

ALEXANDRIA TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
ALEXANDRIA TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

Prepared by

**ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
"Honoring Our Past, Celebrating Our Present, Creating Our Future"

2.0

Arthur C. Pfefferle, Sr. Wing

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Pittstown, New Jersey 08867
(908) 996-6811
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Scott A. Saccal, President
Peter P. Pfreunds Schuh, Vice President

Barbara E. Prowker
School Business Administrator/Board Secretary
prowker@alexandriaschools.org

August 31, 2012

Honorable President and
Members of the Board of Education
Alexandria Township
County of Hunterdon, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Alexandria Township Board of Education for the fiscal year ending June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation 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 operation 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.

School districts publish a comprehensive annual financial report (CAFR). A CAFR is the District's official annual financial report, containing the basic financial statements as well as introductory material; additional statements and schedules; and other financial, economic, and demographic information.

Basically the CAFR contains these three sections: introductory, financial, and the statistical sections. The contents of these three sections include:

- Introductory section, including a letter of transmittal
- Financial section, which includes the auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplemental information (RSI), combining and individual fund financial statements and schedules
- Statistical section

The introductory section is the CAFR's first major section. As the name implies, this section introduces the reader to the CAFR. It includes the following:

- Cover
- Title Page
- Table of Contents
- Transmittal Letter
- Listing of Board Members and Administrators
- Organizational Chart

The financial section consists of the MD&A, the auditor's report, the basic financial statements including notes to the financial statements, RSI, and the combining and individual fund statements.

The CAFR's last section is the statistical section, which presents comparative data for several periods of time.

School districts must prepare financial statements in accordance with the provision of GASB Statement No. 34.

A. REPORTING ENTITY AND ITS SERVICES: The Alexandria Township Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board as established by the National Council on Governmental Accounting Statement No. 3. All funds and account groups of the District are included in this report. The Alexandria Township Board of Education and its two schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-kindergarten through 8. These include regular, as well as special education services. Accelerated programs, enrichment opportunities for all students, and self-contained multiple disabilities programs in the Lester D. Wilson and Alexandria Middle Schools.

The District also offers an integrated preschool program at the Lester D. Wilson School. This program generates tuition revenue for each regular education preschool student at \$5,000 per student for a full day 10 month program. Transportation for these students is the responsibility of the parents.

The Board of Education authorized the submission of the New Jersey Interdistrict Public School Choice Program application on October 20, 2010. In April 2011 the District received notice that we were chosen to participate in the school choice program commencing with the 2011-12 school year. The District receives Choice Aid for each student received.

District enrollment as of June 30, 2012, was 563 students, a decrease of 26 students, or 4.4 percent below its enrollment of one year earlier.

B. ALEXANDRIA MIDDLE SCHOOL EXPANSION PROJECT:

On September 25, 2001, the voters approved a \$6,541,000 referendum for an expansion and renovation project at the Alexandria Middle School by a margin of 471 to 446.

Of the \$6,541,000, under the Educational Facilities Construction and Financing Act, a State grant in the amount of \$1,585,988 was received throughout the life of the project as certain milestones were met.

The Board of Education, on June 10, 2002, authorized the sale of \$4,955,000 in registered School Bonds that would mature in the principal amounts on July 15, 2004, and each July 15 through 2017.

Interest payments commenced on January 15, 2003, and were due each January 15 and July 15 through 2017.

On November 23, 2010 the Board of Education determined that the current tax-exempt interest rate environment may enable it to realize going-forward debt service savings for the taxpayers through the issuance by the Board of Refunding School Bonds, Series 2010 to refund all or a portion of its outstanding callable 2002 School bonds in the amount of \$2,595,000 maturing on July 15, 2012 through July 15, 2017.

On February 25, 2011 the Board of Education sold its School Refunding Series 2011. The sale resulted in a debt service savings considerably greater than the three percent (3%) savings minimum requirement by the State. The Bonds were sold at a 4.618% present value savings. The yields on each annual maturity of the Bonds ranged from 0.800% to 2.630%.

Additionally, the Board of Education put \$100,000 of capital reserve funds toward the Refunding of School Bonds to yield a true \$225,383 in gross savings with a present value of \$210,254.

C. LESTER D. WILSON SCHOOL PROJECT

Heating System Replacement: State approval was given to replace the heating system at the Lester D. Wilson School as a State facilities project. The Board elected to receive State funding to support the project in the form of Debt Service Aid in the amount of 40% of the total cost. The total project cost is \$770,000; local share of project costs 60%, \$462,000, and the State share of project costs 40%, \$308,000.

The voters approved this question at the September 25, 2007 special election by a margin of 200 to 98.

The Board of Education, on October 30, 2007, authorized the issuance of temporary notes in the principal amount of \$770,000 to interim finance the project.

The remaining principal amount was to be issued in the form of temporary notes over the next four years at which time the note will be paid in full.

On November 23, 2010 the Board of Education authorized the withdrawal of capital reserve funds in the amount of \$178,500 to make the final payment on the temporary notes a year in advance.

D. QUALITY SINGLE ACCOUNTABILITY CONTINUUM (QSAC): The Quality Single Accountability Continuum is the Department of Education's monitoring and evaluation system for public school districts. The system shifts the monitoring and evaluation focus compliance to assistance, capacity-building and improvement. It is a single comprehensive accountability system that consolidates federally required improvements. The system focuses on monitoring and evaluating school districts in five key components which, based on research, have been identified to be key factors in effective school districts. These components are:

- Instruction and program;
- Personnel;
- Fiscal management;
- Operations; and
- Governance.

Pursuant to the requirements of N.J.A.C. 6A:30, the District submitted the QSAC district performance review (DPR) in October 2009. Based on that performance review following are the results, including county office verification of the District's self-assessment:

• Instruction and program	62%
• Fiscal management	94%
• Operations management	88%
• Personnel	100%
• Governance	77%

As noted, the District did not satisfy at least 80% of the weighted indicators in areas of instruction and program and governance. As required by QSAC, the District completed a District Improvement Plan detailing the District's strategies for improvement in those areas in which 80% of the indicators were not satisfied.

The District has complied with the requirements of the QSAC comprehensive review as set forth in N.J.A.C. 6A:30-4, and was certified to continue operations as a public school district in the State of New Jersey for a period of three years or until the District's next QSAC review. The District is scheduled for the next round of QSAC monitoring in November 2012.

E. INTERNAL ACCOUNTING CONTROLS: The 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.

The internal control structure is designed to provide reasonable 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 is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. Annual evaluations of the District's internal control structures validate the effectiveness of these oversight entities.

F. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to insure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and for the Debt Service Fund.

G. ACCOUNTING SYSTEM AND REPORT: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board. 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".

H. FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

I. CASH MANAGEMENT: The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUPA). GUPA was enacted in 1970 to protect Governmental Units from 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.

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

K. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by an independent certified public accountant or registered municipal accountant. The accounting firm of William M. Colantano, Jr., Certified Public Accountant was appointed by the Board of Education to conduct the annual audit. In addition to meeting the requirements set forth in State statutes, the audit is also designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and State Treasury Circulate Letter 04-04 OMB, and GASB Statement No. 34. The auditor's report on the general-purpose financial statements and combining and individual fund statements and

schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

L. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Alexandria Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



Matthew J. Jennings, Ed. D.
Superintendent



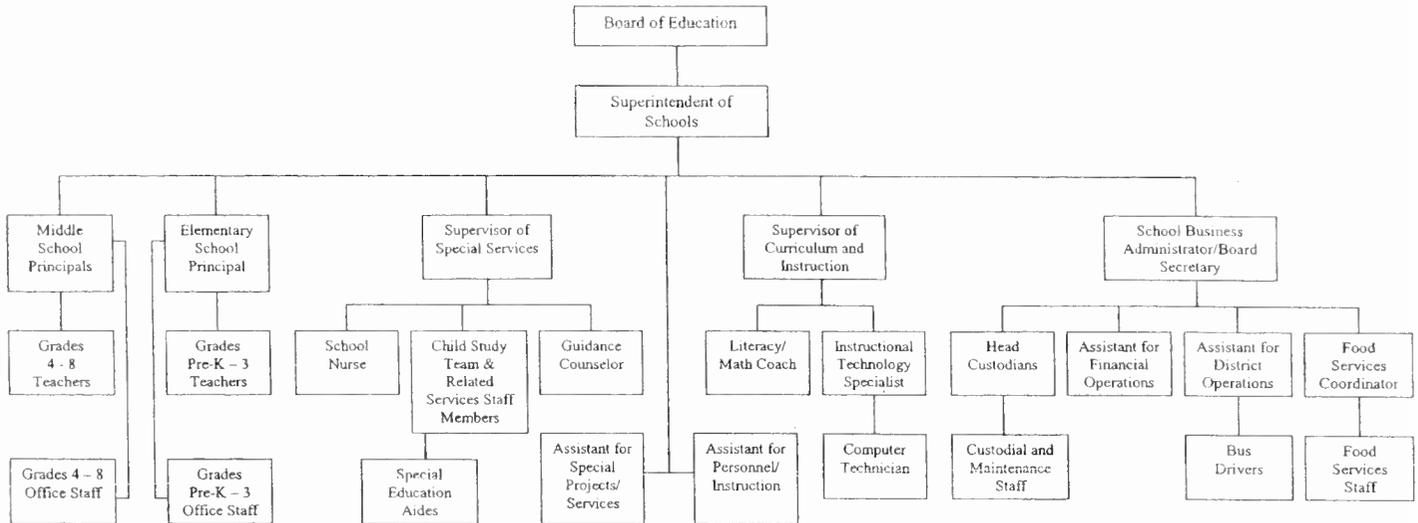
Barbara E. Prowker
School Business Administrator/
Board Secretary

POLICY

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
1110/page 1 of 1
Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 25 June 2009



**ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
PITTSTOWN, NEW JERSEY**

**Roster of Officials
June 30, 2012**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Linda Adams	2014
Elizabeth A. Kelly	2014
Douglas E. Linden, Jr.	2012
Patrick D. McGuinness	2012
Joan M. Monaco	2013
Peter P. Pfreunds Schuh, Vice President	2013
Scott A. Sacca, President	2013
Shawn J. Shapiro	2012
Brian P. Walsh	2014

Other Officials

Matthew J. Jennings	Superintendent of Schools
Barbara E. Prowker	School Business Administrator/ Board Secretary
Ellen Kluber	Treasurer

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

Audit Firm

William M. Colantano, Jr., CPA
100 Route 31 North
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Architect

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Attorneys

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FINANCIAL SECTION

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Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

August 31, 2012

Honorable President and
Members of the Board of Education
Alexandria Township School District
County of Hunterdon, New Jersey

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 Alexandria Township School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Alexandria Township Board of Education's management. Our responsibility is to express an opinion 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; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Alexandria Township Board of Education in the County of Hunterdon, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 31, 2012 on our consideration of the Alexandria Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's financial statements. The schedules of expenditures of federal awards and state financial assistance as required by Office of Management and Budget Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations", and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", respectively and other accompanying supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance and other accompanying supplementary information are fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education's basic financial statements. The introductory section, statistical section and other accompanying information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**Alexandria Township School District
Alexandria Township**

**Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2012
Unaudited**

This section of the Alexandria Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

*In total, net assets increased \$142,261, which represents a 1.83 percent increase from 2011.

*General revenues accounted for \$10,476,495 in revenue or 95.88 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions accounted for \$449,884 or 4.12 percent to total revenues of \$10,926,379.

*Total assets of governmental activities decreased by \$156,277 as cash and cash equivalents increased by \$66,316, receivables increased by \$76,614, capital assets decreased by \$289,755 and other assets decreased by \$9,452.

*The School District had \$10,784,118 in expenses; only \$449,884 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,476,495 were adequate to provide for these programs.

*Among major funds, the General Fund had \$10,120,832 in revenues and \$10,028,619 in expenditures. After accounting for net transfers out of \$9,030 the General Fund's balance increased \$83,183 over 2011.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district.

*The first two statements are **district-wide financial statements** that provide both short-term and long-term information about the District's overall financial status.

*The remaining statements are **fund financial statements** that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

*The **governmental funds statements** tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

***Proprietary funds** statements offer short- and long-term financial information about the activities the District operates like businesses, such as food services.

***Fiduciary funds** statements provide information about the financial relationships in which the District acts as a trustee or agent for the benefit of others, such as student activities.

District-Wide Statements

The district-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 assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net assets and how they have changed. Net assets – 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 assets are an indicator of whether its financial position is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base, the condition of school buildings and other facilities, current laws in New Jersey restricting revenue growth, and required educational programs.

In the district-wide financial statements, the District's activities are divided into two categories:

***Governmental activities:** Most of the District's basic services are included here, such as instruction, special education, support services, operation and maintenance of plant facilities, pupil transportation, administration, and extracurricular activities.

***Business-type activities:** This service is provided on a charge for goods and services basis to cover the costs of certain services it provides. The food service is reported as business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The School District uses many funds to account for a multitude of financial transactions. Some funds are required by State law while the District establishes other funds to control and manage money for particular purposes such as repaying long-term debts and to show that it is properly using certain revenues such as federal grants.

The District has three kinds of funds:

***Governmental funds:** Most of the District's basic services are included in government funds, which focus on how money flows into and out of those funds and the balances left at the year-end that are available for spending. The governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer resources that can be spent in the future to finance the District's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

***Enterprise funds:** The District's enterprise funds are the same as its business-type activities but provide more detail and additional information.

***Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use assets to finance its operations.

Financial Analysis of the District as a Whole

The Statement of Net Assets provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Net assets may serve over time as a useful indicator of a district's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT

Table 1 provides a summary of the District's net assets at 6/30/12 with comparisons to 6/30/11

**Table 1
Net Assets**

	6/30/12	6/30/11	Variance	
			Dollars	%
Current & Other Assets	\$ 843,159	\$ 714,347	\$ 128,812	18.03
Capital Assets	10,042,281	10,328,252	(285,971)	(2.77)
Total Assets	<u>10,885,440</u>	<u>11,042,599</u>	<u>(157,159)</u>	<u>(1.42)</u>
Long-Term Liabilities	2,822,593	3,196,585	(373,992)	(11.70)
Other Liabilities	145,203	70,631	74,572	105.58
Total Liabilities	<u>2,967,796</u>	<u>3,267,216</u>	<u>(299,420)</u>	<u>(9.16)</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	7,592,281	7,508,252	84,029	1.12
Restricted	238,091	216,654	21,437	9.89
Unrestricted	87,272	50,477	36,795	72.89
Total Net Assets	<u>\$ 7,917,644</u>	<u>\$ 7,775,383</u>	<u>\$ 142,261</u>	<u>1.83</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT

Table 2 provides a summary of the District's changes in net assets in fiscal year 2012 with comparisons to 2011

Table 2
Changes in Net Assets

	Fiscal Year Ending		Variance	
	6/30/12	6/30/11	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 197,595	\$ 228,057	\$ (30,462)	(13.36)
Operating Grants	252,289	223,490	28,799	12.89
General Revenues:				
Property Taxes	7,760,088	7,869,032	(108,944)	(1.38)
Unrestricted Grants	2,678,027	2,299,729	378,298	16.45
Other	38,380	9,231	29,149	315.77
Total Revenues	<u>10,926,379</u>	<u>10,629,539</u>	<u>296,840</u>	<u>2.79</u>
Program Expenses				
Instruction:				
Regular	4,376,757	4,361,371	15,386	0.35
Special	1,657,546	1,338,044	319,502	23.88
Other	59,418	51,285	8,133	15.86
Support Services:				
Tuition	48,400	16,400	32,000	195.12
Student & Instructional Staff	1,944,408	1,584,972	359,436	22.68
General & Business Administration	682,522	724,906	(42,384)	(5.85)
School Administration	432,326	418,778	13,548	3.24
Maintenance	900,618	826,757	73,861	8.93
Transportation	453,349	428,720	24,629	5.74
Food Service	139,171	147,046	(7,875)	(5.36)
Interest on Long-Term Debt	89,603	127,760	(38,157)	(25.95)
Total Expenses	<u>10,784,118</u>	<u>10,026,039</u>	<u>758,079</u>	<u>7.56</u>
Increase (Decrease) Before Special Items	142,261	603,500	(461,239)	(76.43)
Special Items:				
Payment to Refunding Bond Agent		(52,183)	52,183	(100.00)
Increase (Decrease) in Net Assets	<u>\$ 142,261</u>	<u>\$ 551,317</u>	<u>\$ (409,056)</u>	<u>(74.20)</u>

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the school district operations. Property taxes made up 71.88 percent of revenues for governmental activities for the Alexandria Township School District for the fiscal year 2012. The district's total governmental revenues on a district wide basis were \$10,796,088 for the year ended June 30, 2012.

The total cost of all governmental expenses and services on a district wide basis was \$10,704,404.

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

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

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

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

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

Curriculum and staff development includes expenses related to planning, research, development, and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the school district which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment, and skill improvement.

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT

Table 3 provides a summary of the School District's cost of governmental services in 2012 and 2011.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/12	6/30/11	6/30/12	6/30/11
Instruction	\$ 6,093,721	\$ 5,750,700	\$ 5,875,618	\$ 5,440,605
Support Services:				
Tuition	48,400	16,400	29,848	16,400
Student & Instructional Staff	1,944,408	1,584,972	1,861,399	1,584,972
General & Business Administration	682,522	724,906	682,522	724,906
School Administration	432,326	418,778	432,326	418,778
Plant Operations & Maintenance	900,618	826,757	900,618	819,517
Pupil Transportation	453,349	428,720	453,349	428,720
Food Service	139,171	147,046	8,951	12,834
Interest on Long-Term Debt	89,603	127,760	89,603	127,760
Total Expenses	<u>\$ 10,784,118</u>	<u>\$ 10,026,039</u>	<u>\$ 10,334,234</u>	<u>\$ 9,574,492</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/12 with comparisons to 6/30/11

Table 4
Capital Assets at Year-end
(Net of Depreciation)

	<u>6/30/12</u>	<u>6/30/11</u>	<u>Variance</u>	
			<u>Dollars</u>	<u>%</u>
Land	\$ 155,364	\$ 155,364		
Land Improvements	242,048	279,792	\$ (37,744)	(13.49)
Buildings & Improvements	9,401,419	9,670,007	(268,588)	(2.78)
Furniture & Equipment	<u>243,450</u>	<u>223,089</u>	<u>20,361</u>	9.13
Total	<u><u>\$ 10,042,281</u></u>	<u><u>\$ 10,328,252</u></u>	<u><u>\$ (285,971)</u></u>	(2.77)

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT

Table 5 provides a summary of the District's outstanding debt at 6/30/12 with comparisons to 6/30/11

Table 5
Outstanding Debt at Year-end

	<u>6/30/12</u>	<u>6/30/11</u>	<u>Variance</u>	
			Dollars	%
General Obligation Bonds	\$ 2,450,000	\$ 2,820,000	(370,000)	(13.12)
Compensated Absences	247,575	226,770	20,805	9.17
Unamortized Bond Premiums	<u>125,018</u>	<u>149,815</u>	<u>(24,797)</u>	(16.55)
	<u>\$ 2,822,593</u>	<u>\$ 3,196,585</u>	<u>\$ (373,992)</u>	(11.70)

The School District's Funds

All governmental funds, General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund, presented in the fund-based statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$10,796,088 and expenditures were \$10,704,404. After accounting for other financing uses of \$9,030 the net change in fund balance for the year was an increase of \$82,564.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

General Fund Budgeting Highlights

The Alexandria Township School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

Budgets are prepared in December/January with revenue information made available in February/March and a public vote on the school district budget in April. The fiscal year runs from July 1 through June 30. Changes occur over that 18-month period.

Unanticipated shifts in enrollment, staffing needs, students requiring special services, uncertain energy costs, and unfunded programs are often mandated after a budget is adopted.

The District builds a budget to meet the needs of its students based on the information and projections that are available during the budget cycle.

During the course of the 2012 fiscal year, the District amended its General Fund Budget by transferring funds as needed to prevent over-expenditures in specific line item accounts and to respond to a reduction in state aid.

Capital Assets

At the end of the fiscal year 2012, the District had \$10,042,281 invested in land, buildings, furniture, equipment, construction in progress, and vehicles, net of accumulated depreciation.

Factors Bearing on the District's Future

The Alexandria Township School District is in good financial condition although at the time these financial statements were prepared and audited, the District was aware of existing circumstances that could affect its financial health in the future.

A concern is with the increased reliance on local property taxes to support the District's programs. Additionally, health benefit costs are rising in the double digits. Future finances are not without challenges as the District has not passed a budget in a number of years which has resulted in the Township Committee reducing the budgets.

In the Alexandria Township School District eight out of the last ten tax levy questions have been defeated which resulted in \$659,555 in reductions of tax levy. The contributing factors are thought to be the funding formula, the downturn of the economy, and inequities in distribution of State aid with the bulk of the funding going to 31 special needs districts while districts like Alexandria must rely on local property taxes to support 81.5 percent of their operating budget.

On January 26, 2012 the Alexandria Township Board of Education passed a resolution to eliminate the vote on the annual budget and to move the election of school board members to the general election in November. P.L. 2011, Chapter 202 legislation provides districts this option. This eliminates the vote on the annual school budget which shall be within the statutory cap and becomes effective for the 2012-13 budget.

Alexandria Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to bear the tax burden.

New Jersey school districts have no taxing authority. Municipalities collect all property taxes for their respective communities and pay over to the other government agencies what is collected on their behalf. The municipalities pay over to school districts the exact amount approved by the voters or, in the case of a budget defeat, the amount agreed to by the municipalities and Board of Education.

In conclusion, the Alexandria Township School District has committed itself to financial excellence for many years. In addition, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Barbara E. Prowker, School Business Administrator/Board Secretary at Alexandria Township Board of Education, 557 County Road 513, Pittstown, New Jersey 08867.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 296,125	\$ 2,965	\$ 299,090
Receivables, Net	254,294	1,179	255,473
Inventory		2,850	2,850
Bond Issuance Costs, Net	47,655		47,655
Restricted Assets:			
Capital Reserve Account-Cash	157,927		157,927
Maintenance Reserve Account-Cash	80,160		80,160
Debt Service Fund Cash	4		4
Capital Assets, Net (Note 4)	9,990,670	51,611	10,042,281
Total Assets	<u>10,826,835</u>	<u>58,605</u>	<u>10,885,440</u>
LIABILITIES			
Accounts Payable	47,510		47,510
Due to Other Funds		4,841	4,841
Accrued Interest	39,760		39,760
Deferred Revenue	51,512	1,580	53,092
Long-Term Liabilities (Note 5):			
Due Within One Year	394,797		394,797
Due Beyond One Year	2,427,796		2,427,796
Total Liabilities	<u>2,961,375</u>	<u>6,421</u>	<u>2,967,796</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	7,540,670	51,611	7,592,281
Restricted For:			
Debt Service	4		4
Capital Reserve	157,927		157,927
Maintenance Reserve	80,160		80,160
Unrestricted	86,699	573	87,272
TOTAL NET ASSETS	<u>\$ 7,865,460</u>	<u>\$ 52,184</u>	<u>\$ 7,917,644</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Government Activities:								
Instruction:								
Regular	\$ 3,097,495	\$ 1,279,262	\$ 93,109			\$ 4,283,648		\$ 4,283,648
Special Education	1,012,232	391,711		110,563		1,293,380		1,293,380
Other Special Instruction	128,122	125,481		14,431		239,172		239,172
Other Instruction	56,471	2,947				59,418		59,418
Support Services:								
Tuition	48,400			18,552		29,848		29,848
Students & Instruction Related Services	1,420,152	524,256		83,009		1,861,399		1,861,399
General & Business Administrative Services	513,341	169,181				682,522		682,522
School Administrative Services	305,820	126,506				432,326		432,326
Plant Operations & Maintenance	781,234	119,384				900,618		900,618
Pupil Transportation	447,956	5,393				453,349		453,349
Interest on Long-Term Debt	89,603					89,603		89,603
Total Government Activities	7,900,826	2,744,121	93,109	226,555	\$ -	10,325,283	\$ -	10,325,283
Business-Type Activities:								
Food Service	139,171		104,486	25,734			(8,951)	(8,951)
Total Business-Type Activities	139,171	-	104,486	25,734	-	-	(8,951)	(8,951)
Total Primary Government	\$ 8,039,997	\$ 2,744,121	\$ 197,595	\$ 252,289	\$ -	10,325,283	(8,951)	10,334,234
General Revenues & Transfers								
						7,373,799		7,373,799
						386,289		386,289
						2,617,337		2,617,337
						60,690		60,690
						12,302	71	12,373
						26,007		26,007
						(9,030)	9,030	
						<u>10,467,394</u>	<u>9,101</u>	<u>10,476,495</u>
						142,111	150	142,261
						<u>7,723,349</u>	<u>52,034</u>	<u>7,775,383</u>
						<u>\$ 7,865,460</u>	<u>\$ 52,184</u>	<u>\$ 7,917,644</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
ASSETS					
Cash & Cash Equivalents	\$ 296,065	\$ 60			\$ 296,125
Receivables from Other Governments:					
Federal		88,335			88,335
State	164,459				164,459
Other Receivables	1,500				1,500
Due from Other Funds	55,583				55,583
Restricted Cash & Equivalents	238,087			\$ 4	238,091
TOTAL ASSETS	\$ 755,694	\$ 88,395	\$ -	\$ 4	\$ 844,093
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 47,510				\$ 47,510
Due To Other Funds		\$ 55,583			55,583
Deferred Revenue	18,700	32,812			51,512
Total Liabilities	66,210	88,395	\$ -	\$ -	154,605

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Capital Reserve Account	\$ 157,927				\$ 157,927
Maintenance Reserve Account	80,160				80,160
Excess Surplus-Designated for Subsequent Year's Expenditures	52,691				52,691
Designated for Subsequent Year's Expenditures				\$ 4	4
Committed Fund Balance:					
Year-End Encumbrances	153,965				153,965
Unassigned Fund Balance	244,741				244,741
Total Fund Balances	<u>689,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4</u>	<u>689,488</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 755,694</u>	<u>\$ 88,395</u>	<u>\$ -</u>	<u>\$ 4</u>	

Amounts Reported for Governmental Activities in the Statement of Net Assets
(A-1) are Different Because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 15,318,169
5,327,499

9,990,670

Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds

(2,822,593)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

(39,760)

Bond issuance costs are reported as expenditures in the governmental funds. The cost is and the accumulated amortization is

