

**ALEXANDRIA TOWNSHIP
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2016**

**Prepared by
Alexandria Township
Department of Administration**

**ALEXANDRIA TOWNSHIP
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Arthur C. Pfefferle, Sr. Wing

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Pittstown, New Jersey 08867
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Scott A. Saccal, President
Patrick McGuinness, Vice President

David E. Pawlowski
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October 12, 2016

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAF) of the Alexandria Township Board of Education for the fiscal year ending June 30, 2016 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.

Some 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 program in the Alexandria Middle School.

The District also offers an integrated preschool program at the Lester D. Wilson School. This program generated tuition revenue for each regular education preschool student at \$6,000 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, 2016, was 485 students.

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, 2013, 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. ALEXANDRIA ENERGY SAVINGS PLAN

Energy Savings: In February of 2015 Alexandria Township School District devised an Energy Savings Plan in conjunction with TriStateLed. The scope of the plan in its entirety was costly and required a construction project that interfered with daily school functions. The Board of Education elected to break the plan into smaller manageable projects that would maximize savings and minimize impact on the educational process.

The following projects were completed as of June 30th, 2016:

Lester D. Wilson Library Retro Fit
Alexandria Middle School Exterior Lighting

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 November 2012. Based on that performance review following are the results, including county office verification of the District's self-assessment:

● Instruction and program	91%
● Fiscal management	100%
● Operations	95%
● Personnel	100%
● Governance	100%

Based on that performance review in which the District satisfied at least 80% of the QSAC indicators in all five DPR areas, the District has been designated as high performing.

On March 6, 2013, the State Board of Education certified the District for a period of three years as providing a thorough and efficient education, in accordance with N.J.S.A. 18A:7A-14

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 recognized 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 appropriate 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 Standard 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 content, 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



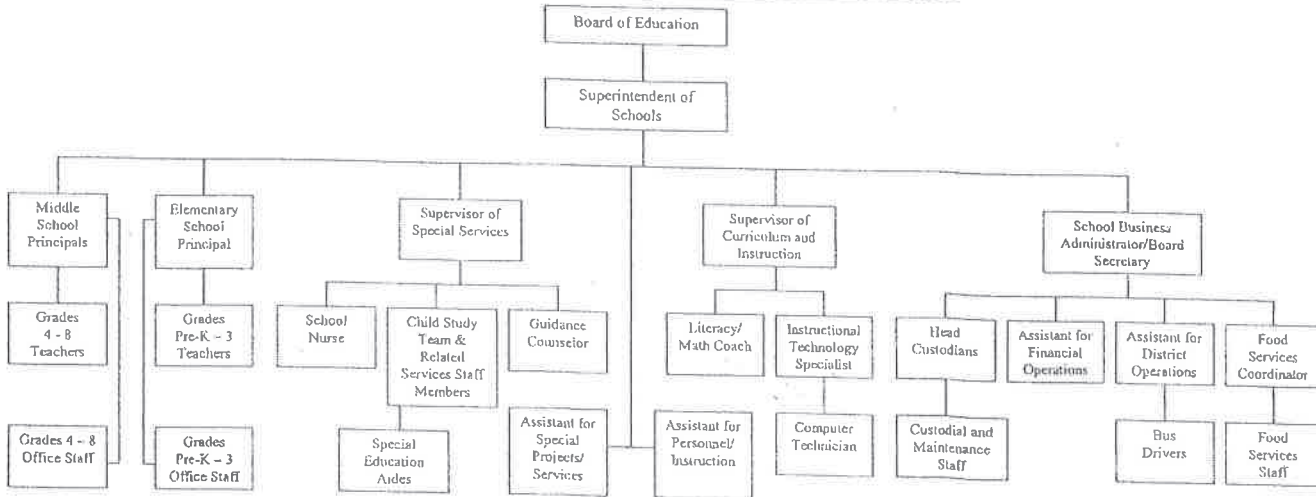
David E. Pawlowski
School Business Administrator/
Board Secretary

POLICY

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION

ADMINISTRATION
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Organizational Chart

1110 ORGANIZATIONAL CHART



Adopted: 25 June 2009



ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
PITTSTOWN, NEW JERSEY

Roster of Officials
June 30, 2016

Members of the Board of Education

Term Expires

Amy DiPaolo	2018
Elizabeth A. Kelly, Vice President	2017
Joseph Krouse	2016
Douglas E. Linden, Jr.	2018
Joan M. Monaco	2016
Scott A. Saccal, President	2016
Elizabeth Stochak	2018
Christopher R. Kassai	2017
Brian P. Walsh	2017

Other Officials

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

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

Audit Firm

Bedard, Kurowicki & Co., CPA's, PC
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Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alexandria Township School District, (the District) in the County of Hunterdon, the State of New Jersey, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alexandria Township School District, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards and schedule of state awards required by New Jersey Department of the Treasury OMB 15-08 is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.


