<u>Total</u>
2010	15,497.48	18,227.45	45,029.49	78,754.42
2011	16,623.00	2,075.00	6,214.00	24,912.00
2012	4,883.06	7,917.00	77,634.25	90,434.31
2013	3,482.98	14,475.96	45,916.10	63,875.04
2014	2,389.31	12,503.30	26,597.87	41,490.48
2015	2,388.49	-	39,411.89	41,800.38
2016	4,242.85	6,000.00	38,739.61	48,982.46
2017	3,128.32	9,932.75	78,734.85	91,795.92
2018	2,896.14	12,000.00	74,416.39	89,312.53
2019	5,176.02	30,000.00	45,110.48	80,286.50

Source: District Records

CITY OF NORTHFIELD SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Improvements	Total Assessed Value	Less: Tax-Exempt Property	Personal Property ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2010	333,447,600	660,017,500	993,465,100	-	2,073,817	995,538,917	0.950	1,096,167,052
2011	330,923,800	654,170,800	985,094,600	-	1,693,246	986,787,846	0.970	1,043,116,116
2012	328,215,900	647,298,100	975,514,000	-	1,580,553	977,094,553	0.980	990,365,450
2013	327,108,500	637,379,000	964,487,500	-	1,473,879	965,961,379	1.006	930,329,750
2014	324,541,560	620,586,200	945,127,760	-	1,219,927	946,347,687	1.047	894,045,996
2015	323,376,460	610,167,000	933,543,460	-	1,193,961	934,737,421	1.069	963,704,035
2016	319,707,510	602,205,950	921,913,460	-	-	921,913,460	1.053	900,657,933
2017	318,289,210	590,286,450	908,575,660	-	-	908,575,660	1.079	912,346,090
2018	314,666,910	577,100,650	891,767,560	-	-	891,767,560	1.128	882,012,236
2019	314,121,710	564,641,150	878,762,860	-	-	878,762,860	1.148	905,449,204

Source: District records, Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

CITY OF NORTHFIELD SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Rate per \$100 of Assessed Value
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates				Total Direct and Overlapping Tax Rate
	General			Mainland Regional District	City of Northfield	Atlantic County		
	Basic Rate ^a	Obligation Debt Service ^b	Total Direct					
2010	0.840	0.110	0.950	0.503	0.799	0.319	2.571	
2011	0.860	0.110	0.970	0.514	0.827	0.520	2.831	
2012	0.870	0.110	0.980	0.521	0.826	0.349	2.676	
2013	0.886	0.120	1.006	0.556	0.834	0.418	2.814	
2014	0.933	0.114	1.047	0.584	0.857	0.410	2.898	
2015	0.953	0.116	1.069	0.627	0.889	0.480	3.065	
2016	0.984	0.069	1.053	0.661	0.926	0.468	3.108	
2017	1.011	0.068	1.079	0.681	0.956	0.521	3.237	
2018	1.059	0.069	1.128	0.717	0.996	0.507	3.348	
2019	1.121	0.027	1.148	0.747	1.001	0.513	3.409	

Source: District Records and Municipal Tax Collector

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Principal Property Tax Payers,
Current Year and Ten Years Ago
Unaudited

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Herzel Gurwicz	\$ 7,375,500.00	1	0.84%	\$ 5,683,200.00	2	1.03%
Jack Trocki Development Co.	6,471,000.00	2	0.74%	3,138,400.00	6	0.57%
Jack Trocki Development Co.	5,299,100.00	3	0.60%	3,000,000.00	7	0.54%
Kensington Square LLC,	4,964,300.00	4	0.56%	4,200,000.00	3	0.76%
Tilton Group LLC,	4,570,400.00	5	0.52%			
LTD Realty Investment	4,000,000.00	6	0.46%	5,900,000.00	1	1.07%
2605 Shore Road LLC	3,786,300.00	7	0.43%			
332 Tilton Road LLC	3,372,900.00	8	0.38%			
ARC.BFNRFN001 LLC	3,264,800.00	9	0.37%			
GIRO Enterprises	3,089,700.00	10	0.35%			
Miljer LLC, 801-803 Tilton Rd				4,000,000.00	4	0.73%
Atlantic City Country Club, Shore Rd Golf Course				3,600,000.00	5	0.65%
SJS-450 Tilton Road L.P.				1,700,000.00	10	0.31%
301 Tilton Road Associates LLC				2,036,700.00	8	0.37%
Network 1001, LLC				1,898,200.00	9	0.34%
Total	\$ 46,194,000.00		5.26%	\$ 35,156,500.00		6.38%
	Total Assessed Value		\$ 878,762,860.00			\$ 551,163,023.00