59,864
12,209

47,655

Total Net Assets of Governmental Activities

\$ 7,865,460

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
REVENUES					
Local Sources:					
Local Tax Levy	\$ 7,373,799			\$ 386,289	\$ 7,760,088
Tuition-Individuals	93,109				93,109
Interest Earned on Capital Reserve Funds	1,006				1,006
Interest on Investments	11,296				11,296
Miscellaneous	24,285			1,722	26,007
Total	<u>7,503,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>388,011</u>	<u>7,891,506</u>
State Sources	2,555,015			60,690	2,615,705
Federal Sources	62,322	226,555			288,877
Total Revenues	<u>10,120,832</u>	<u>226,555</u>	<u>-</u>	<u>448,701</u>	<u>10,796,088</u>
EXPENDITURES					
Current :					
Instructional:					
Regular Instruction	3,097,495				3,097,495
Special Education Instruction	901,669	110,563			1,012,232
Other Special Instruction	113,691	14,431			128,122
Other Instruction	56,471				56,471
Support Service & Undistributed Costs:					
Tuition	29,848	18,552			48,400
Student & Instruction Related Services	1,345,568	83,009			1,428,577
General & Business Administrative Services	513,341				513,341
School Administrative Services	305,820				305,820
Plant Operations & Maintenance	781,234				781,234
Pupil Transportation	447,956				447,956
Unallocated Benefits	2,378,281				2,378,281

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Fund
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 57,245				\$ 57,245
Debt Service:					
Principal				\$ 370,000	370,000
Interest & Other Charges				79,230	79,230
Total Expenditures	<u>10,028,619</u>	<u>\$ 226,555</u>	<u>\$ -</u>	<u>449,230</u>	<u>10,704,404</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>92,213</u>	<u>-</u>	<u>-</u>	<u>(529)</u>	<u>91,684</u>
Other Financing Sources (Uses):					
Operating Transfers Out	<u>(9,030)</u>				<u>(9,030)</u>
Total Other Financing Sources (Uses)	<u>(9,030)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,030)</u>
Net Change in Fund Balance	83,183	-	-	(529)	82,654
Fund Balances, July 1	<u>606,301</u>			<u>533</u>	<u>606,834</u>
Fund Balances, June 30	<u>\$ 689,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 689,488</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	82,654
<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 expenses. This is the amount by which depreciation exceeds capital outlays in the period:</p>		
Capital Outlays	\$ 55,280	
Depreciation Expenses	<u>(345,035)</u>	(289,755)
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Debt Principal Payments		370,000
<p>Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:</p>		
Amortization of Bond Issuance Costs	(9,452)	
Amortization of Bond Premium	<u>24,797</u>	15,345
<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 accrued interest is a reconciling item.</p>		
		(15,328)
<p>In the statement of activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>(20,805)</u>
Change in Net Assets of Governmental Activities	\$	<u>142,111</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 2,965
Receivables from Other Governments:	
State	79
Federal	1,100
Inventory	2,850
Total Current Assets	<u>6,994</u>
Noncurrent Assets:	
Capital Assets	97,060
Less: Accumulated Depreciation	45,449
Total Noncurrent Assets	<u>51,611</u>
Total Assets	<u>58,605</u>
LIABILITIES	
Current Liabilities:	
Due to Other Funds	4,841
Deferred Revenues	1,580
Total Liabilities	<u>6,421</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	51,611
Unrestricted	<u>573</u>
TOTAL NET ASSETS	<u>\$ 52,184</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 64,408
Daily Sales-Nonreimbursable Programs	40,078
Total Operating Revenues	<u>104,486</u>
Other Expenses:	
Cost of Sales	64,898
Salaries	42,486
Employee Benefits	6,369
Management Fee	3,311
Repairs and Maintenance	3,089
Supplies and Materials	7,039
Insurance	3,947
Other Purchased Services	1,988
Depreciation	5,246
Office Expense	798
Total Operating Expenses	<u>139,171</u>
Operating Income (Loss)	<u>(34,685)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,272
Federal Sources:	
National School Lunch Program	18,161
Food Distribution Program	6,301
Interest Earned on Investments	71
Total Nonoperating Revenues (Expenses)	<u>25,805</u>
Other Financing Sources:	
Operating Transfer In	<u>9,030</u>
Change in Net Assets	150
Net Assets, Beginning	<u>52,034</u>
Net Assets, Ending	<u><u>\$ 52,184</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 104,486
Payments to Food Service Management Co	(130,451)
Payments to Vendors (Net)	(4,062)
Interfund Activity	4,841
Net Cash Provided by (Used For) Operating Activities	(25,186)
Cash Flows from Non-Capital Financing Activities:	
State Sources	1,192
Federal Sources	17,061
Operating Transfer In	9,030
Interfund Activity	4,841
Net Cash Provided by (Used For) Non-Capital Financing Activities	32,124
Cash Flows from Investing Activities:	
Interest Earned on Investments	71
Net Cash Provided by (Used For) Investing Activities	71
Cash Flows from Capital Financing Activities:	
Acquisition of Equipment	(9,030)
Net Cash Provided by (Used For) Capital Financing Activities	(9,030)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,021)
Cash and Cash Equivalents, Beginning	9,827
Cash and Cash Equivalents, Ending	\$ 7,806
Reconciliation of Operating Income (Loss) to Net Cash Provide by (Used For)	
Operating Activities:	
Operating Income (Loss)	\$ (34,685)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	5,246
Federal Food Donation Program	6,301
(Increase) Decrease in Inventory	(1,016)
Increase (Decrease) in Accounts Payable	(7,453)
Increase (Decrease) in Deferred Revenue	1,580
Increase (Decrease) in Due to Other Funds	4,841
Net Cash Provided by (Used For) Operating Activities	\$ (25,186)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	\$ 70,837	\$ 27,077	\$ 131,603
Due from Other Funds	9,151		4,841
TOTAL ASSETS	<u>79,988</u>	<u>\$ 27,077</u>	<u>\$ 136,444</u>
LIABILITIES			
Accounts Payable	\$ 1,215		
Due to Other Funds			\$ 9,151
Due to Student Groups		\$ 27,077	
Payroll Deductions & Withholdings			127,293
TOTAL LIABILITIES	<u>1,215</u>	<u>\$ 27,077</u>	<u>\$ 136,444</u>
NET ASSETS	<u>\$ 78,773</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Employee Contributions	\$ 31,150
Investment Earnings-Interest	<u>651</u>
Total Additions	31,801
DEDUCTIONS	
Unemployment Claims	<u>52,918</u>
Change in Net Assets	(21,117)
Net Assets, Beginning of the Year	<u>99,890</u>
Net Assets, End of the Year	<u><u>\$ 78,773</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Basic Financial Statements Include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2012 of 563 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:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is 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 that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, 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:

Enterprise Fund - The Enterprise Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other government's and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

D. 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 and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2012 were insignificant.

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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.

E. 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 yearend 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.

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.

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2011-2012 and 2010-2011 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Vehicle	5

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Deferred Revenue

Deferred revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Deferred revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in deferred revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2012 consists of the following:

Debt Service	\$	4
Maintenance Reserve		80,160
Capital Reserve		<u>157,927</u>
	\$	<u><u>238,091</u></u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized 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.

NJSA 17:9-41 e.t. 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 saving 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.

Deposits at June 30, 2012 appear in the financial statements as summarized below:

Cash		<u>\$ 766,698</u>
	<u>Ref.</u>	
Unrestricted Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 296,125
Enterprise Fund, Statement of Net Assets	B-4	2,965
Fiduciary Funds, Statement of Net Assets	B-7	229,517
Restricted Cash:		
Governmental Funds, Balance Sheet	B-1	<u>238,091</u>
Total Cash		<u>\$ 766,698</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2012 is \$766,698 and the bank balance is \$985,815. Of the bank balance, \$250,000 is covered by federal depository insurance and \$735,815 is insured by GUDPA.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2012, the district had no investments.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being				
Depreciated:				
Land	\$ 155,364			\$ 155,364
Total	<u>155,364</u>	\$ -0-	\$ -0-	<u>155,364</u>
Capital Assets, Being				
Depreciated:				
Land Improvements	818,584			818,584
Building & Improvements	13,683,788			13,683,788
Furniture & Equipment	605,153	55,280		660,433
Total	<u>15,107,525</u>	<u>55,280</u>	<u>-0-</u>	<u>15,162,805</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Accumulated Depreciation:				
Land Improvements	\$ 538,792	\$ 37,744		\$ 576,536
Building & Improvements	4,013,781	268,588		4,282,369
Furniture & Equipment	429,891	38,703		468,594
Total	<u>4,982,464</u>	<u>345,035</u>	<u>\$ -0-</u>	<u>5,327,499</u>
 Total Capital Assets, Being Depreciated, Net	 <u>10,125,061</u>	 <u>(289,755)</u>	 <u>-0-</u>	 <u>9,835,306</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 10,280,425</u>	 <u>\$ (289,755)</u>	 <u>\$ -0-</u>	 <u>\$ 9,990,670</u>
 Business-Type Activities:				
Furniture & Equipment	\$ 88,030	\$ 9,030		\$ 97,060
Less: Accum Depreciation	<u>40,203</u>	<u>5,246</u>		<u>45,449</u>
Business-Type Activities Capital Assets, Net	<u>\$ 47,827</u>	<u>\$ 3,784</u>	<u>\$ -0-</u>	<u>\$ 51,611</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 161,667
Special Education	52,831
Other Special Instruction	6,687
Co-Curricular Activities	2,947
Support Services:	
Student & Instruction	74,562
General & Business Admin	26,793
School Administration	15,962
Plant & Maintenance	<u>3,586</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 345,035</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2012 is as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 2,820,000		\$ 370,000	\$ 2,450,000	\$ 370,000
Unamortized Bond Premium	149,815		24,797	125,018	24,797
Compensated Absences Payable	<u>226,770</u>	<u>\$ 25,152</u>	<u>4,347</u>	<u>247,575</u>	<u></u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 3,196,585</u>	<u>\$ 25,152</u>	<u>\$ 399,144</u>	<u>\$ 2,822,593</u>	<u>\$ 394,797</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2012 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 370,000	\$ 83,050	\$ 453,050
2014	385,000	73,575	458,575
2015	395,000	59,900	454,900
2016	415,000	43,700	458,700
2017	430,000	26,800	456,800
2018	<u>455,000</u>	<u>9,100</u>	<u>464,100</u>
	<u>\$ 2,450,000</u>	<u>\$ 296,125</u>	<u>\$ 2,746,125</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

General Obligation Bonds – General obligation school building bonds payable at June 30, 2012, with their outstanding balances are comprised of the following individual issues:

\$2,450,000 – 2011 refunding school building bonds, interest at 2.00% to 4.00% due in annual installments beginning July 15, 2012 to July 15, 2017	<u>\$ 2,450,000</u>
--	---------------------

The general obligation bonded debt of the District is limited by state law to 3.00% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2012 is \$25,339,953. General obligation debt at June 30, 2012 is \$2,450,000, resulting in a legal debt margin of \$22,889,953.

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Description of Systems (cont'd)

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Significant Legislation (cont'd)

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/12	\$ 492,459	100%
06/30/11	337,905	100%
06/30/10	317,503	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/12	\$ 75,138	100%
06/30/11	71,123	100%
06/30/10	68,863	100%

During the year ended June 30, 2012, the State of New Jersey contributed \$328,866 to the TPAF for post-retirement medical benefits and \$15,854 for the non-contributory insurance premiums and \$147,739 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$369,011 during the year ended June 30, 2012 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts 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 with GASB 27.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2011, the State paid \$144 million toward Ch 126 benefits for 15,079 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2011.pdf>

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(Continued)

NOTE 8. 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, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Metropolitan Life
Equitable Life Assurance
Waddell and Reed Financial Services

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

Interfund balances as of June 30, 2012 were as follows:

	Receivable	Payable
General Fund	\$ 55,583	
Special Revenue Fund		\$ 55,583
	\$ 55,583	\$ 55,583

The \$55,583 interfund between the General and Special Revenue Funds represents a required loan due to, a delay in receipt of grant funds.

The General Fund transferred \$9,030 to the Food Service Fund to acquire capital assets.

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2012 consisted of the following:

Food	\$ 2,240
Supplies	610
Total	\$ 2,850

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

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 student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

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

<u>Fiscal Year</u>	<u>Board Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2011-2012		\$ 651	\$ 31,150	\$ 52,918	\$ 78,773
2010-2011	\$130,000	151	-0-	76,640	99,890
2009-2010	20,000	367	-0-	24,885	46,379

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1 on September 26, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$10,800 to their Capital Reserve account and \$25,200 to their Maintenance Reserve Account by board resolution in June 2012 as summarized in the following schedule.