In our opinion, the combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 12, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

October 12, 2016
Flemington, New Jersey

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
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, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the 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 position increased \$635,324, which represents a 9.33 percent increase from 2015.
- General revenues accounted for \$13,407,891 in revenue or 96.85 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and capital grants accounted for \$436,793 or 3.15 percent to total revenues of \$13,844,684
- Total assets of governmental activities increased by \$62,567 as cash and cash equivalents increased by \$291,739, receivables increased by \$46,002 and capital assets decreased by \$275,174.
- The School District had \$13,209,360 in expenses; only \$436,793 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$13,407,891 were adequate to provide for these programs.
- Among major funds, the General Fund had \$11,072,296 in revenues and \$10,472,292 in expenditures. After accounting for net transfers out of \$14,563 the General Fund's balance increased \$600,004 over 2015.

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

- **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 position 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 position and how they have changed. Net position - the difference between the district's assets and liabilities - is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Reporting the School District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's fund, 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 government 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 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 Position provides the perspectives of the District as a whole, showing assets, liabilities, and the difference between them (net position). Net position 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.

Table 1 provides a summary of the District's net position at 6/30/16 with comparisons to 6/30/15.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Table 1
Net Position

	6/30/16	6/30/15	Variance	
			Dollars	%
ASSETS				
Current & other assets	\$ 1,532,966	\$ 1,216,740	\$ 316,226	25.99
Capital assets	8,892,503	9,154,909	(262,406)	(2.87)
Total assets	<u>10,425,469</u>	<u>10,371,649</u>	<u>53,820</u>	0.52
Deferred outflows of resources				
Deferred amount of pension liability	<u>608,545</u>	<u>408,833</u>	<u>199,712</u>	48.85
LIABILITIES				
Long-term liabilities	3,456,300	3,508,713	(52,413)	(1.49)
Other liabilities	98,983	351,296	(252,313)	(71.82)
Total liabilities	<u>3,555,283</u>	<u>3,860,009</u>	<u>(304,726)</u>	(7.89)
Deferred inflows of resources:				
Deferred amount of pension liability	<u>36,951</u>	<u>114,017</u>	<u>(77,066)</u>	(67.59)
NET POSITION				
Net investment in capital assets	8,007,503	7,854,909	152,594	1.94
Restricted	1,037,049	561,672	475,377	84.64
Unrestricted	<u>(1,602,772)</u>	<u>(1,610,125)</u>	<u>7,353</u>	(0.46)
Total net position	<u>\$ 7,441,780</u>	<u>\$ 6,806,456</u>	<u>\$ 635,324</u>	9.33

* = Undefined

The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

Table 2 provides a summary of the District's changes in net position in fiscal year 2016 with comparisons to fiscal year 2015.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/16	6/30/15	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 213,171	\$ 189,949	\$ 23,222	12.23
Operating grants	226,157	217,045	9,112	4.20
Capital grants	(2,535)		(2,535)	*
General revenues:				
Property taxes	8,258,288	8,101,555	156,733	1.93
Unrestricted grants	4,996,813	4,287,048	709,765	16.56
Other	152,790	13,100	139,690	1066.34
Total revenues	<u>13,844,684</u>	<u>12,808,697</u>	<u>1,035,987</u>	8.09
Program expenses				
Instruction:				
Regular	5,459,686	5,270,025	677,487	3.60
Special	1,989,622	1,818,896	316,001	9.39
Other	171,061	90,308	(20,557)	89.42
Support services				
Tuition	111,171	15,910	95,261	598.75
Student & instructional staff	2,552,322	2,404,459	147,863	6.15
General & business				
administration	818,149	1,056,653	(238,504)	(22.57)
School administration	458,964	453,372	5,592	1.23
Maintenance	998,447	952,788	45,659	4.79
Transportation	467,777	431,754	36,023	8.34
Food service	124,081	114,333	9,748	8.53
Interest on long-term debt	58,080	49,849	8,231	7.20
Total expenses	<u>13,209,360</u>	<u>12,658,347</u>	<u>551,013</u>	4.35
Increase (decrease) in net position	<u>\$ 635,324</u>	<u>\$ 150,350</u>	<u>\$ 484,974</u>	322.56

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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 60.19 percent of revenues for governmental activities for the Alexandria Township School District for the fiscal year 2016. The district's total governmental revenues on a district wide basis were \$13,721,273 for the year ended June 30, 2016.

The total cost of all governmental expenses and services on a district wide basis was \$13,209,360.

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. 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.

Table 3 provides a summary of the School District's cost of governmental services in fiscal years 2016 and 2015.

Table 3
Cost of Governmental Services

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/15</u>
Instruction	\$ 7,620,369	\$ 7,179,229	\$ 7,336,925	\$ 6,916,538
Support services				
Tuition	111,171	15,910	111,171	15,910
Student & instructional staff	2,552,322	2,404,459	2,527,479	2,387,498
General & business				
administration	818,146	1,056,653	818,342	1,056,653
School administration	458,964	453,372	459,070	453,372
Plant operations & maintenance	998,447	952,788	993,007	947,543
Pupil transportation	467,777	431,754	467,777	431,754
Food service	124,081	114,333	716	(7,764)
Interest on long-term debt	58,080	49,849	58,080	49,849
Total expenses	<u>\$13,209,360</u>	<u>\$12,658,347</u>	<u>\$12,772,567</u>	<u>\$12,251,353</u>

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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 include 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.