Source: District CAFR & Municipal Tax Assessor

CITY OF NORTHFIELD SCHOOL DISTRICT
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	9,265,768	9,265,768	100.00%	-
2011	9,520,466	9,520,466	100.00%	-
2012	9,529,343	9,529,343	100.00%	-
2013	9,605,158	9,605,158	100.00%	-
2014	9,775,814	9,775,814	100.00%	-
2015	9,970,913	9,970,913	100.00%	743,065
2016	10,136,778	10,136,778	100.00%	754,593
2017	9,663,514	9,663,514	100.00%	
2018	9,885,913	9,113,210	92.18%	772,703
2019	10,214,497	10,214,497	100.00%	

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, it is the amount voted upon or certified prior to the end of the school year.

CITY OF NORTHFIELD SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Income ^a		
2010	8,198,000	-	150,065	-	-	8,348,065	2.65%	1,059	
2011	7,003,000	-	97,957	-	-	7,100,957	2.10%	899	
2012	5,758,000	-	49,320	-	-	5,807,320	1.70%	673	
2013	4,473,000	-	14,144	-	-	4,487,144	1.29%	521	
2014	3,128,000	-	198,607	-	-	3,326,607	0.92%	385	
2015	1,891,708	-	149,936	5,500,000	-	7,541,644	2.07%	875	
2016	5,901,000	-	100,617	-	-	6,001,617	1.63%	698	
2017	5,371,000	-	50,640	-	-	5,421,640	1.48%	636	
2018	4,716,000	-	-	-	-	4,716,000	1.27%	561	
2019	4,056,000	-	21,400	-	-	4,077,400	1.07%	488	

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

CITY OF NORTHFIELD SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2010	8,198,000	-	8,198,000	0.82%	1,040
2011	7,003,000	-	7,003,000	0.71%	887
2012	5,758,000	-	5,758,000	0.59%	667
2013	4,473,000	-	4,473,000	0.46%	519
2014	3,128,000	-	3,128,000	0.33%	362
2015	1,713,000	-	1,713,000	0.18%	199
2016	5,901,000	-	5,901,000	0.64%	686
2017	5,371,000	-	5,371,000	0.59%	630
2018	4,716,000	-	4,176,000	0.47%	497
2019	4,056,000	-	4,056,000	0.46%	485

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

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2019
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Propert Taxes			
Local Municipality	8,790,500.00	100.00%	8,790,500.00
Other debt			
Mainland Regional High School District	30,190,000.00	31.07%	9,380,033.00
Atlantic County	148,371,554.26	2.900%	4,302,775.07
Subtotal, overlapping debt			22,473,308.07
City of Northfield School District Direct Debt			<u>4,056,000.00</u>
Total direct and overlapping debt			<u>\$ 26,529,308.07</u>

Sources: City of Northfield Finance Officer, Atlantic County Finance Office and Authorities

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 City of Northfield. 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.

CITY OF NORTHFIELD SCHOOL DISTRICT
 Legal Debt Margin Information,
 Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	35,808,411	32,513,166	31,418,539	29,750,631	28,253,477	27,949,729	27,945,574	28,061,181	27,304,416	27,344,645
Total net debt applicable to limit	8,198,000	7,003,000	5,758,000	4,473,000	3,128,000	1,713,000	5,901,000	5,731,000	4,716,000	4,056,000
Legal debt margin	27,410,411	25,510,166	25,660,539	25,277,631	25,125,477	26,236,729	22,044,574	8,140,451	22,588,416	23,288,645
Total net debt applicable to the limit as a percentage of debt limit	23.02%	21.54%	18.33%	15.03%	11.07%	6.13%	21.12%	20.42%	17.27%	14.83%

Equalized valuation basis	
2018	\$ 916,042,691
2017	895,677,898
2016	922,743,930
	<u>2,734,464,519</u>

Average equalized valuation of taxable property	911,488,173
Debt limit (3 % of average equalization value)	27,344,645
Net bonded school debt	4,056,000
Legal debt margin	<u>\$ 23,288,645</u>