The following schedule is a summarization of the Legal Reserve Accounts for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Return Unused With drawal</u>	<u>With drawal</u>	<u>Ending Balance</u>
Capital	\$ 146,121	\$ 10,800	\$ 1,006			\$ 157,927
Maintenance	70,000	25,200			\$ 15,040	80,160
	<u>\$ 216,121</u>	<u>\$ 36,000</u>	<u>\$ 1,006</u>	<u>\$ -0-</u>	<u>\$ 15,040</u>	<u>\$ 238,087</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012
 (Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2012 and 2011 is as follows:

	<u>2012</u>	<u>2011</u>
Restricted:		
Capital Reserve Account-Represents funds restricted to capital projects in the District's Long Range Facilities Plan.	\$ 157,927	\$ 146,121
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (18A:76-9)	80,160	70,000
Excess Surplus-Represents amount in excess of allowable percentage. In accordance with state statute, the excess surplus is designated for utilization in succeeding year's budgets	27,136	25,555
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount in excess of allowable percentage appropriated in the succeeding year's budget to reduce tax requirements.	25,555	24,988
Committed:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	153,965	125,614
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated.	<u>396,353</u>	<u>350,228</u>
Total Fund Balance	<u>\$ 841,096</u>	<u>\$ 742,506</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2012 is \$27,136.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 7,373,799		\$ 7,373,799	\$ 7,373,799	
Tuition-Individuals	90,000		90,000	93,109	\$ 3,109
Interest on Capital Reserve Funds	2,000		2,000	1,006	(994)
Interest on Investments				11,296	11,296
Miscellaneous-Unrestricted	27,240		27,240	24,285	(2,955)
Total	7,493,039	\$ -	7,493,039	7,503,495	10,456
State Sources:					
Categorical Special Education Aid	324,068		324,068	324,068	
Equalization Aid	768,616		768,616	768,616	
Categorical Security Aid	43,553		43,553	43,553	
Categorical Transportation Aid	256,195		256,195	256,195	
Adjustment Aid	76,353	(76,353)		20,590	20,590
School Choice Aid		185,850	185,850	144,550	(41,300)
Extraordinary Special Education Costs Aid				139,632	139,632
Non-Public Transportation Aid				11,400	11,400
Anti-Bullying Aid				348	348
On-Behalf TPAF Payments				492,459	492,459
Reimbursed TPAF Social Security Contribution				369,011	369,011
Total	1,468,785	109,497	1,578,282	2,570,422	992,140
Federal Sources:					
Education Jobs Fund	60,429	1,893	62,322	62,322	
Total	60,429	1,893	62,322	62,322	-
TOTAL REVENUES	\$ 9,022,253	\$ 111,390	\$ 9,133,643	\$ 10,136,239	\$ 1,002,596
EXPENDITURES					
Current:					
Instruction-Regular Program:					
Salaries of Teachers:					
Preschool	\$ 59,769	\$ (45,811)	\$ 13,958	\$ 13,958	
Kindergarten	128,271	4,378	132,649	132,649	
Grades 1-5	1,505,982	205,892	1,711,874	1,711,874	
Grades 6-8	846,763	(72,109)	774,654	773,385	\$ 1,269
Home Instruction:					
Salaries of Teachers	500	(500)			
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction	24,216	(13,219)	10,997	10,997	
Purchased Professional Educational Services		1,910	1,910	1,910	
Purchased Technical Services	2,300	6,101	8,401	8,401	
Other Purchased Services	86,980	(3,671)	83,309	77,020	6,289
General Supplies	122,880	205,069	327,949	309,278	18,671
Textbooks	26,000	26,939	52,939	52,939	
Other Objects	5,500	(416)	5,084	5,084	
Total	2,809,161	314,563	3,123,724	3,097,495	26,229

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	\$ 174,508	\$ (7,584)	\$ 166,924	\$ 166,924	
Other Salaries for Instruction	1,000	2,240	3,240	3,240	
General Supplies	3,100	1,843	4,943	4,943	
Other Objects	3,000	(2,792)	208	208	
Total	181,608	(6,293)	175,315	175,315	\$ -
Resource Room/Resource Center:					
Salaries of Teachers	616,460	11,351	627,811	627,698	113
Other Purchased Services		863	863	863	
General Supplies	5,000	(1,363)	3,637	3,569	68
Total	621,460	10,851	632,311	632,130	181
Preschool Disabilities-Full-Time:					
Salaries of Teachers	76,585	6,961	83,546	83,546	
Other Salaries for Instruction	1,500	48	1,548	1,548	
General Supplies	500	7,015	7,515	7,507	8
Total	78,585	14,024	92,609	92,601	8
Home Instruction:					
Salaries of Teachers	4,000	(3,374)	626	626	
Purchased Professional Education Services	1,000	(42)	958	958	
Other Purchased Services	500	(461)	39	39	
Total	5,500	(3,877)	1,623	1,623	-
Total Special Education	887,153	14,705	901,858	901,669	189
Basic Skills/Remedial:					
Salaries of Teachers	90,063	4,619	94,682	94,682	
Purchased Technical Services	18,000	(18,000)			
General Supplies	8,500	10,509	19,009	19,009	
Total	116,563	(2,872)	113,691	113,691	-
School Sponsored Co Curricular Activities:					
Salaries	25,489	(490)	24,999	24,707	292
Supplies & Materials		961	961	961	
Other Objects	300	(300)			
Total	25,789	171	25,960	25,668	292

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
School Sponsored Athletics:					
Salaries	\$ 26,226	\$ (3,194)	\$ 23,032	\$ 23,032	
Purchased Services	4,000	920	4,920	4,920	
Supplies & Materials	9,000	4,907	13,907	2,851	\$ 11,056
Total	39,226	2,633	41,859	30,803	11,056
Total Instruction Regular	\$ 3,877,892	\$ 329,200	\$ 4,207,092	\$ 4,169,326	\$ 37,766
Undistributed Expenditures:					
Instruction Tuition:					
Private Schools for the Disabled					
Within the State	\$ 93,190	\$ (63,342)	\$ 29,848	\$ 29,848	
Total	93,190	(63,342)	29,848	29,848	\$ -
Health Services:					
Salaries	159,340	8,160	167,500	167,500	
Purch Professional and Technical Services	6,000	(517)	5,483	5,483	
Other Purchased Services	2,000	(842)	1,158	1,158	
Supplies & Materials	3,500	2,703	6,203	6,203	
Other Objects		50	50	50	
Total	170,840	9,554	180,394	180,394	-
Speech, OT, PT & Related Services:					
Salaries	167,590	(4,634)	162,956	162,956	
Purch Professional Educational Services	37,700	(10,362)	27,338	22,065	5,273
Supplies & Materials	7,000	(5,323)	1,677	1,670	7
Other Objects	200		200	198	2
Total	212,490	(20,319)	192,171	186,889	5,282
Guidance:					
Salaries of Other Professional Staff	114,408	(31,629)	82,779	82,779	
Purchased Professional & Tech Services		848	848	848	
Other Purchased Services	600	532	1,132	757	375
Supplies & Materials	2,500	(519)	1,981	717	1,264
Total	117,508	(30,768)	86,740	85,101	1,639
Child Study Teams:					
Salaries of Other Professional Staff	288,905	(48,225)	240,680	240,680	
Salaries of Secretarial & Clerical Assist	33,231	101	33,332	33,332	
Other Purchased Professional Tech Serv	6,000	(6,000)			
Miscellaneous Purchased Services	8,500	(433)	8,067	5,010	3,057
Supplies & Materials	5,320	2,686	8,006	7,702	304
Other Objects	2,700	(1,448)	1,252	1,113	139
Total	344,656	(53,319)	291,337	287,837	3,500

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 28,610	\$ 69,986	\$ 98,596	\$ 98,596	
Salaries of Other Professional Staff	10,000		10,000	3,375	\$ 6,625
Salaries of Secretarial and Clerical Assistants	13,340		13,340	13,340	
Salaries of Facilitators, Math & Literacy Coaches	129,445	91,260	220,705	220,705	
Supplies & Materials		8,804	8,804	8,631	173
Total	181,395	170,050	351,445	344,647	6,798
Educational Media Services-School Library:					
Salaries	135,345	20,245	155,590	154,532	1,058
Salaries of Technology Coordinators	46,575	3,842	50,417	50,417	
Other Purchased Services	5,390	(201)	5,189	5,189	
Supplies & Materials	21,097	(4,613)	16,484	12,370	4,114
Total	208,407	19,273	227,680	222,508	5,172
Instructional Staff Training Services:					
Salaries of Other Professional Staff	74,396	(74,396)			
Other Salaries	11,500		11,500	9,750	1,750
Purchased Professional Educational Services	28,000	40,600	68,600	15,650	52,950
Other Purchased Services	3,500	103	3,603	3,217	386
Supplies & Materials	6,000	4,523	10,523	9,575	948
Total	123,396	(29,170)	94,226	38,192	56,034
Support Services General Administration:					
Salaries	195,223	(1,358)	193,865	192,406	1,459
Legal Services	10,000	(4,196)	5,804	5,804	
Audit Fees	16,000		16,000	16,000	
Other Purchased Professional Services	15,000	(6,279)	8,721	8,721	
Purchased Technical Services	2,700	(185)	2,515	2,515	
Communications & Telephone	11,793	4,924	16,717	16,407	310
Bd of Education Other Purchased Services	6,000	(329)	5,671	5,626	45
Miscellaneous Purchased Services	22,666	(1,149)	21,517	21,135	382
General Supplies	3,060	8,192	11,252	11,024	228
Bd of Education In-House Training/Mtg Supplies	500	(116)	384	370	14
Miscellaneous Expenditures	2,700	238	2,938	2,638	300
Bd of Education Membership Due & Fees	5,500	(263)	5,237	5,237	
Total	291,142	(521)	290,621	287,883	2,738
Support Services School Administration:					
Salaries of Principals/Asst. Principals/Program Dir.	182,071	515	182,586	182,586	
Salaries of Secretarial & Clerical Assistants	82,814	26,636	109,450	109,450	
Other Purchased Services	4,500	(1,210)	3,290	3,290	
Supplies & Materials	5,640	199	5,839	5,177	662
Other Objects	4,000	1,317	5,317	5,317	
Totals	279,025	27,457	306,482	305,820	662
Security:					
Purchased Professional and Technical Services	8,500	(2,762)	5,738	5,738	
Cleaning, Repair, and Maintenance		8,881	8,881	8,881	
Total	8,500	6,119	14,619	14,619	-

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Central Services:					
Salaries	\$ 202,000	\$ 54	\$ 202,054	\$ 202,053	\$ 1
Purchased Professional Services	5,000	2,200	7,200	2,400	4,800
Purchased Technical Services	6,000	5,958	11,958	10,996	962
Miscellaneous Purchased Services	4,600	(856)	3,744	2,831	913
Supplies & Materials	3,000	1,386	4,386	3,922	464
Miscellaneous Expenditures	1,700	1,556	3,256	3,256	
Total	222,300	10,298	232,598	225,458	7,140
Required Maintenance for School Facilities:					
Cleaning, Repair & Maintenance Services	108,410	38,080	146,490	121,133	25,357
General Supplies	2,000	(740)	1,260	1,260	
Other Objects	1,300	(915)	385	385	
Total	111,710	36,425	148,135	122,778	25,357
Custodial Services:					
Salaries	262,820	27,188	290,008	281,430	8,578
Purchased Professional & Technical Services	37,800	(771)	37,029	34,708	2,321
Cleaning, Repair, & Maintenance Services	24,500	(6,214)	18,286	17,794	492
Other Purchased Property Services	1,500	(553)	947	947	
Insurance	43,920	(8,725)	35,195	35,195	
Miscellaneous Purchased Services	700	(235)	465	361	104
General Supplies	37,784	15,947	53,731	45,803	7,928
Energy (Electricity)	164,000	(35,013)	128,987	108,609	20,378
Energy (Gasoline)	1,000	857	1,857	1,857	
Other Objects	700	(118)	582	576	6
Energy (Oil)	142,500	(37,275)	105,225	105,225	
Total	717,224	(44,912)	672,312	632,505	39,807
Care and Upkeep of Grounds					
Cleaning, Repair, & Maintenance Services	6,000	2,118	8,118	8,118	
Snow Plowing		3,214	3,214	3,214	
Total	6,000	5,332	11,332	11,332	-
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School)-Regular	13,785		13,785	13,785	
Management Fee-ESC & CSTA Trans. Program	1,000	(1,000)			
Contracted Services (Other Than Between Home & School)-Vendors	8,500	610	9,110	8,791	319
Contracted Services (Between Home & School)-Joint Agreements	360,584	(28,638)	331,946	330,784	1,162
Contracted Service (Special Education Students)-Joint Agreements	97,701	(3,105)	94,596	94,596	
Total	481,570	(32,133)	449,437	447,956	1,481
Unallocated Benefits-Employee Benefits:					
Social Security Contribution	86,457	(3,433)	83,024	83,024	
Other Retirement Contributions-PERS	84,717	(4,799)	79,918	76,721	3,197
Unemployment Compensation	80,000	(80,000)			
Workmen's Compensation	53,230	(11,352)	41,878	41,878	
Health Benefits	1,243,506	(432)	1,243,074	1,243,074	
Tuition Reimbursement	20,000		20,000	18,410	1,590
Other Employee Benefits	14,696	39,008	53,704	53,704	
Total	1,582,606	(61,008)	1,521,598	1,516,811	4,787