The School District's Funds

All governmental funds, General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund, presented in the fund-bases statements are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$11,724,028 and expenditures were \$11,149,659. The net change in fund balance for the year was an increase of \$574,369.

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, if necessary, in November. 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

During the course of the 2016 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 and additional special education costs.

Capital Assets

At the end of the fiscal year 2016, the District had \$8,892,503 invested in land, buildings, furniture, equipment, construction in progress, and vehicles, net of accumulated depreciation.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/16 with comparisons to 6/30/15.

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

	6/30/16	6/30/15	Variance	
			Dollars	%
Land	\$155,364	\$ 155,364		
Construction in progress		59,498	\$ (59,498)	(100.00)
Land improvements	134,160	153,690	(19,530)	(12.71)
Buildings & improvements	8,443,464	8,631,416	(187,952)	(2.18)
Furniture & equipment	159,515	154,941	4,574	2.95
Total	\$ 8,892,503	\$ 9,154,909	\$ (262,406)	(2.87)

Table 5 provides a summary of the District's outstanding debt at 6/30/16 with comparisons to 6/30/15.

Table 5
Outstanding Debt at Year-end

	6/30/16	6/30/15	Variance	
			Dollars	%
General obligation bonds	\$ 885,000	\$ 1,300,000	\$ (415,000)	(31.92)
Compensated absences	247,253	244,877	2,376	0.97
PERS net pension liability	2,298,217	1,913,209	385,008	20.12
Unamortized bond premiums	25,830	50,627	(24,797)	(48.96)
	\$ 3,456,300	\$ 3,508,713	\$ (52,413)	(2.62)

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 not aware of existing circumstances that could affect its financial health in the future.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016
Unaudited

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.

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 retail; 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 the 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 the School Business Administrator/Board Secretary at Alexandria Township Board of Education, 557 County Road 513, Pittstown, NJ 08867.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 277,775	\$ 5,694	\$ 283,469
Receivables, net	239,865	1,064	240,929
Inventory	-	4,544	4,544
Restricted assets			
Capital reserve account - cash	501,159	-	501,159
Maintenance reserve account - cash	502,160	-	502,160
Capital projects fund - cash	705	-	705
Capital assets, net (Note 4)			
Land	155,364	-	155,364
Other capital assets, net of depreciation	8,669,914	67,225	8,737,139
Total assets	<u>10,346,942</u>	<u>78,527</u>	<u>10,425,469</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>608,545</u>	<u>-</u>	<u>608,545</u>
Liabilities			
Accounts payable	69,848	-	69,848
Accrued interest	16,225	-	16,225
Unearned revenue	6,700	6,110	12,810
Other current liabilities	100	-	100
Long-term liabilities (Note 5)			
Due within one year	480,917	-	480,917
Due beyond one year	2,975,383	-	2,975,383
Total liabilities	<u>3,549,173</u>	<u>6,110</u>	<u>3,555,283</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>36,951</u>	<u>-</u>	<u>36,951</u>
Net position			
Net investment in capital assets	7,940,278	67,225	8,007,503
Restricted for			
Capital projects	33,730		33,730
Capital reserve	501,159		501,159
Maintenance reserve	502,160		502,160
Unrestricted	<u>(1,607,964)</u>	<u>5,192</u>	<u>(1,602,772)</u>
Total net position	<u>\$ 7,369,363</u>	<u>\$ 72,417</u>	<u>\$ 7,441,780</u>