Source: Abstract of Rates and District Records CAFR Schedule J-6

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

CITY OF NORTHFIELD SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2010	7,898	314,616,830	39,835	7.00%
2011	8,629	337,877,124	39,156	7.10%
2012	8,616	342,451,536	39,746	7.20%
2013	8,641	347,903,942	40,262	7.60%
2014	8,620	362,893,380	42,099	9.90%
2015	8,604	365,024,700	42,425	8.60%
2016	8,521	369,266,056	43,336	7.50%
2017	8,410	367,474,950	43,695	6.00%
2018	8,360	369,963,440	44,254	5.90%
2019	8,212	382,326,084	46,557	5.10%

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income is calculated by multiplying per capita income by the population

c Per Capita Income US Department of Commerce, Bureau of Economic Analysis

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

CITY OF NORTHFIELD SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program,
Last Nine Fiscal Years
Unaudited

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	64.5	59.7	62.9	59.3	60.0	60.2	61.8	60.8	61.0	65.6
Special education	23.5	18.5	17.8	18.2	18.2	20.0	21.0	21.2	22.0	22.0
Other special education	18.0	18.7	18.5	21.7	23.0	25.3	29.7	25.4	31.5	32.3
Other instruction	7.0	11.0	8.5	11.1	11.1	9.2	9.5	8.3	7.3	7.3
Adult/Continuing Education Programs	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support Services:										
Student & instruction related services	10.0	11.4	11.1	10.4	10.4	10.0	9.4	10.4	10.5	11.1
General administrative services	4.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	5.5	6.0	6.0	6.0	6.0	7.0	7.0	7.0	7.0	7.0
Business administrative services	3.0	3.0	3.5	3.6	3.6	3.6	3.6	4.0	4.0	4.0
Plant operations and maintenance	9.0	12.7	12.0	12.2	12.2	12.2	12.7	12.7	12.3	12.2
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Total	146.5	145.0	144.3	146.5	148.5	151.5	158.7	153.8	159.5	164.5

GASB requires this table to present the full-time equivalent district employees by function/program for the current year and the previous nine years.

Source: District Personnel Records

CITY OF NORTHFIELD SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Community	School				
2010	1,076	13,163,068	12,233	6.16%	92	11.6:1		1,066	1,015	-1.39%	95.22%
2011	1,055	12,908,241	12,235	0.02%	96	1.1:1		1,054	1,004	-1.13%	95.26%
2012	1,047	13,195,277	12,603	3.00%	97	10.8:1		1,048	1,028	-0.57%	98.09%
2013	1,018	14,354,482	14,101	11.88%	95	10.6:1		1,003	955	-4.29%	95.21%
2014	984	14,160,185	14,390	2.05%	96	10.1:1		970	933	-3.29%	96.19%
2015	932	14,587,834	15,652	8.77%	97	9.5:1		922	877	-4.95%	95.12%
2016	912	14,621,998	16,033	2.43%	98	9.2:1		906	868	-1.74%	95.81%
2017	920	15,169,069	16,488	2.84%	99	9.4:1		928	890	2.43%	95.91%
2018	910	17,719,186	19,472	18.09%	99	9.1:1		904	866	-2.59%	95.80%
2019	915	17,022,483	18,604	-4.46%	102	9.6:1		983	937	8.74%	95.32%

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; Schedule J-

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)

CITY OF NORTHFIELD SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<u>District Buildings</u>										
Northfield Community School										
Square Feet	147,855	147,855	147,855	147,855	147,855	147,855	147,855	147,855	147,855	147,855
Capacity (students)	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111	1,111
Enrollment	1,076	1,055	1,047	1,018	984	932	912	920	910	915

Source: District records, ASSA

Enrollment is based on the actual October district count.

CITY OF NORTHFIELD SCHOOL DISTRICT
 General Fund
 Schedule of Required Maintenance for School Facilities
 Last Ten Years
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
Northfield Community School	N/A	\$ 263,843.41	265,273.49	197,090.45	209,668.68	214,595.20	242,038.35	417,795.20	247,281.43	212,341.04	243,563.00