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
On-Behalf TPAF Pension Contribution				\$ 492,459	\$ (492,459)
Reimb TPAF Social Security Contribution				369,011	(369,011)
Total	\$ -	\$ -	\$ -	861,470	(861,470)
Total Undistributed Expenditures	\$ 5,151,959	\$ (50,984)	\$ 5,100,975	\$ 5,802,048	\$ (701,073)
TOTAL CURRENT	\$ 9,029,851	\$ 278,216	\$ 9,308,067	\$ 9,971,374	\$ (663,307)
CAPITAL OUTLAY					
Equipment:					
Regular Instruction	\$ 5,000	\$ 36,655	\$ 41,655	\$ 38,255	\$ 3,400
Operations and Maintenance		40,719	40,719	8,600	32,119
Total	5,000	77,374	82,374	46,855	35,519
Facilities Acquisition & Construction Services:					
Assessment for Debt Service on SDA Funding	10,390		10,390	10,390	
Total	10,390	-	10,390	10,390	-
TOTAL CAPITAL OUTLAY	\$ 15,390	\$ 77,374	\$ 92,764	\$ 57,245	\$ 35,519
TOTAL EXPENDITURES	\$ 9,045,241	\$ 355,590	\$ 9,400,831	\$ 10,028,619	\$ (627,788)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (22,988)	\$ (244,200)	\$ (267,188)	\$ 107,620	\$ 374,808
Other Financing Sources (Uses):					
Operating Transfers Out-Cafeteria				9,030	(9,030)
Total Other Financing Sources (Uses):	-	-	-	9,030	(9,030)
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(22,988)	(244,200)	(267,188)	98,590	365,778
Fund Balances, July 1	742,506		742,506	742,506	
Fund Balances, June 30	\$ 719,518	\$ (244,200)	\$ 475,318	\$ 841,096	\$ 365,778
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances		\$ (125,614)	\$ (125,614)	\$ (125,614)	
Increase in Capital Reserve	\$ 2,000	10,800	12,800	11,806	\$ (994)
Increase in Maintenance Reserve		25,200	25,200	25,200	
Withdrawal from Maintenance Reserve		(15,040)	(15,040)	(15,040)	
Budgeted Fund Balance	(24,988)	(139,546)	(164,534)	202,238	366,772
TOTAL	\$ (22,988)	\$ (244,200)	\$ (267,188)	\$ 98,590	\$ 365,778

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

	<u>Actual</u>
RECAPITULATION OF FUND BALANCE	
Restricted Fund Balance:	
Capital Reserve	\$ 157,927
Maintenance Reserve	80,160
Excess Surplus:	
Prior Year-Designated for 2012-2013 Budget	25,555
Current Year-Designated for 2013-2014 Budget	<u>27,136</u>
	\$ 290,778
Committed Fund Balance:	
Year-End Encumbrances	153,965
Unassigned Fund Balance	<u>396,353</u>
	841,096
Reconciliation to Governmental Statements (GAAP):	
Last State Aid Payments not Recognized on GAAP Basis	<u>(151,612)</u>
Fund Balance Per Governmental Funds (GAAP)	<u><u>\$ 689,484</u></u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
EDUCATION JOBS FUND PROGRAM-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources:					
Education Jobs Fund	\$ 60,429	\$ 1,893	\$ 62,322	\$ 62,322	
TOTAL REVENUES	<u>\$ 60,429</u>	<u>\$ 1,893</u>	<u>\$ 62,322</u>	<u>\$ 62,322</u>	<u>\$ -</u>
EXPENDITURES					
Fund 18 Education Jobs Fund:					
Custodial Services:					
Salaries	\$ 60,429	\$ 1,893	\$ 62,322	\$ 62,322	
Total	<u>60,429</u>	<u>1,893</u>	<u>62,322</u>	<u>62,322</u>	<u>\$ -</u>
TOTAL EXPENDITURES	<u>\$ 60,429</u>	<u>\$ 1,893</u>	<u>\$ 62,322</u>	<u>\$ 62,322</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Federal Sources	\$ 245,385	\$ 6,832	\$ 252,217	\$ 221,968	\$ 30,249
TOTAL REVENUES	<u>\$ 245,385</u>	<u>\$ 6,832</u>	<u>\$ 252,217</u>	<u>\$ 221,968</u>	<u>\$ 30,249</u>
EXPENDITURES					
Instruction:					
Other Salaries for Instruction	\$ 143,727		\$ 143,727	\$ 118,727	\$ 25,000
Other Purchased Services		\$ 1,273	1,273	1,273	
General Supplies	1,235	439	1,674	1,674	
Totals	<u>144,962</u>	<u>1,712</u>	<u>146,674</u>	<u>121,674</u>	<u>25,000</u>
Support Services:					
Purchased Professional Educational Services	29,400		29,400	29,400	
Other Purchased Services	12,186	1,833	14,019	14,019	
Tuition	18,552	3,363	21,915	21,915	
General Supplies	30,685	(76)	30,609	25,360	5,249
Other Objects	9,600		9,600	9,600	
Total	<u>100,423</u>	<u>5,120</u>	<u>105,543</u>	<u>100,294</u>	<u>5,249</u>
TOTAL EXPENDITURES	<u>\$ 245,385</u>	<u>\$ 6,832</u>	<u>\$ 252,217</u>	<u>\$ 221,968</u>	<u>\$ 30,249</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 10,136,239	\$ 221,968
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances Prior Year		7,150
Outstanding Encumbrances Current Year		(2,563)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	136,205	
State Aid Receivable Current Year	<u>(151,612)</u>	
Total Revenues (GAAP Basis)	<u>\$ 10,120,832</u>	<u>\$ 226,555</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,028,619	\$ 221,968
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances Prior Year		7,150
Outstanding Encumbrances Current Year		<u>(2,563)</u>
Total Expenditures (GAAP Basis)	<u>\$ 10,028,619</u>	<u>\$ 226,555</u>

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Excellent Educator For NJ	NCLB Title I	NCLB Title IIA	IDEA Basic	IDEA Pre School	ARRA IDEA Basic	REAP	Total
REVENUES								
Federal Sources	\$ 51,800	\$ 9,181	\$ 11,209	\$ 121,908	\$ 5,267	\$ 3,816	\$ 18,787	\$ 221,968
TOTAL REVENUES	\$ 51,800	\$ 9,181	\$ 11,209	\$ 121,908	\$ 5,267	\$ 3,816	\$ 18,787	\$ 221,968
EXPENDITURES								
Instruction:								
Other Salaries for Instruction		\$ 6,250		\$ 100,960	\$ 5,267		\$ 6,250	\$ 118,727
Other Purchased Services		1,273						1,273
General Supplies		1,658				\$ 16		1,674
Total	\$ -	9,181	\$ -	100,960	5,267	16	6,250	121,674
Support Services:								
Purchased Professional Educational Services	29,400							29,400
Other Purchased Services			11,186	2,396		437		14,019
Tuition				18,552		3,363		21,915
General Supplies	12,800		23				12,537	25,360
Other Objects	9,600							9,600
Total	51,800	-	11,209	20,948	-	3,800	12,537	100,294
TOTAL EXPENDITURES	\$ 51,800	\$ 9,181	\$ 11,209	\$ 121,908	\$ 5,267	\$ 3,816	\$ 18,787	\$ 221,968

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

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

(NOT APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

DETAIL STATEMENTS

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2012

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 2,965
Receivables from Other Governments:	
State	79
Federal	1,100
Inventory	2,850
Total Current Assets	6,994
Noncurrent Assets:	
Capital Assets	97,060
Less: Accumulated Depreciation	45,449
Total Noncurrent Assets	51,611
Total Assets	58,605
LIABILITIES	
Current Liabilities:	
Due to Other Funds	4,841
Deferred Revenues	1,580
Total Liabilities	6,421
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	51,611
Unrestricted	573
TOTAL NET ASSETS	\$ 52,184

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOOD SERVICE ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Food Service Fund</u>
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 64,408
Daily Sales-Nonreimbursable Programs	40,078
Total Operating Revenues	<u>104,486</u>
Other Expenses:	
Cost of Sales	64,898
Salaries	42,486
Employee Benefits	6,369
Management Fee	3,311
Repairs and Maintenance	3,089
Supplies and Materials	7,039
Insurance	3,947
Other Purchased Services	1,988
Depreciation	5,246
Office Expense	798
Total Operating Expenses	<u>139,171</u>
Operating Income (Loss)	<u>(34,685)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,272
Federal Sources:	
National School Lunch Program	18,161
Food Distribution Program	6,301
Interest Earned on Investments	71
Total Nonoperating Revenues (Expenses)	<u>25,805</u>
Other Financing Sources:	
Operating Transfer In	<u>9,030</u>
Change in Net Assets	150
Net Assets, Beginning	<u>52,034</u>
Net Assets, Ending	<u><u>\$ 52,184</u></u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 104,486
Payments to Food Service Management Co	(130,451)
Payments to Vendors (Net)	(4,062)
Interfund Activity	4,841
Net Cash Provided by (Used For) Operating Activities	(25,186)
Cash Flows from Non-Capital Financing Activities:	
State Sources	1,192
Federal Sources	17,061
Operating Transfer In	9,030
Interfund Activity	4,841
Net Cash Provided by (Used For) Non-Capital Financing Activities	32,124
Cash Flows from Investing Activities:	
Interest Earned on Investments	71
Net Cash Provided by (Used For) Investing Activities	71
Cash Flows from Capital Financing Activities:	
Acquisition of Equipment	(9,030)
Net Cash Provided by (Used For) Capital Financing Activities	(9,030)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,021)
Cash and Cash Equivalents, Beginning	9,827
Cash and Cash Equivalents, Ending	\$ 7,806
Reconciliation of Operating Income (Loss) to Net Cash Provide by (Used For)	
Operating Activities:	
Operating Income (Loss)	\$ (34,685)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	5,246
Federal Food Donation Program	6,301
(Increase) Decrease in Inventory	(1,016)
Increase (Decrease) in Accounts Payable	(7,453)
Increase (Decrease) in Deferred Revenue	1,580
Increase (Decrease) in Due to Other Funds	4,841
Net Cash Provided by (Used For) Operating Activities	\$ (25,186)

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2012

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 70,837	\$ 27,077	\$ 131,603	\$ 229,517
Due from Other Funds	9,151		4,841	13,992
TOTAL ASSETS	79,988	27,077	136,444	243,509
LIABILITIES				
Accounts Payable	1,215			1,215
Due to Other Funds			9,151	9,151
Due to Student Groups		27,077		27,077
Payroll Deductions & Withholdings			127,293	127,293
TOTAL LIABILITIES	1,215	27,077	136,444	164,736
NET ASSETS				
Held in Trust for Unemployment Claims & Other Purposes	\$ 78,773	\$ -	\$ -	\$ 78,773

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	Unemployment Compensation Fund
ADDITIONS	
Employee Contributions	\$ 31,150
Investment Earnings-Interest	651
Total Additions	31,801
DEDUCTIONS	
Unemployment Claims	52,918
Change in Net Assets	(21,117)
Net Assets, Beginning of the Year	99,890
Net Assets, End of the Year	\$ 78,773

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance 07/01/11	Additions	Deletions	Balance 06/30/12
ASSETS				
Cash & Cash Equivalents	\$ 24,475	\$ 126,036	\$ 123,434	\$ 27,077
TOTAL ASSETS	\$ 24,475	\$ 126,036	\$ 123,434	\$ 27,077
LIABILITIES				
Alexandria Middle School	\$ 18,024	\$ 109,770	\$ 104,186	\$ 23,608
Lester D Wilson School	6,451	16,266	19,248	3,469
TOTAL LIABILITIES	\$ 24,475	\$ 126,036	\$ 123,434	\$ 27,077

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance 07/01/11	Additions	Deletions	Balance 06/30/12
ASSETS				
Cash & Cash Equivalents	\$ 27,273	\$ 6,592,855	\$ 6,488,525	\$ 131,603
Due from Other Funds		4,841		4,841
TOTAL ASSETS	\$ 27,273	\$ 6,597,696	\$ 6,488,525	\$ 136,444
LIABILITIES				
Due to Other Funds		\$ 9,151		\$ 9,151
Payroll Deductions & Withholdings	\$ 24,847	2,855,292	\$ 2,753,163	126,976
Net Payroll	2,426	3,733,253	3,735,362	317
TOTAL LIABILITIES	\$ 27,273	\$ 6,597,696	\$ 6,488,525	\$ 136,444

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2012

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/2011	Issued	Retired	Balance 06/30/2012
			Date	Amount					
Alexandria Middle School Renovations, Construction Furnishings & Equipment Additions	07/01/2002	\$ 4,955,000			3.75%	\$ 370,000		\$ 370,000	
Refunding School Bonds of 2011	03/15/2011	2,450,000	07/15/12	\$ 370,000	2.00%				
			07/15/13	385,000	3.00%				
			07/15/14	395,000	4.00%				
			07/15/15	415,000	4.00%				
			07/15/16	430,000	4.00%				
			07/15/17	455,000	4.00%			2,450,000	
						<u>\$ 2,820,000</u>	<u>\$ 370,000</u>	<u>\$ 2,450,000</u>	

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
State Sources:					
Debt Service Aid Type II	\$ 60,690		\$ 60,690	\$ 60,690	
Local Sources:					
Local Tax Levy	386,289		386,289	386,289	
Total Revenues	<u>446,979</u>	\$ -	<u>446,979</u>	<u>446,979</u>	\$ -
EXPENDITURES					
Regular Debt Service:					
Interest	79,230		79,230	79,230	
Redemption of Principal	370,000		370,000	370,000	
Total Expenditures	<u>449,230</u>	-	<u>449,230</u>	<u>449,230</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,251)</u>	-	<u>(2,251)</u>	<u>(2,251)</u>	-
Other Financing Sources:					
Refund-Bond Sale Excess				4	4
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>(2,251)</u>	-	<u>(2,251)</u>	<u>(2,247)</u>	4
Fund Balance, July 1	<u>2,251</u>	-	<u>2,251</u>	<u>2,251</u>	
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 4</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (2,251)</u>	<u>\$ -</u>	<u>\$ (2,251)</u>	<u>\$ (2,247)</u>	<u>\$ 4</u>