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2016

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,997,936	\$ 2,461,750	\$ 114,956	\$ 51,739	\$ (1,177)	\$ (5,294,168)	\$ -	\$ 5,294,168
Special education	1,101,932	887,690	-	118,405	(433)	(1,871,650)	-	1,871,650
Other special instruction	20,034	10,515	-	-	(8)	(30,557)	-	30,557
Other instruction	96,745	43,767	-	-	(38)	(140,550)	-	140,550
Support services								
Tuition	111,171	-	-	-	-	(111,171)	-	111,171
Students & instruction related services	1,471,161	1,081,161	-	25,423	(580)	(2,527,479)	-	2,527,479
General & business administration services	490,712	327,437	-	-	(193)	(818,342)	-	818,342
School administration services	268,026	190,938	-	-	(106)	(459,070)	-	459,070
Plant operations & maintenance	815,511	182,936	5,440	-	-	(993,007)	-	993,007
Pupil transportation	467,777	-	-	-	-	(467,777)	-	467,777
Interest on long-term debt	58,080	-	-	-	-	(58,080)	-	58,080
Total governmental activities	7,899,085	5,186,194	120,396	195,567	(2,535)	(12,771,851)	-	12,771,851
Business-type activities								
Food service	124,081	-	92,775	30,590	-	-	(716)	(716)
Total business-type activities	124,081	-	92,775	30,590	-	-	(716)	(716)
Total primary government	<u>\$ 8,023,166</u>	<u>\$ 5,186,194</u>	<u>\$ 213,171</u>	<u>\$ 226,157</u>	<u>\$ (2,535)</u>	<u>(12,771,851)</u>	<u>(716)</u>	<u>(12,772,567)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						7,799,588	-	7,799,588
Property taxes levied for debt service						458,700	-	458,700
Federal & State aid not restricted						4,996,813	-	4,996,813
Investment earnings						9,106	46	9,152
Miscellaneous income						143,638	-	143,638
Total general revenues & special items						<u>13,407,845</u>	<u>46</u>	<u>13,407,891</u>
Change in net position						635,994	(670)	635,324
Net position - beginning						6,733,369	73,087	6,806,456
Net position - ending						<u>\$ 7,369,363</u>	<u>\$ 72,417</u>	<u>\$ 7,441,780</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, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 275,761	\$ 2,014	\$ -	\$ -	\$ 277,775
Receivables from other governments					
State	206,240	-	33,025	-	239,265
Other accounts receivable	600	-		-	600
Restricted cash & equivalents	1,003,319	-	705	-	1,004,024
Total assets	\$ 1,485,920	\$ 2,014	\$ 33,730	\$ -	\$ 1,521,664
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 67,834	\$ 2,014	\$ -	\$ -	\$ 69,848
Unearned revenue	6,700	-	-	-	6,700
Other current liabilities	100	-	-	-	100
Total liabilities	74,634	2,014	-	-	76,648

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances (cont'd)					
Fund balances					
Restricted fund balance					
Excess surplus	\$ 74,898	\$ -	\$ -	\$ -	\$ 74,898
Capital project fund balance	-	-	33,730	-	33,730
Committed fund balance					
Capital reserve account	501,159	-	-	-	501,159
Maintenance reserve account	502,160	-	-	-	502,160
Assigned fund balance					
Year-end encumbrances	52,555	-	-	-	52,555
Unassigned fund balance	280,514	-	-	-	280,514
Total fund balances	<u>1,411,286</u>	<u>-</u>	<u>33,730</u>	<u>-</u>	<u>1,445,016</u>
Total liabilities and fund balances	<u>\$ 1,485,920</u>	<u>\$ 2,014</u>	<u>\$ 33,730</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$15,451,694 and the accumulated depreciation is \$6,626,416.	8,825,278
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	571,594
Long-term liabilities, including bonds payable are not due & payable in the current period & therefore are not reported as liabilities in the funds	(3,456,300)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	<u>(16,225)</u>
Total net position of governmental activities	<u>\$ 7,369,363</u>

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 7,799,588	\$ -	\$ -	\$ 458,700	\$ 8,258,288
Tuition - Individuals	108,292	-	-	-	108,292
Interest earned on capital reserve funds	1,013	-	-	-	1,013
Interest on investments	8,093	-	-	-	8,093
Miscellaneous	124,281	-	-	-	124,281
Total	8,041,267	-	-	458,700	8,499,967
State sources	3,031,029	-	(2,535)	-	3,028,494
Federal sources	-	195,567	-	-	195,567
Total revenues	11,072,296	195,567	(2,535)	458,700	11,724,028
Expenditures					
Current					
Instructional					
Regular instruction	2,944,295	42,744	-	-	2,987,039
Special education instruction	981,643	118,405	-	-	1,100,048
Other special instruction	20,034	-	-	-	20,034
Other instruction	96,745	-	-	-	96,745
Support service & undistributed costs					
Tuition	111,171	-	-	-	111,171
Student & instruction related services	1,445,738	25,423	-	-	1,471,161
General & business administrative services	490,712	-	-	-	490,712
School administrative services	268,026	-	-	-	268,026
Plant operations & maintenance	823,872	-	-	-	823,872
Pupil transportation	467,777	-	-	-	467,777
Unallocated benefits	2,800,291	-	-	-	2,800,291

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ -	\$ 8,995	\$ 23,100	\$ -	\$ 32,095
Debt service					
Principal	-	-	-	415,000	415,000
Interest & other charges	21,988	-	-	43,700	65,688
Total expenditures	<u>10,472,292</u>	<u>195,567</u>	<u>23,100</u>	<u>458,700</u>	<u>11,149,659</u>
Net change in fund balance	600,004	-	(25,635)	-	574,369
Fund balances, July 1	<u>811,282</u>	<u>-</u>	<u>59,365</u>	<u>-</u>	<u>870,647</u>
Fund balances, June 30	<u><u>\$ 1,411,286</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 33,730</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,445,016</u></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, 2016

Total net changes in fund balances - Governmental fund (from B-2) \$ 574,369

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$	32,095	
Depreciation expense		<u>(307,269)</u>	(275,174)

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:

Debt principal payments			415,000
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Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Amortization of bond premium			24,797
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

(108,230)

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 (continued)
For the Fiscal Year Ended June 30, 2016

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.	\$ 7,608
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.	<u>(2,376)</u>
Change in net position of governmental activities	<u><u>\$ 635,994</u></u>

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Fund Net Position
Proprietary Funds
June 30, 2016