CITY OF NORTHFIELD SCHOOL DISTRICT
Insurance Schedule
June 30, 2019
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Atlantic & Cape May Counties		
School Business Officials Joint Insurance Fund (ACCASBOJIF)		
Property, Inland Marine and Automobile Physical Damages		
Limit of Liability - Per Occurrence	\$ 175,000,000.00	
ACCASBOJIF Per Occurrence Retention	250,000.00	
Member District Deductible		500.00
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limit of Liability	125,000,000.00	
ACCASBOJIF Self-Insured Retention	None	
Member District Deductible		1,000.00
Crime		
Limit of Liability	500,000.00	
ACCASBOJIF Self-Insured Retention	250,000.00	
Member District Deductible		500.00
General Liability and Automobile Liability		
Limit of Liability	20,000,000.00	
ACCASBOJIF Self-Insured Retention	250,000.00	
Workers' Compensation		
Limit of Liability	Statutory	
ACCASBOJIF Self-Insured Retention	250,000.00	
Educator's Legal Liability		
Limit of Liability	20,000,000.00	
ACCASBOJIF Self-Insured Retention	175,000.00	
Pollution Legal Liability		
Limit of Liability	3,000,000.00	
ACCASBOJIF Self-Insured Retention	None	
Member District Deductible - Polution Incident		25,000.00
Member District Deductible - Mold Incident		100,000.00
Cyber Legal Liability		
Limit of Liability	1,000,000.00	
ACCASBOJIF Self-Insured Retention	None	
Member District Deductible		25,000.00
Violent Malilicious Acts		
Limit of Liability	1,000,000.00	
ACCASBOJIF Self-Insured Retention	None	
Member District Deductible		15,000.00
Disaster Management Services		
Limit of Liability	2,000,000.00	
ACCASBOJIF Self-Insured Retention	None	
Member District Deductible		15,000.00
Western Surety Company		
Surety Bonds		
School Business Admin/Board Sec/Treasurer	228,000.00	

Source: District Records

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Single Audit Section

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major of the City of Northfield School District, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 2, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 City of Northfield School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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 prescribed by the Division of Finance, Department of Education, and State of New Jersey.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

December 2, 2019



Independent Auditor's Report

Honorable President and
Members of the Board of Education
City of Northfield School District
County of Atlantic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Northfield School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey *State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the City of Northfield School District's major federal and state programs for the year ended June 30, 2019. The City of Northfield School 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Northfield School 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 OMB Uniform Guidance, and New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Northfield School 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 City of Northfield School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City of Northfield School 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, 2019.

Report on Internal Control Over Compliance

Management of the City of Northfield School 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 the City of Northfield School 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 program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ 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 City of Northfield School 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 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 NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Nancy Sbrolla
Nancy Sbrolla
Certified Public Accountant
Licensed Public School Accountant
No. 2426

December 2, 2019

CITY OF NORTFIELD SCHOOL DISTRICT
Schedules of Expenditures of Awards
for the Fiscal Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Project Amount	Balance June 30, 2018	Carryover (Waiver) Amount	Cash Received	Budgetary Expenditures		Passed Through to Sub-Recipients	(Accounts Receivable)	Balance at June 30, 2019	
									Pass Through	Direct			Deferred Revenue	Due to Grantor
U.S. Department of Agriculture														
Pass-through State Department of Education:														
Enterprise Fund:														
Food Distribution Program	10.555		N/A	7/1/18 - 6/30/19	10,905.10	-	10,905.10	(10,905.10)				(7,847.07)		
National School Lunch Program	10.555		N/A	7/1/18 - 6/30/18	97,936.96	-	93,959.89	(97,936.96)				(1,844.24)		
National School Lunch Program	10.555		N/A	7/1/17 - 6/30/18	82,580.04	(7,137.71)	7,137.71	(81,526.89)				(1,844.24)		
School Breakfast Program	10.553		N/A	7/1/18 - 6/30/19	21,644.24	(1,153.35)	19,800.00	(21,644.24)				(8,000)		
School Breakfast Program	10.553		N/A	7/1/17 - 6/30/18	12,673.62	(1,153.35)	1,153.35	(13,258.30)				(9,891.31)		
Total U.S. Department of Agriculture					133,733.96	(8,273.96)	131,118.05	(132,598.30)				(9,891.31)		
U.S. Department of Human Services														
Pass-Through State Department of Education:														
General Fund:														
Medical Assistance Program	93.778		N/A	7/1/18 - 6/30/19	11,906.48	-	11,906.48	(11,906.48)				-		
Total General Fund					11,906.48	-	11,906.48	(11,906.48)				-		
Pass-through State Department of Education:														
Special Revenue Fund:														
No Child Left Behind	84.010A			7/1/18 - 6/30/19	279,865.00	(39,678.00)	279,865.00	(236,620.00)				-	43,273.00	
Title I - Part A, Carryover	84.010A			7/1/17 - 6/30/19	286,676.00	(1,269.00)	30,878.00	(286,676.00)				(546.66)		
Title I - Part A, Carryover	84.010A			7/1/18 - 6/30/17	286,445.00	(1,269.00)	1,269.00	(286,445.00)				(546.66)		
Title I, Part A, Teachers & Principals Training	84.387			7/1/18 - 6/30/19	37,461.00	(835.70)	25,990.00	(36,074.83)				(3,229.83)		
Title I, Part A, Teachers & Principals Training	84.424			7/1/18 - 6/30/19	26,931.00	-	22,845.00	(26,074.83)				(3,229.83)		
Title I, Part A, Teachers & Principals Training	84.027			7/1/18 - 6/30/19	216,389.00	-	216,389.00	(216,389.00)				-		
I.D.E.A. Part B - Basic	84.173A			7/1/18 - 6/30/19	11,136.00	(82,782.70)	611,870.00	(539,569.79)				(3,753.49)	43,273.00	
I.D.E.A. Part B - Preschool	84.173A			7/1/18 - 6/30/19	11,136.00	(82,782.70)	611,870.00	(539,569.79)				(3,753.49)	43,273.00	
Total Special Revenue Fund					611,870.00	(82,782.70)	611,870.00	(539,569.79)				(3,753.49)	43,273.00	
Total Federal Financial Awards					\$ 754,894.53	(41,955.70)	754,894.53	(672,126.09)	(11,906.48)			(13,466.80)	43,273.00	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