STATISTICAL SECTION

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

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Sources: Unless Otherwise noted, the Information in these Schedules is Derived from the Comprehensive Annual Financial Reports (CAFR) for the Relevant Year. The District Implemented GASB Statement 34 in the Fiscal Year Ending June 30, 2004; Schedules Presenting District-Wide Information Include Information Beginning in That Year.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 NET ASSETS BY COMPONENT
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENT ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	\$ 6,309,017	\$ 6,583,917	\$ 6,466,989	\$ 6,374,839	\$ 6,384,157	\$ 7,059,599	\$ 7,277,361	\$ 7,460,425	\$ 7,540,670
Restricted	542,302	410,961	474,126	481,108	547,442	90,609	(49)	216,654	238,091
Unrestricted	123,477	176,218	68,807	104,444	165,640	(48,510)	(60,029)	46,270	86,699
TOTAL GOVERNMENTAL ACTIVITIES NET ASSET	\$ 6,974,796	\$ 7,171,096	\$ 7,009,922	\$ 6,960,391	\$ 7,097,239	\$ 7,101,698	\$ 7,217,283	\$ 7,723,349	\$ 7,865,460
BUSINESS-TYPE ACTIVITIES									
Invested in Capital Assets, Net of Related Debt	\$ 10,276	\$ 8,653	\$ 7,244	\$ 10,884	\$ 9,037	\$ 7,188	\$ 5,879	\$ 47,827	\$ 51,611
Unrestricted	11,414	9,150	5,774	11,290	4,677	1,185	904	4,207	573
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 21,690	\$ 17,803	\$ 13,018	\$ 22,174	\$ 13,714	\$ 8,373	\$ 6,783	\$ 52,034	\$ 52,184
DISTRICT-WIDE									
Invested in Capital Assets, Net of Related Debt	\$ 6,319,293	\$ 6,592,570	\$ 6,474,233	\$ 6,385,723	\$ 6,393,194	\$ 7,066,787	\$ 7,283,240	\$ 7,508,252	\$ 7,592,281
Restricted	542,302	410,961	474,126	481,108	547,442	90,609	(49)	216,654	238,091
Unrestricted	134,891	185,368	74,581	115,734	170,317	(47,325)	(59,125)	50,477	87,272
TOTAL DISTRICT-WIDE	\$ 6,996,486	\$ 7,188,899	\$ 7,022,940	\$ 6,982,565	\$ 7,110,953	\$ 7,110,071	\$ 7,224,066	\$ 7,775,383	\$ 7,917,644

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
EXPENSES									
Governmental Activities:									
Instruction:									
Regular	\$ 3,336,667	\$ 3,309,813	\$ 3,689,253	\$ 3,912,455	\$ 4,248,229	\$ 4,492,213	\$ 4,449,627	\$ 4,361,371	\$ 4,376,757
Special Education	1,046,211	1,139,511	1,365,414	1,524,807	1,456,569	1,267,120	1,397,665	1,289,417	1,403,943
Other Special Education	188,623	123,731	136,361	10,726	30,656	98,714	71,827	48,627	253,603
Other Instruction	89,697	71,979	81,146	80,519	68,567	75,589	72,989	51,285	59,418
Support Services:									
Tuition	231,313	273,953	182,251	237,322	222,635	94,794	89,070	16,400	48,400
Student & Instruction Related Services	954,849	1,065,008	1,123,380	1,286,243	1,203,586	1,374,958	1,488,258	1,584,972	1,944,408
General & Business Administrative Services	726,396	612,804	637,897	663,152	645,922	696,074	675,936	724,906	682,522
School Administrative Services	341,237	353,885	355,005	430,108	416,900	411,842	418,987	418,778	432,326
Plant Operations & Maintenance	745,902	720,371	795,018	795,264	935,556	891,761	883,064	826,757	900,618
Pupil Transportation	485,369	516,215	516,758	603,432	613,766	590,391	483,088	428,720	453,349
Interest on Long-Term Debt	223,771	201,873	181,525	170,486	179,781	176,716	153,579	127,760	89,603
Total Governmental Activities Expenses	<u>8,370,035</u>	<u>8,389,143</u>	<u>9,064,008</u>	<u>9,714,514</u>	<u>10,022,167</u>	<u>10,170,172</u>	<u>10,184,090</u>	<u>9,878,993</u>	<u>10,644,947</u>
Business-Type Activities:									
Food Services	144,579	154,120	157,402	154,545	156,949	157,756	155,533	147,046	139,171
Total Business-Type Activities	<u>144,579</u>	<u>154,120</u>	<u>157,402</u>	<u>154,545</u>	<u>156,949</u>	<u>157,756</u>	<u>155,533</u>	<u>147,046</u>	<u>139,171</u>
TOTAL DISTRICT EXPENSES	<u>\$ 8,514,614</u>	<u>\$ 8,543,263</u>	<u>\$ 9,221,410</u>	<u>\$ 9,869,059</u>	<u>\$ 10,179,116</u>	<u>\$ 10,327,928</u>	<u>\$ 10,339,623</u>	<u>\$ 10,026,039</u>	<u>\$ 10,784,118</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
PROGRAM REVENUES									
Governmental Activities:									
Charges for Services:									
Regular Instruction	\$ 581	\$ 103		\$ 80				\$ 85,100	\$ 93,109
Other Instruction								1,505	
Student and Instruction Related Services		123							
General Administration			\$ 230	20					
Plant Operations and Maintenance						\$ 15,508	\$ 6,878	7,240	
Pupil Transportation Services				2,115					
Operating Grants & Contributions	149,811	149,512	141,132	149,402	\$ 137,140	161,578	183,078	223,490	226,555
Capital Grants & Contributions	282,582	88,722					43,520		
Total Governmental Activities Program Revenues	<u>432,974</u>	<u>238,460</u>	<u>141,362</u>	<u>151,617</u>	<u>137,140</u>	<u>177,086</u>	<u>233,476</u>	<u>317,335</u>	<u>319,664</u>
Business-Type Activities:									
Charges for Services:									
Food Service	123,079	124,658	122,380	132,017	146,018	147,347	145,405	134,212	104,486
Operating Grants & Contributions	22,643	25,344	26,842	26,205	2,147				25,734
Total Business-Type Activities Program Revenues	<u>145,722</u>	<u>150,002</u>	<u>149,222</u>	<u>158,222</u>	<u>148,165</u>	<u>147,347</u>	<u>145,405</u>	<u>134,212</u>	<u>130,220</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 578,696</u>	<u>\$ 388,462</u>	<u>\$ 290,584</u>	<u>\$ 309,839</u>	<u>\$ 285,305</u>	<u>\$ 324,433</u>	<u>\$ 378,881</u>	<u>\$ 451,547</u>	<u>\$ 449,884</u>
NET (EXPENSE) REVENUES									
Governmental Activities	\$ (7,937,061)	\$ (8,150,683)	\$ (8,922,646)	\$ (9,562,897)	\$ (9,885,027)	\$ (9,993,086)	\$ (9,950,614)	\$ (9,561,658)	\$ (10,325,283)
Business-Type Activities	1,143	(4,118)	(8,180)	3,677	(8,784)	(10,409)	(10,128)	(12,834)	(8,951)
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (7,935,918)</u>	<u>\$ (8,154,801)</u>	<u>\$ (8,930,826)</u>	<u>\$ (9,559,220)</u>	<u>\$ (9,893,811)</u>	<u>\$ (10,003,495)</u>	<u>\$ (9,960,742)</u>	<u>\$ (9,574,492)</u>	<u>\$ (10,334,234)</u>
GENERAL REVENUES & OTHER CHANGES IN NET ASSETS									
Governmental Activities:									
Property Taxes Levied for General Purposes	\$ 5,363,880	\$ 5,567,025	\$ 5,940,523	\$ 6,405,579	\$ 6,692,749	\$ 6,858,922	\$ 6,987,661	\$ 7,270,045	\$ 7,373,799
Taxes Levied for Debt Service	499,944	479,707	397,913	366,366	405,687	555,492	564,723	598,987	386,289
Unrestricted Grants & Contributions	2,261,542	2,242,116	2,281,567	2,590,898	2,790,526	2,494,381	2,494,559	2,299,729	2,678,027
Tuition Received	3,149	16,500	14,700	17,744	19,757	49,348			
Investment Earnings	15,091	38,435	102,670	116,535	107,049	36,691	16,174	8,945	12,302
Miscellaneous Income	31,269	9,047	27,099	27,942	6,107	4,711	10,082	245	26,007
Loss on Disposal of Capital Assets		(15,157)		(6,698)					
Special Item-Payment to Refunding Bond Agent								(52,183)	
Operating Transfers			(3,000)	(5,000)		(5,000)	(7,000)	(58,044)	(9,030)
Total Governmental Activities	<u>8,174,875</u>	<u>8,337,673</u>	<u>8,761,472</u>	<u>9,513,366</u>	<u>10,021,875</u>	<u>9,994,545</u>	<u>10,066,199</u>	<u>10,067,724</u>	<u>10,467,394</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (Continued)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL REVENUES & OTHER CHANGES IN IN NET ASSETS (Cont'd)									
Business-Type Activities:									
Investment Earnings	\$ 37	\$ 231	\$ 395	\$ 479	\$ 324	\$ 68	\$ 46	\$ 41	\$ 71
Miscellaneous Income							1,492		
Operating Transfers			3,000	5,000		5,000	7,000	58,044	9,030
Total Business-Type Activities	37	231	3,395	5,479	324	5,068	8,538	58,085	9,101
TOTAL DISTRICT-WIDE	<u>\$ 8,174,912</u>	<u>\$ 8,337,904</u>	<u>\$ 8,764,867</u>	<u>\$ 9,518,845</u>	<u>\$ 10,022,199</u>	<u>\$ 9,999,613</u>	<u>\$ 10,074,737</u>	<u>\$ 10,125,809</u>	<u>\$ 10,476,495</u>
CHANGE IN NET ASSETS									
Governmental Activities	\$ 237,814	\$ 186,990	\$ (161,174)	\$ (49,531)	\$ 136,848	\$ 1,459	\$ 115,585	\$ 506,066	\$ 142,111
Business-Type Activities	1,180	(3,887)	(4,785)	9,156	(8,460)	(5,341)	(1,590)	45,251	150
TOTAL DISTRICT	<u>\$ 238,994</u>	<u>\$ 183,103</u>	<u>\$ (165,959)</u>	<u>\$ (40,375)</u>	<u>\$ 128,388</u>	<u>\$ (3,882)</u>	<u>\$ 113,995</u>	<u>\$ 551,317</u>	<u>\$ 142,261</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST NINE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund:									
Reserved	\$ 533,844	\$ 660,820	\$ 561,029	\$ 496,096	\$ 617,829	\$ 582,587	\$ 452,091	\$ 392,278	\$ 444,743
Unreserved	132,843	93,937	78,349	140,591	193,739	105,513	108,056	214,023	244,741
Total General Fund	<u>\$ 666,687</u>	<u>\$ 754,757</u>	<u>\$ 639,378</u>	<u>\$ 636,687</u>	<u>\$ 811,568</u>	<u>\$ 688,100</u>	<u>\$ 560,147</u>	<u>\$ 606,301</u>	<u>\$ 689,484</u>
All Other Governmental Funds:									
Reserved, Reported In:									
Capital Projects Fund	\$ 24,725	\$ 38,782							
Debt Service Fund	28,125								
Unreserved, Reported In:									
Capital Projects Fund	461,135	502,088	\$ 495,104	\$ 285,125	\$ 82,310	\$ (394,688)	\$ (357,000)		
Debt Service Fund	99,803	4,192	22,717	36,264	38,357	19,385	3,636	\$ 533	\$ 4
Total All Other Governmental Funds	<u>\$ 613,788</u>	<u>\$ 545,062</u>	<u>\$ 517,821</u>	<u>\$ 321,389</u>	<u>\$ 120,667</u>	<u>\$ (375,303)</u>	<u>\$ (353,364)</u>	<u>\$ 533</u>	<u>\$ 4</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Tax Levy	\$ 5,437,050	\$ 5,863,824	\$ 6,046,732	\$ 6,338,436	\$ 6,771,945	\$ 7,098,436	\$ 7,414,414	\$ 7,552,384	\$ 7,869,032	\$ 7,760,088
Tuition Charges	3,149	16,500	16,500	14,700	17,744	19,757	52,348	85,100	85,100	93,109
Interest Earnings	136,095	15,091	38,435	102,670	116,535	107,049	36,691	16,174	8,945	12,302
Miscellaneous	10,335	29,787	7,087	25,266	25,979	6,107	20,219	16,960	8,990	26,007
State Sources	2,008,736	2,284,773	2,244,258	2,284,413	2,594,413	2,791,300	2,494,381	2,299,401	2,299,729	2,615,705
State Sources-Capital Projects	1,268,790	282,582	88,722							
Federal Sources	92,486	129,517	147,370	138,286	145,887	136,366	161,578	421,756	223,490	288,877
Total Revenues	8,953,492	8,608,723	8,589,104	8,903,771	9,672,503	10,159,015	10,179,631	10,306,675	10,495,286	10,796,086
Expenditures:										
Instruction:										
Regular Instruction	2,229,094	2,457,698	2,494,106	2,785,559	2,770,336	3,016,189	3,223,066	3,358,251	3,158,030	3,097,495
Special Education Instructor	644,342	664,087	752,550	925,108	997,654	928,020	845,228	969,669	813,377	901,669
Other Special Instruction	74,903	139,774	91,978	101,130	7,422	22,342	58,234	27,457	27,423	113,691
Other Instruction	48,259	47,242	56,247	64,256	62,276	64,937	71,812	69,598	48,688	56,471
Support Services:										
Tuition	260,677	227,798	270,293	178,296	232,440	217,174	6,399	670	16,400	29,848
Student & Instruction Related Services:	724,146	791,546	826,319	867,378	939,436	886,401	1,000,538	1,105,083	1,147,988	1,345,568
General Administration	288,071	411,810	289,002	297,412	293,353	294,341	323,364	310,792	306,956	287,883
School Administration Services	266,196	262,810	253,947	267,773	302,084	308,395	303,621	316,708	302,032	305,820
Central Services	170,164	185,695	186,714	201,235	202,939	210,633	216,463	223,387	233,626	225,458
Plant Operations & Maintenance	563,033	649,846	629,912	711,387	700,906	848,939	785,507	779,710	719,174	781,234
Pupil Transportation	472,764	485,369	516,215	516,758	598,343	613,766	590,391	483,088	428,676	447,956
Employee Benefits	773,063	840,210	917,875	955,312	1,107,055	981,038	1,281,211	1,155,683	1,148,622	1,516,811
On-Behalf TPAF Pension & Social Security Contributor	352,797	420,254	415,044	521,676	829,428	962,049	680,124	700,513	709,047	861,470
Capital Outlay	15,069	21,034	12,862	9,460	93,017	53,735	36,823	41,711	35,707	57,245
Capital Projects Fund	4,359,831	1,414,814	35,127	33,181	109,979	140,544	629,518	116,312		
Special Revenue Funds	108,876	152,748	149,512	141,132	149,402	137,140	161,578	226,598	223,490	226,555
Debt Service:										
Principal	359,000	340,000	460,000	280,000	295,000	310,000	474,000	594,000	807,000	370,000
Interest & Other Charges	251,500	231,487	212,057	186,338	175,556	164,213	181,863	165,459	137,955	79,230
Total Expenditures	11,961,785	9,744,222	8,569,760	9,043,391	9,866,626	10,159,856	10,869,740	10,644,689	10,264,191	10,704,404
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(3,008,293)	(1,135,499)	19,344	(139,620)	(194,123)	(841)	(690,109)	(338,014)	231,095	91,684
Other Financing Sources (Uses):										
Proceeds & Premium From Bond Issue	4,955,035									
Capital Leases (Non-Budgeted)										
Temporary Notes Paid in Debt Service Fund							154,000	259,000	357,000	
Transfers Out-Unemployment Compensation Fund						(25,000)	(78,229)	(20,000)	(130,000)	
Transfers Out-Food Service Fund				(3,000)	(5,000)		(5,000)	(7,000)	(58,044)	(9,030)
Total Other Financing Sources (Uses)	4,955,035	-	-	(3,000)	(5,000)	(25,000)	70,771	232,000	168,956	(9,030)
Net Change in Fund Balances	\$ 1,946,742	\$ (1,135,499)	\$ 19,344	\$ (142,620)	\$ (199,123)	\$ (25,841)	\$ (619,338)	\$ (106,014)	\$ 400,051	\$ 82,654
Debt Service as a Percentage of Non-capital Expenditures	8.75%	7.39%	8.56%	5.46%	5.12%	5.00%	6.87%	7.81%	10.18%	4.41%