	<u>Food Service Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 5,694
Receivables from other governments	
State	58
Federal	1,006
Inventory	4,544
Total current assets	<u>11,302</u>
Noncurrent assets	
Capital assets	141,691
Less: Accumulated depreciation	<u>74,466</u>
Total noncurrent assets	<u>67,225</u>
Total assets	<u>78,527</u>
LIABILITIES	
Current liabilities	
Unearned revenues - Commodities	3,314
Unearned revenues - Prepaid sales	<u>2,796</u>
Total liabilities	<u>6,110</u>
NET POSITION	
Net investment in capital assets	67,225
Unrestricted	<u>5,192</u>
Total net position	<u>\$ 72,417</u>

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - Reimbursable programs	\$ 60,519
Daily sales - Non-reimbursable programs	32,256
Miscellaneous	92,775
Total operating revenues	
 Operating expenses	
Cost of sales - Reimbursable programs	38,349
Cost of sales - Non-reimbursable programs	20,439
Salaries	36,749
Employee benefits	8,197
Purchased property services	145
Supplies and materials (not included in cost of sales)	657
Insurance	907
Management fee	7,455
Other purchased services	3,464
Depreciation	7,627
Miscellaneous	92
Total operating expenses	124,081
 Operating income (loss)	(31,306)
 Non-operating revenues (expenses)	
State sources	
State School Lunch Program	1,037
Federal sources	
National School Lunch Program	
Cash assistance	18,154
Non cash assistance (commodities)	11,399
Interest earned on investments	46
Total non-operating revenues (expenses)	30,636
 Change in net position	(670)
 Net position, beginning	73,087
 Net position, ending	\$ 72,417

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flow
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers (net)	\$ 93,165
Payments to Food Service Management Co.	(111,029)
Payments to vendors (net)	(1,275)
Net cash provided by (used for) operating activities	<u>(19,139)</u>
 Cash flows from non-capital financing activities	
State sources	1,080
Federal sources	19,044
Net cash provided by (used for) noncapital financing activities	<u>20,124</u>
 Cash flows from investing activities	
Interest earned on investments	46
Net cash provided by (used for) investing activities	<u>46</u>
 Cash flows from capital financing activities	
Acquisition of equipment	(20,395)
Net cash provided by (used for) capital financing activities	<u>(20,395)</u>
 Net increase (decrease) in cash and cash equivalents	(19,364)
 Cash and cash equivalents, beginning	<u>25,058</u>
 Cash and cash equivalents, ending	<u>\$ 5,694</u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (31,306)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	7,627
Federal Food Donation Program	11,399
(Increase) decrease in inventory	1,218
Increase (decrease) in accounts payable	(7,541)
Increase (decrease) in unearned revenues	(536)
Net cash provided by (used for) operating activities	<u>\$ (19,139)</u>

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2016

	<u>Unemployment Compensation Fund</u>	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>
ASSETS			
Cash and cash equivalents	\$ 37,903	\$ 49,381	\$ 12,747
Due from other funds	66	-	-
Total assets	<u>\$ 37,969</u>	<u>\$ 49,381</u>	<u>\$ 12,747</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ 66
Due to student groups	-	49,381	-
Payroll deductions and withholdings	-	-	12,681
Total liabilities	<u>-</u>	<u>\$ 49,381</u>	<u>\$ 12,747</u>
NET POSITION	<u>\$ 37,969</u>		

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 9,210
Investment earnings - interest	130
Total additions	9,340
Deductions	
Unemployment claims	5,318
Change in net position before other financing uses	4,022
Other financing sources (uses)	
Refund of prior year revenue	(50,000)
Change in net position after other financing uses	(45,978)
Net position, beginning of the year	83,947
Net position, end of the year	\$ 37,969

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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 over-all 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, 2016 of 458 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

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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 non-operating 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 non-instructional equipment, which are classified in the Capital Outlay sub fund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. 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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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.

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 (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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 governments 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.

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, if necessary, are voted upon at the annual school election in November. 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, 2016 were insignificant.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

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 year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

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 2015 - 2016 and 2014 - 2015 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 receivable/payables

Short-term Interfund receivables/payables represent 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures 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 unearned 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, 2016.

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:

Assets	Years
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 - 10
Computer equipment	5 - 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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.

L. Unearned revenue

Unearned 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.

Unearned 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 unearned 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 position. Bond premiums and discounts 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.

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Fund balances - Governmental funds

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

- *Non-Spendable* - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- *Restricted* - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- *Committed* - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- *Assigned* - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- *Unassigned* - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General fund. The District reports all amounts that meet the unrestricted General fund Balance Policy described below as unassigned:

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

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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 N.J.S.A. 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.

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. U.S. 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

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.