CITY OF NORTHFIELD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Balance at June 30, 2019		Due to Grantor	MEMO	
				Deferred Revenue (Accounts Receivable)	Due to Grantor						Revenue/ Interfund	Budgetary Receivable		Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
State Aid-Public Cluster															
Equalization Ak	19-495-034-5 120-078	7/1/16-6/30/19	\$ 3,234,667.00	-	-	-	-	3,234,667.00	(3,234,667.00)	-	-	-	310,538.32	3,234,667.00	
Categorical Special Education Ak	19-495-034-5 120-089	7/1/16-6/30/19	666,852.00	-	-	-	-	666,852.00	(666,852.00)	-	-	-	64,019.91	666,852.00	
Categorical Security Ak	19-495-034-5 120-084	7/1/16-6/30/19	114,731.00	-	-	-	-	114,731.00	(114,731.00)	-	-	-	11,014.94	114,731.00	
Total State-Aid Public Cluster								4,016,250.00	(4,016,250.00)	-	-	-	385,573.17	4,016,250.00	
Category 1 Transportation A1	19-495-034-5 120-014	7/1/16-6/30/19	59,085.00	-	-	-	-	59,085.00	(59,085.00)	-	-	-	5,672.35	59,085.00	
Extraordinary Ak	18-100-034-5 120-473	7/1/17-6/30/18	28,641.00	(28,641.00)	-	-	-	28,641.00	(49,403.00)	(49,403.00)	-	-	-	28,641.00	
Nonpublic Transportation Ak	19-100-034-5 120-473	7/1/16-6/30/19	49,403.00	(6,670.00)	-	-	-	6,670.00	(4,350.00)	(4,350.00)	-	-	-	49,403.00	
Nonpublic Transportation Ak	19-495-034-5 120-014	7/1/16-6/30/19	4,350.00	(24,521.43)	-	-	-	24,521.43	(0.00)	(0.00)	-	-	-	4,350.00	
Reimbursed TP-AF Social Security Contribution	18-495-034-5 094-003	7/1/17-6/30/18	546,552.66	(24,521.43)	-	-	-	491,222.92	(517,017.16)	(25,794.24)	-	-	-	546,552.66	
Reimbursed TP-AF Social Security Contribution	19-495-034-5 094-003	7/1/16-6/30/19	517,017.16	(59,832.43)	-	-	-	1,800,079.00	(1,800,079.00)	(79,547.24)	-	-	-	517,017.16	
On-Behalf TP-AF Pension	19-495-034-5 094-002	7/1/16-6/30/19	1,800,079.00	-	-	-	-	4,626,390.35	(6,446,184.16)	(79,547.24)	-	-	-	1,800,079.00	
Total General Fund								951,030.00	(737,386.20)	-	-	-	111,885.00	951,030.00	
Special Revenue Fund	19-495-034-5 120-086	7/1/16-6/30/19	951,030.00	-	-	-	-	951,030.00	(737,386.20)	-	-	-	111,885.00	951,030.00	
Preschool Expansion Aid								951,030.00	(737,386.20)	-	-	-	111,885.00	951,030.00	
Total Special Revenue Fund								951,030.00	(737,386.20)	-	-	-	111,885.00	951,030.00	
Debt Service Fund:															
Debt Service Ak	19-495-034-5 120-075	7/1/16-6/30/19	154,322.00	-	-	-	-	154,322.00	(154,322.00)	-	-	-	-	154,322.00	
Total Debt Service Fund								154,322.00	(154,322.00)	-	-	-	-	154,322.00	
State Department of Agriculture															
Enterprise Fund															
National School Lunch Program (State Share)	18-100-010-3 350-023	7/1/17-6/30/18	2,777.02	(240.60)	-	-	-	240.60	(2,817.62)	(241.96)	-	-	-	2,777.02	
National School Lunch Program (State Share)	19-100-010-3 350-023	7/1/16-6/30/19	2,875.75	-	-	-	-	2,875.75	(2,875.75)	(241.96)	-	-	-	2,875.75	
Total Enterprise Fund								2,875.75	(2,875.75)	(241.96)	-	-	-	2,875.75	
Total State Financial Assistance								5,794,616.74	(7,340,778.11)	(79,789.20)	-	-	593,130.12	7,639,352.78	
Less: On-Behalf Payments								(1,800,079.00)	1,800,079.00	-	-	-	-	(1,800,079.00)	
Total State Financial Assistance								3,994,537.74	(5,540,699.11)	(79,789.20)	-	-	593,130.12	5,839,273.78	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