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects fund and debt service
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Service

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Interest Income	\$ 15,492	\$ 10,728	\$ 32,830	\$ 88,645	\$ 98,798	\$ 107,049	\$ 36,691	\$ 14,048	\$ 8,945	\$ 12,302
Tuition		3,149	16,500	14,700	17,744	19,757	52,348		85,100	93,109
Book Fines	429	471	103	668	80			87		39
Prior Year Accounts Payable Canceled	371	13,381		8,403	4,284	1,850	1,280	5,039		
Insurance Dividends	3,151	3,016		6,762						
Miscellaneous Refunds	343									
Prior Year Refunds	5,491	8,100	6,967	7,747	4,580	4,174	3,046	78	129	3,711
Miscellaneous	150		17	540	20	6	385	114	46	
Donations					16,982				70	
Premium Received on Sale of Temporary Notes						77				
Outstanding Checks Voided	400	4,819		1,146	33					5,973
Safety Grant								2,475		
Sale of Surplus Equipment								2,164		
Building Use Fees							15,508	6,878	7,240	7,240
Sale of Books										192
School Boards Association Grant										5,600
Activity Fees									1,505	1,530
Annual Totals	\$ 25,827	\$ 43,664	\$ 56,417	\$ 128,611	\$ 142,521	\$ 132,913	\$ 109,258	\$ 30,883	\$ 103,035	\$ 129,696

Source: District Records

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Vacant Land	\$ 10,738,400	\$ 19,513,914	\$ 36,947,000	\$ 42,729,100	\$ 33,421,700	\$ 27,780,400	\$ 23,145,300	\$ 19,873,200	\$ 14,932,700	\$ 13,406,100
Residential	326,726,845	570,932,700	580,220,100	591,260,800	613,108,800	644,944,300	653,844,600	661,048,700	670,392,500	661,932,700
Farm Regular	50,198,400	92,534,800	93,233,700	102,581,300	110,104,700	114,371,300	119,772,700	120,545,600	121,687,600	122,866,700
Qualified Farm	2,847,923	4,190,318	4,063,271	4,053,249	3,972,780	3,864,670	3,962,339	3,957,181	4,037,633	4,082,151
Commercial	11,414,980	21,808,288	22,067,188	21,353,888	21,479,488	21,719,788	21,679,788	21,720,188	21,752,488	21,045,588
Industrial	2,412,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800
Apartment	194,500	418,900	418,900	418,900	418,900	418,900	418,900	418,900	418,900	418,900
Total Assessed Value	404,533,848	711,933,720	739,484,959	764,932,037	785,041,168	815,634,158	825,358,427	830,098,569	835,756,621	826,286,939
Public Utilities (a)	1,259,985	1,882,252	1,934,337	1,952,128	2,004,605	1,769,750	1,515,311	1,960,839	2,175,745	2,293,602
Net Valuation Taxable	\$ 405,793,833	\$ 713,815,972	\$ 741,419,296	\$ 766,884,165	\$ 787,045,773	\$ 817,403,908	\$ 826,873,738	\$ 832,059,408	\$ 837,932,366	\$ 828,580,541
Estimated Actual County Equalized Value	\$ 599,552,238	\$ 642,283,188	\$ 706,071,605	\$ 835,122,231	\$ 893,908,093	\$ 916,853,752	\$ 900,393,499	\$ 884,510,905	\$ 855,451,114	\$ 802,261,594
Percentage of Net Valuation to Estimated Actual County Equalized Value	67.68%	111.14%	105.01%	91.83%	88.05%	89.15%	91.83%	94.07%	97.95%	103.28%
Total Direct School Tax Rate (b)	\$ 1.45	\$ 0.85	\$ 0.85	\$ 0.88	\$ 0.90	\$ 0.91	\$ 0.91	\$ 0.95	\$ 0.93	\$ 0.96

*

Source: Municipal Tax Assessor

NOTE Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
 (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies
 (b) Tax rates are per \$100
 * Revalued/Reassessed

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate						Total Direct & Overlapping Tax Rate	
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Regional School Rate	Overlapping Rates		
			Total Direct School Tax Rate			Municipality		County
2003	\$ 1.33	\$ 0.12	\$ 1.45	\$ 0.65	\$ 0.24	\$ 0.63	\$ 2.97	
2004	* 0.78	0.07	0.85	0.44	0.19	0.36	1.84	
2005	0.78	0.07	0.85	0.48	0.19	0.36	1.88	
2006	0.83	0.05	0.88	0.52	0.21	0.39	2.00	
2007	0.85	0.05	0.90	0.56	0.21	0.38	2.05	
2008	0.84	0.07	0.91	0.55	0.21	0.37	2.04	
2009	0.84	0.07	0.91	0.57	0.21	0.38	2.07	
2010	0.88	0.07	0.95	0.53	0.21	0.36	2.05	
2011	0.88	0.05	0.93	0.52	0.21	0.35	2.01	
2012	0.90	0.06	0.96	0.57	0.21	0.34	2.08	

Sources: 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 by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

* Revalued/Reassessed

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO

	2012			2003		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner #1	\$ 6,569,500	1	0.79%	\$ 4,510,045	1	1.11%
Sky Manor Airport Partners LLC	2,750,000	2	0.33%			
Columbia Gas Transmission	2,571,488	3	0.31%	1,401,780	4	0.35%
United Telephone Company	2,017,003	4	0.24%	1,223,602	6	0.30%
International Paper Company	1,993,500	5	0.24%			
Abplanalp c/o J Veneruso, Esq	1,686,300	6	0.20%			
Manchada Shapiro Rauch LLC	1,541,000	7	0.19%	950,000	8	0.23%
Saphire Inc c/o Riverside Jeans	1,486,900	8	0.18%			
Individual Property Owner #2	1,387,100	9	0.17%	1,753,700	3	0.43%
Individual Property Owner #3	1,359,200	10	0.16%	1,279,400	5	0.32%
Royal Blue Papers Inc				1,993,500	2	0.49%
Forsat Inc c/o JAT Assoc				1,133,000	7	0.28%
Ortho McNeil Pharmaceutical Inc				897,900	9	0.22%
Individual Property Owner #4				737,600	10	0.18%
	<u>\$ 23,361,991</u>		<u>2.82%</u>	<u>\$ 15,880,527</u>		<u>3.91%</u>

Source: Municipal Tax Assessor

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2002	\$ 11,325,980	\$ 11,075,950	97.79%
2003	12,223,629	11,942,207	97.70%
2004	13,397,029	13,068,375	97.55%
2005	14,437,176	14,044,869	97.69%
2006	15,931,698	15,474,906	97.13%
2007	16,649,297	16,157,347	97.05%
2008	16,864,974	16,357,947	96.99%
2009	17,244,150	16,796,794	97.41%
2010	17,108,149	16,736,531	97.83%
2011	16,814,218	16,484,702	98.04%

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

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2003	\$ 5,655,000		\$ 15,597			\$ 5,670,597	1.97%	\$ 1,157
2004	5,315,000					5,315,000	1.80%	1,082
2005	4,855,000					4,855,000	1.64%	981
2006	4,575,000					4,575,000	1.58%	910
2007	4,280,000					4,280,000	1.36%	836
2008	3,970,000			\$ 770,000		4,740,000	1.40%	923
2009	3,650,000			616,000		4,266,000	1.40%	829
2010	3,315,000			357,000		3,672,000	1.40%	743
2011	2,820,000					2,820,000	N/A	572
2012	2,450,000					2,450,000	N/A	497

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2003	\$ 5,655,000		\$ 5,655,000	1.39%	\$ 1,154
2004	5,315,000		5,315,000	0.74%	1,082
2005	4,855,000		4,855,000	0.65%	981
2006	4,575,000		4,575,000	0.60%	910
2007	4,280,000		4,280,000	0.54%	836
2008	3,970,000		3,970,000	0.49%	773
2009	3,650,000		3,650,000	0.44%	709
2010	3,315,000		3,315,000	0.44%	714
2011	2,820,000		2,820,000	0.34%	572
2012	2,450,000		2,450,000	0.30%	497

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

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

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 7,115,500	100.00	\$ 7,115,500
Regional High School	4,039,000	33.40	1,307,890
County General Obligation Debt	83,215,385	3.52	2,929,182
Subtotal, Overlapping Debt			11,352,572
School District Direct Debt			2,450,000
Total Direct and Overlapping Debt			\$ 13,802,572

Sources: Assessed Value Data Used to Estimate Applicable Percentages
Provided by the County Board of Taxation. Debt Outstanding Data
Provided by Each Governmental Unit.