N.J.S.A. 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, 2016 appear in the financial statements as summarized below:

Cash		\$	<u>1,387,524</u>
	<u>Ref.</u>		
Unrestricted cash			
Governmental funds, balance sheet	B-1	\$	277,775
Enterprise funds, statement of net position	B-4		5,694
Fiduciary funds, statement of net position	B-7		100,031
Restricted cash			
Governmental funds, balance sheet	B-1		<u>1,004,024</u>
Total cash		\$	<u>1,387,524</u>

Deposits - The District's carrying amount of bank deposits at June 30, 2016 is \$1,387,524 and the bank balance is \$1,443,897. Of the bank balance, \$250,000 is covered by Federal Depository Insurance and \$1,193,897 is insured by GUDPA.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

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 are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government’s name.
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent but not in the government’s name.

As the District has no such investments, this disclosure is not applicable.

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 or more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. 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, 2016, the District had no investments.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 -

Capital assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 155,364	\$ -	\$ -	\$ 155,364
Construction in progress	59,498	23,100	82,598	-
Total	<u>214,862</u>	<u>23,100</u>	<u>82,598</u>	<u>155,364</u>
Capital assets, being depreciated				
Land improvements	818,584	-	-	818,584
Building & improvements	13,726,514	82,598	-	13,809,112
Furniture & equipment	703,639	8,995	44,000	668,634
Total	<u>15,248,737</u>	<u>91,593</u>	<u>44,000</u>	<u>15,296,330</u>
Accumulated depreciation				
Land improvements	664,894	19,530	-	684,424
Building & improvements	5,095,098	270,550	-	5,365,648
Furniture & equipment	603,155	17,189	44,000	576,344
Total	<u>6,363,147</u>	<u>307,269</u>	<u>44,000</u>	<u>6,626,416</u>
Total capital assets, begin depreciated, net	<u>8,885,590</u>	<u>(215,676)</u>	<u>-</u>	<u>8,669,914</u>
Transfer	-	(82,598)	(82,598)	-
Governmental activities capital assets, net	<u>\$ 9,100,452</u>	<u>\$ (275,174)</u>	<u>\$ -</u>	<u>\$ 8,825,278</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 121,296	\$ 20,395	\$ -	\$ 141,691
Accumulated depreciation	66,839	7,627	-	74,466
Business type activities capital assets, net	<u>\$ 54,457</u>	<u>\$ 12,768</u>	<u>\$ -</u>	<u>\$ 67,225</u>

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

Instruction	
Regular	\$ 143,711
Special education	53,250
Other special instruction	935
Co-curricular activities	4,517
Support services	
Student & instruction	68,695
General & business administration	22,913
School administration	12,515
Maintenance	733
Total depreciation expense, governmental activities	<u>\$ 307,269</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 1,300,000	\$ -	\$ 415,000	\$ 885,000	\$ 430,000
Unamortized bond premium	50,627	-	24,797	25,830	24,797
PERS net pension liability	1,913,209	679,824	294,816	2,298,217	-
Compensated absences payable	244,877	28,496	26,120	247,253	26,120
Total governmental activities long-term liabilities	<u>\$ 3,508,713</u>	<u>\$ 708,320</u>	<u>\$ 760,733</u>	<u>\$ 3,456,300</u>	<u>\$ 480,917</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's General fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016 including interest payments are listed as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 430,000	\$ 26,800	\$ 456,800
2018	455,000	9,100	464,100
Total	<u>\$ 885,000</u>	<u>\$ 35,900</u>	<u>\$ 920,900</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2016, with their outstanding balances are comprised of the following individual issues:

\$2,450,000 - 2011 refunding school bonds, interest at 2.00% to 4.00%, due in annual installments beginning July 15, 2012 to July 15, 2017.	<u>\$ 885,000</u>
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The general obligation bonded debt of the District is limited by state law to 3% 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, 2016 is \$23,358,495. General obligation debt at June 30, 2016 is \$885,000, resulting in a legal debt margin of \$22,473,495.

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS)

Plan description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 -

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2015 are based on the ratio of each employer's contributions to the group for the fiscal years ended June 30, 2015.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 through June 30, 2015. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2015, the State's pension contribution was less than the actuarial determined amount.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 -

Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

Contributions (continued)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2015 and 2014 are as follows:

	2015	2014
Total pension liability	\$ 4,413,542	\$ 3,992,573
Plan fiduciary net position	2,115,325	2,079,364
Net pension liability	<u>\$ 2,298,217</u>	<u>\$ 1,913,209</u>

Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%
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The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.04%
Salary increases (based on age)	
2012 - 2021	2.15% - 4.40%
Thereafter	3.15% - 5.40%
Investment rate of return	7.90%

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Components of net pension liability (continued)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees, and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate

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

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2015
At current discount rate (4.90%)	\$ 2,298,217
At a 1% lower rate (3.90%)	2,856,402
At a 1% higher rate (5.90%)	1,830,238
	2014
At current discount rate (5.39%)	\$ 1,913,209
At a 1% lower rate (4.39%)	2,406,882
At a 1% higher rate (6.39%)	1,498,649

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,827	\$ -
Changes of assumptions	246,810	-
Net difference between projected and actual earnings on pension plan investments	-	36,951
Changes in proportion and differences between District contributions and proportionate share of contributions	218,889	-
District contributions subsequent to the measurement date	88,019	-
Total	\$ 608,545	\$ 36,951