City of Northfield School District
Notes to the Schedules of Financial Assistance
June 30, 2019

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, City of Northfield School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements. All federal and state awards received directly from 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 financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. 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% de minimis indirect cost rate.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97 (A3521). 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 revenues, whereas the GAAP basis does not.

See the following schedules and Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. There are no differences in the reporting of the food service funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

City of Northfield School District
Notes to the Schedules of Financial Assistance
June 30, 2019

	<u>General fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
State Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of State Financial Assistance	6,446,184.16	737,396.20	2,875.74	7,186,456.10
Difference – budget to "GAAP"				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(154,607.31)		(154,607.31)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	380,322.00			380,322.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(391,246.00)	(111,885.00)		(503,131.00)
On behalf payments recognized for GAAP purposes but not included in the Schedule of Expenditures of State Financial Assistance				-
Total State revenue as reported on the statement of revenues, expenditures and changes in fund balances	<u>6,435,260.16</u>	<u>470,903.89</u>	<u>2,875.74</u>	<u>6,909,039.79</u>

City of Northfield School District
Notes to the Schedules of Financial Assistance
June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Federal Assistance:				
Actual amounts (budgetary) "revenues" from the Schedule of Expenditures of Federal Awards	\$ 11,906.48	539,589.79	132,536.30	684,032.57
Difference - budget to "GAAP" Grant accounting budgetary basis differs from "GAAP" in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(4,722.90)		(4,722.90)
Total Federal revenue as reported on the statement of revenue, expenditures, and changes in fund balance	<u>\$ 11,906.48</u>	<u>534,866.89</u>	<u>132,536.30</u>	<u>679,309.67</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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amounts reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the district for the year ended June 30, 2019. TPAF Social Security Contributions represents 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.

**CITY OF NORTHFIELD BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2019**

K-6

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	<u>Unmodified</u>		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____	yes	_____ <u>X</u> _____ no
• Significant deficiency(ies) identified?	_____	yes	_____ <u>X</u> _____ no
Noncompliance material to financial statements noted?	_____	yes	_____ <u>X</u> _____ no

Federal Awards

Not applicable

Internal Control over major programs:			
• Material weakness(es) identified?	_____	yes	_____ no
• Significant deficiency(ies) identified?	_____	yes	_____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____ <u>X</u> _____	yes	_____ no
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State Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on compliance major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 15-08

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
_____	State Aid Cluster
<u>19-495-034-5120-086</u>	<u>Preschool Expansion Aid</u>
<u>19-495034-5094.003</u>	<u>TPAF Reimbursement</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

**CITY OF NORTHFIELD SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING JUNE 30, 2019**

Part 2 – Schedule of Financial Statement Findings

None

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

None

**CITY OF NORTHFIELD SCHOOL DISTRICT
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDING JUNE 30, 2019**

Status of Prior Year Findings

None