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 the Municipality. 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2012

Equalized Valuation Basis

2011	\$ 809,136,045
2010	847,471,740
2009	<u>877,387,506</u>
	<u>\$ 2,533,995,291</u>

Average Equalized Valuation of Taxable Property \$ 844,665,097

Debt Limit (3.0% of Average Equalization Value) 25,339,953 (a)

Total Net Debt Applicable to Limit 2,820,000

Legal Debt Margin \$ 22,519,953

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 13,845,553	\$ 15,457,950	\$ 17,377,526	\$ 19,601,282	\$ 22,352,717	\$ 24,994,255	\$ 26,753,797	\$ 27,051,970	\$ 26,408,904	\$ 25,339,953
Total Net Debt Applicable	<u>5,655,000</u>	<u>5,315,000</u>	<u>4,855,000</u>	<u>4,575,000</u>	<u>4,280,000</u>	<u>4,740,000</u>	<u>4,266,000</u>	<u>3,672,000</u>	<u>2,820,000</u>	<u>2,450,000</u>
Legal Debt Margin	<u>\$ 8,190,553</u>	<u>\$ 10,142,950</u>	<u>\$ 12,522,526</u>	<u>\$ 15,026,282</u>	<u>\$ 18,072,717</u>	<u>\$ 20,254,255</u>	<u>\$ 22,487,797</u>	<u>\$ 23,379,970</u>	<u>\$ 23,588,904</u>	<u>\$ 22,889,953</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	40.84%	34.38%	27.94%	23.34%	19.15%	18.96%	15.95%	13.57%	10.68%	9.67%

Source: Equalized Valuation Bases were Obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2003	4,901	\$ 288,355,236	\$ 58,836	5.3%
2004	4,912	297,269,328	60,519	4.4%
2005	4,947	296,226,360	59,880	4.6%
2006	5,029	325,300,865	64,685	5.7%
2007	5,118	350,009,784	68,388	4.9%
2008	5,134	358,183,778	69,767	6.4%
2009	5,145	338,360,925	65,765	11.4%
2010	4,939	331,174,767	67,053	11.7%
2011	4,926	N/A	N/A	11.5%
2012	4,926	N/A	N/A	N/A

Sources:

- (a) Population Information Provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has Been Estimated Based Upon the Municipal Population and Per Capita Personal Income Presented
- (c) Per Capita Personal Income by County Estimated Based Upon the 2000 Census Published by the US Bureau of Economic Analysis.
- (d) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2012			2003		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST SEVEN FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012
Instruction:							
Regular	45.0	46.4	46.0	46.1	46.8	45.5	41.7
Special Education	21.0	29.5	24.0	19.0	19.0	16.5	16.3
Other Instruction	1.0	0.1	0.3	0.4	0.2	0.2	1.0
Support Services:							
Student and Instruction Related Service	14.0	10.4	10.0	11.6	14.7	14.0	16.6
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	1.8
School Administration Services	6.0	6.0	6.0	6.0	6.0	6.0	5.8
Central Services	3.0	3.0	3.0	3.0	3.0	3.0	2.7
Plant Operations and Maintenance	8.0	7.0	3.0	6.5	6.4	5.8	5.2
Total	100.0	104.4	94.3	94.6	98.1	93.0	91.0

Sources: District Personnel Records

Information prior to 2006 is unavailable

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2003	658	\$ 6,976,385	\$ 10,602	5.35%	58.1	1 to 11.33	658.1	621.4	3.56%	94.42%
2004	648	7,736,887	11,940	12.61%	58.8	1 to 11.02	647.9	618.5	-1.55%	95.46%
2005	670	7,849,714	11,716	-1.87%	64.4	1 to 10.40	670.2	641.7	3.44%	95.75%
2006	656	8,534,412	13,010	11.04%	67.5	1 to 9.72	656.1	625.7	-2.10%	95.37%
2007	659	9,193,074	13,950	7.23%	69.9	1 to 10.61	659.3	632.4	0.49%	95.92%
2008	633	9,491,364	14,994	7.49%	66.8	1 to 9.47	633.3	609.2	-3.94%	96.19%
2009	624	9,547,536	15,301	2.04%	70.1	1 to 8.90	624.8	599.8	-1.34%	96.00%
2010	616	9,727,207	15,791	3.20%	73.6	1 to 6.5	615.6	590.2	-1.47%	95.87%
2011	589	9,283,529	15,762	-0.19%	68.9	1 to 6.60	589.2	563.3	-4.29%	95.60%
2012	563	10,197,929	18,114	14.92%	69	1 to 6.5	562.6	541.2	-4.51%	96.20%

Source: District Records

(a) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

(b) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

(c) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<u>Alexandria Middle School (1980)</u>										
Square Feet	45,124	75,873	75,873	75,873	75,873	74,106	74,106	74,106	74,106	74,106
Capacity (Students)	326	564	564	564	519	519	519	519	519	519
Enrollment	319	384	382	381	375	371	377	373	367	352
<u>Lester D Wilson Elementary School (1900)</u>										
Square Feet	34,800	34,800	34,800	34,800	34,800	36,301	36,301	36,301	36,301	36,301
Capacity (Students)	299	287	287	287	263	263	263	263	263	263
Enrollment	339	264	288	275	279	262	247	243	222	211
Number of Schools at June 30, 2012:										
Elementary	1									
Middle School	1									
High School	0									
Other	0									

District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Court.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

	*School Facilities		Total
	Alexandria	Lester D.	
	Middle School	Wilson School	
2003	\$ 68,286	\$ 76,732	\$ 145,018
2004	33,417	97,604	131,021
2005	61,642	46,741	108,383
2006	49,635	54,529	104,164
2007	26,136	38,451	64,587
2008	107,329	1,200	108,529
2009	92,963	380	93,343
2010	95,820	2,221	98,041
2011	52,936	3,545	56,481
2012	121,133	1,645	122,778
Total School Facilities	<u>\$ 709,297</u>	<u>\$ 323,048</u>	<u>\$ 1,032,345</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-NJ School Boards Assoc:		
Property-Blanket Building & Contents (Policy Limit)	\$ 500,000,000	\$ 5,000
Comprehensive General Liability (Policy Limit)	16,000,000	1,000
Comprehensive Automobile Liability (Policy Limit)	16,000,000	1,000
School Board Legal Liability-NJ School Boards Assoc:		
Directors and Officers Policy (Policy Limit)	16,000,000	5,000
Worker's Compensation-NJ School Boards Assoc:		
Per Accident, Disease and Disease Limit	2,000,000	
Public Employees' Faithful Performance-NJ School Boards Assoc:		
Blanket Position Bond	25,000	500
Treasurer of School Monies Bond	250,000	1,000
School Board Secretary Bond	250,000	1,000
Underground Storage Tank Liability-Zurich American Insurance Company:		
All Claims	2,000,000	10,000

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

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

August 31, 2012

Honorable President and
Members of the Board of Education
Alexandria Township School District
County of Hunterdon, New Jersey

We have audited the financial statements of the Board of Education of the Alexandria School District in the County of Hunterdon as of and for the year ended June 30, 2012, and have issued our report thereon dated August 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Board of Education is responsible for establishing and maintaining effective internal control over financial reporting.

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's 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 financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education, federal and state awarding agencies, and pass through entities, and the New Jersey Department of Education and is not intended to be and should not be used by anyone other than these specified parties.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

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Registered Municipal Accountant

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE
A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

August 31, 2012

Honorable President and
Members of the Board of Education
Alexandria Township School District
County of Hunterdon, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Alexandria School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our audit procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, the New Jersey Department of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2011	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education:													
General Fund:													
Education Jobs Fund	84.410A		\$ 62,322	08/10/10-9/30/2012			\$ 62,322	\$ 62,322					
Total General Fund					\$ -	\$ -	62,322	62,322	\$ -	\$ -	\$ -	\$ -	\$ -
US Department of Education Passed Through State Department of Education:													
Special Revenue Fund:													
NCLB Title I A	84.010A	NCLB-002011	7,323	09/01/10-08/31/11	(6,727)		7,323	596					
NCLB Title I A	84.010A	NCLB-002012	9,835	09/01/11-08/31/12			3,835	8,585			(6,000)	1,250	
NCLB Title II A	84.367A	NCLB-002011	12,397	09/01/10-08/31/11	(12,390)		12,397	7					
NCLB Title II A	84.367A	NCLB-002012	11,186	09/01/11-08/31/12				11,186			(11,186)		
NCLB Title IID	84.318X	NCLB-002011	16	09/01/10-08/31/11			16	16					
NCLB Title IV	84.186A	NCLB-002010	877	09/01/09-08/31/10	1							1	
Rural Education Achievement Program	84.358B	S358A11-7757	47,785	07/01/11-09/30/12			22,755	18,787			(25,030)	28,998	
ARRA IDEA Basic	84.389	ARRA-IDEA-002010	125,173	07/01/09-08/31/11	(7,662)		10,378	3,816	1,100				
IDEA Basic	84.027	IDEA-002011	120,147	09/01/10-08/31/11	(25,094)		27,490	2,396					
IDEA Basic	84.027	IDEA-002012	119,512	09/01/11-08/31/12			99,387	119,512			(20,125)		
IDEA Pre School	84.173	IDEA-002011	5,314	09/01/10-08/31/11	(1,063)		1,063						
IDEA Pre School	84.173	IDEA-002012	5,267	09/01/11-08/31/12			3,573	5,267			(1,694)		
Excellent Educator for New Jersey	84.367A	12000020	51,800	09/01/11-09/30/12			27,500	51,800			(24,300)		
Total Special Revenue Fund					(52,935)	-	215,717	221,968	1,100	-	(88,335)	30,249	-
US Department of Agriculture Passed Through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.550-	N/A	7,881	07/01/2011-06/30/12			7,881	6,301				1,580	
National School Lunch Program	10.555-	N/A	18,161	07/01/2011-06/30/12			17,061	18,161			(1,100)		
Total Enterprise Fund					-	-	24,942	24,462	-	-	(1,100)	1,580	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (52,935)	\$ -	\$ 302,981	\$ 308,752	\$ 1,100	\$ -	\$ (89,435)	\$ 31,829	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE-SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2011	Cash Received	Budgetary Expenditure	Adjustment	Balance June 30, 2012			Memo	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
<u>State Department of Education</u>												
General Fund:												
Special Education Categorical Aid	11-495-034	\$ 324,068	07/01/10-									
	-5120-089		06/30/11	\$ (31,985)	\$ 31,985							
Special Education Categorical Aid	12-495-034	324,068	07/01/11-									
	-5120-089		06/30/12		292,524	\$ 324,068		\$ (31,544)			\$ (31,544)	\$ 324,068
Equalization Aid	11-495-034	768,616	07/01/10-									
	-5120-078		06/30/11	(75,862)	75,862							
Equalization Aid	12-495-034	768,616	07/01/11-									
	-5120-078		06/30/12		693,800	768,616		(74,816)			(74,816)	768,616
Security Aid	11-495-034	43,553	07/01/10-									
	-5120-084		06/30/11	(4,299)	4,299							
Security Aid	12-495-034	43,553	07/01/11-									
	-5120-084		06/30/12		39,313	43,553		(4,240)			(4,240)	43,553
TPAF Wage Freeze Aid	11-495-034	756	07/01/10-									
	-5095-002		06/30/11	(378)	378							
Adjustment Aid	12-495-034	20,590	07/01/11-									
	-5120-085		06/30/12		18,586	20,590		(2,004)			(2,004)	20,590
Transportation Aid	11-495-034	243,761	07/01/10-									
	-5120-014		06/30/11	(24,059)	24,059							
Transportation Aid	12-495-034	256,195	07/01/11-									
	-5120-014		06/30/12		231,257	256,195		(24,938)			(24,938)	256,195
School Choice Aid	12-495-034	144,550	07/01/11-									
	-5120-068		06/30/12		130,480	144,550		(14,070)			(14,070)	144,550
Extraordinary Special Education Costs Aid	11-100-034	96,708	07/01/10-									
	-5120-473		06/30/11	(96,708)	96,708							
Extraordinary Special Education Costs Aid	12-495-034	139,632	07/01/11-									
	-5120-473		06/30/12		-	139,632		(139,632)			(139,632)	139,632
Non-Public Transportation Aid	11-495-034	2,763	07/01/10-									
	-5120-014		06/30/11	(2,763)	2,763							
Non-Public Transportation Aid	12-495-034	11,400	07/01/11-									
	-5120-085		06/30/12		4,679	11,400		(6,721)			(6,721)	11,400
On-Behalf TPAF Pension Contribution- Teachers' Pension and Annuity Fund	12-495-034	147,739	07/01/11-									
	-5095-006		06/30/12		147,739	147,739						147,739
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	12-495-034	15,854	07/01/11-									
	-5095-007		06/30/12		15,854	15,854						15,854
On-Behalf TPAF Pension Contribution- Post Retirement Medical	12-495-034	328,866	07/01/11-									
	-5095-001		06/30/12		328,866	328,866						328,866
Reimbursed TPAF Social Security Contribution	11-495-034	371,142	07/01/10-									
	-5095-002		06/30/11	(18,064)	18,064							
Reimbursed TPAF Social Security Contribution	10-495-034	369,011	07/01/11-									
	-5095-002		06/30/12		350,905	369,011		(18,106)			(18,106)	369,011
Total General Fund				<u>(254,118)</u>	<u>2,508,121</u>	<u>2,570,074</u>	<u>\$ -</u>	<u>(316,071)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(316,071)</u>	<u>2,570,074</u>
Debt Service Fund:												
Debt Service Aid-State Support	12-495-034	60,690	07/01/11-									
	-5120-017		06/30/12		60,690	60,690						60,690
Total Debt Service Fund				<u>-</u>	<u>60,690</u>	<u>60,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,690</u>
<u>State Department of Agriculture Enterprise Fund:</u>												
National School Lunch Program (St Share)	12-100-010	1,272	07/01/11-									
	-3350-023		06/30/12		1,193	1,272		(79)				1,272
Total Enterprise Fund				<u>-</u>	<u>1,193</u>	<u>1,272</u>	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,272</u>
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (254,118)</u>	<u>\$ 2,570,004</u>	<u>\$ 2,632,036</u>	<u>\$ -</u>	<u>\$ (316,150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (316,071)</u>	<u>\$ 2,632,036</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2012

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Alexandria Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's general-purpose financial statements.

NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred 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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$15,407) for the general fund and \$4,587 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 62,322	\$ 2,554,667	\$ 2,616,989
Special Revenue Fund	226,555		226,555
Debt Service Fund		60,690	60,690
Enterprise Fund	<u>24,462</u>	<u>1,272</u>	<u>25,734</u>
	<u>\$ 313,339</u>	<u>\$ 2,616,629</u>	<u>\$ 2,929,968</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2012
(Continued)

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 USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2012. TPAF Social Security Contribution 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, 2012.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee Yes No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk auditee X Yes No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unqualified

Internal Control Over Major Programs:
1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 98-07? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
12-495-034-5120-089	\$ 324,068	Special Education Aid
12-495-034-5120-078	768,616	Equalization Aid
12-495-034-5095-002	369,011	TPAF Social Security

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2012.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2012.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.