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) of \$88,019 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Ending Balance
Deferred outflows of resources:				
Changes of assumptions	\$ 60,275	\$ 305,926	\$ 64,564	\$ 301,637
Deferred inflows of resources:				
Difference between projected and actual earnings on pension plan investments	114,232	(60,904)	16,377	36,951
Net of deferred outflows/(inflows)				\$ 264,686

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Year ending June 30,

2016	\$ 48,186
2017	48,186
2018	48,186
2019	76,745
2020	43,383
Total	<u>\$ 264,686</u>

Pension expense

For the year ended June 30, 2016, the District recognized net pension expense of \$196,249 which represents the District's proportionate share of allocable plan pension expense of \$150,763 plus the net amortization of deferred amounts from changes in proportion of \$49,258 and less other adjustments to the net pension liability of \$3,772. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2015 are as follows:

Service cost	\$ 90,302
Interest on total pension liability	215,205
Member contributions	(49,951)
Administrative expense	1,678
Expected investment return net of investment expense	(153,765)
Pension expense related to specific liabilities of individual employers	(893)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	52,948
Amortization of expected versus actual experience	11,616
Amortization of projected versus actual investment earnings on pension plan investments	(16,377)
Pension expense	<u>\$ 150,763</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher’s pension and annuity fund (TPAF)

Plan description

The State of New Jersey, Teachers’ Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division’s Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members’ beneficiaries are entitled to full interest credited to the members’ accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 -

Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Plan description (continued)

Special funding situation

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

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2015 and 2014 is as follows:

	2015	2014
Net pension liability	\$ 32,194,819	\$ 27,224,093
Employer pension expense and related revenue	1,965,784	1,464,912
Non-employer contribution	273,753	216,374
Allocable proportionate percentage	.0509377278%	.0509368589%

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 (\$8,200 in 2015) 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

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, P.O. Box 295, Trenton, New Jersey 08625-0295.

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.

Contribution requirements

Three-year trend information for TPAF (paid on behalf of the District):

<u>Year Funding</u>	<u>TPAF Benefit Cost</u>	<u>Percentage of APC Contributed</u>
06/30/16	\$ 878,536	100%
06/30/15	712,795	100%
06/30/14	568,795	100%

Three-year trend information for PERS:

<u>Year Funding</u>	<u>Annual Pension Cost</u>	<u>Percentage of APC Contributed</u>
03/30/16	\$ 88,019	100%
06/30/15	84,241	100%
06/30/14	64,654	100%

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

C. Defined contribution retirement program (continued)

Contribution requirements (continued)

During the year ended June 30, 2016, the State of New Jersey contributed \$477,510 to the TPAF for post-retirement medical benefits, \$19,029 for non-contributory insurance premiums and \$381,997 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$355,521 during the year ended June 30, 2016 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 68.

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, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the state in accordance with 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 2015, the State paid \$214.1 million toward Ch. 126 benefits for 19,056 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 N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits

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 State 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 by visiting their website at (www.nj.gov/treasury/pensions).

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.

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

As of June 30, 2016, there was one Interfund on the District's records. The Payroll Agency Fund has an Interfund payable for \$66 due to the Unemployment Compensation Fund for withholdings not yet transferred as of year-end. This balance is expected to be liquidated within one fiscal year.

Note 10 - Inventory

Inventory in the Food Service fund as of June 30, 2016 consisted of the following:

Food	\$	3,918
Supplies		626
Total	\$	<u>4,544</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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.

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:

Fiscal Year	Prior Year Refund	Interest Earnings	Employee Deposits	Amount Reimbursed	Ending Balance
2015-2016	\$ (50,000)	\$ 130	\$ 9,210	\$ (5,318)	\$ 37,969
2014-2015	-	273	9,165	(9,947)	83,947
2013-2014	-	258	9,337	(12,568)	84,456

Note 13 - Legal reserve accounts

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

Funds placed in the capital reserve account are restricted to capital projects in the 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 increase the balance in the capital reserve by appropriating funds in the annual General fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Legal reserve accounts (continued)

Beginning in fiscal year 2008, Districts are allowed as per N.J.S.A. 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 \$250,000 to their Capital Reserve account and \$250,000 to their Maintenance Reserve Account by board resolution in June 2016 as summarized in the following schedule.

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

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 250,147	\$ 250,000	\$ 1,012	\$ -	\$ -	\$ 501,159
Maintenance	252,160	250,000	-	-	-	502,160
Total	<u>\$ 502,307</u>	<u>\$ 500,000</u>	<u>\$ 1,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,003,319</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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, 2016 and 2015 is as follows:

	2015	2016
Restricted		
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.	\$ -	\$ 74,898
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.	22,927	-
Committed		
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	250,147	501,159
Maintenance reserve - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:76-9).	252,160	502,160
Assigned		
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,	55,102	52,555
Unassigned		
Undesignated - Represents fun balance which has not been restricted or designated.	389,535	439,103
Total fund balance	\$ 969,871	\$ 1,569,875

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 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, 2016 is \$74,898.

Note 16 - Subsequent events

The District has evaluated subsequent events through October 12, 2016, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

Note 17 - Recent accounting pronouncements not yet effective

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "*Tax Abatement Disclosures*". This statement, which is effective for reporting periods beginning after December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "*Pension's Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "*Certain External Investment Pools and Pool Participants*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*". This statement, which is effective for reporting periods beginning June 15, 2016, is not expected to have a material impact on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "*Irrevocable Split-Interest Agreements*". This statement, which is effective for reporting periods after June 15, 2016, is not expected to have a material impact on the District's financial reporting.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

- Note 17 - Recent accounting pronouncements not yet effective (continued)
In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "*Pension Issues - an amendment of GASB Statements No. 67 and No. 73*". This statement is effective for reporting periods beginning June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement is not expected to have a material impact on the District's financial reporting.
- Note 18 - Deficit balance in unrestricted net position
The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2016 of \$1,607,964 on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 7,799,588	\$ -	\$ 7,799,588	\$ 7,799,588	\$ -
Tuition from individuals	96,000	-	96,000	108,292	12,292
Rents and royalties	5,500	-	5,500	5,440	(60)
Unrestricted miscellaneous revenues	20,093	2,000	22,093	127,947	105,854
Total	<u>7,921,181</u>	<u>2,000</u>	<u>7,923,181</u>	<u>8,041,267</u>	<u>118,086</u>
State Sources					
School Choice Aid	280,324	-	280,324	280,324	-
Categorical Transportation Aid	253,247	-	253,247	253,247	-
Extraordinary Aid	-	-	-	181,922	181,922
Categorical Special Education Aid	335,552	-	335,552	335,552	-
Equalization Aid	644,612	-	644,612	644,612	-
Categorical Security Aid	42,678	-	42,678	42,678	-
Adjustment Aid	16,472	25,484	41,956	41,956	-
Other State Aids	34,984	(25,484)	9,500	16,681	7,181
TPAF Pension (on-behalf)	-	-	-	401,026	401,026
TPAF Social Security (reimbursed)	-	-	-	355,521	355,521
TPAF Post Retirement Benefits	-	-	-	477,510	477,510
Total	<u>1,607,869</u>	<u>-</u>	<u>1,607,869</u>	<u>3,031,029</u>	<u>1,423,160</u>
Total Revenues	<u>\$ 9,529,050</u>	<u>\$ 2,000</u>	<u>\$ 9,531,050</u>	<u>\$ 11,072,296</u>	<u>\$ 1,541,246</u>
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 151,914	\$ 69,866	\$ 221,780	\$ 221,745	\$ 35
Grades 1-5	1,348,991	(21,201)	1,327,790	1,327,790	-
Grades 6-8	1,226,975	(72,019)	1,154,956	1,154,956	-
Home instruction					
Salaries of teacher	-	4,210	4,210	3,811	399
Purchased professional - educational services	1,500	(1,500)	-	-	-
Regular programs - undistributed instruction					
Purchased professional - educational services	950	-	950	697	253
Purchased technical services	6,000	(1,000)	5,000	-	5,000
Other purchased services	129,600	(12,724)	116,876	112,802	4,074
General supplies	76,000	82,880	158,880	105,473	53,407
Textbooks	45,300	(34,363)	10,937	10,826	111
Other objects	3,500	2,935	6,435	6,195	240
Total	<u>2,990,730</u>	<u>17,084</u>	<u>3,007,814</u>	<u>2,944,295</u>	<u>63,519</u>
Special education					
Multiple disabilities					
Salaries of teachers	83,187	(196)	82,991	82,617	374
Other salaries for instruction	8,350	42	8,392	8,392	-
Other purchased services	250	-	250	-	250
General supplies	3,500	(110)	3,390	3,071	319
Total	<u>95,287</u>	<u>(264)</u>	<u>95,023</u>	<u>94,080</u>	<u>943</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center					
Salaries of teachers	\$ 666,433	\$ 65,536	\$ 731,969	\$ 731,439	\$ 530
General supplies	3,000	(1,500)	1,500	100	1,400
Total	<u>669,433</u>	<u>64,036</u>	<u>733,469</u>	<u>731,539</u>	<u>1,930</u>
Preschool disabilities - full-time					
Salaries of teachers	149,574	(11,348)	138,226	137,686	540
Other salaries for instruction	13,787	-	13,787	13,787	-
Total	<u>163,361</u>	<u>(11,348)</u>	<u>152,013</u>	<u>151,473</u>	<u>540</u>
Home instruction					
Salaries of teachers	750	3,096	3,846	3,846	-
Purchased professional-educational services	1,200	(500)	700	700	-
Other purchased services	2,250	(1,806)	444	5	439
Total	<u>4,200</u>	<u>790</u>	<u>4,990</u>	<u>4,551</u>	<u>439</u>
Total special education	<u>932,281</u>	<u>53,214</u>	<u>985,495</u>	<u>981,643</u>	<u>3,852</u>
Basic skills/remedial					
Salaries of teachers	20,634	-	20,634	20,034	600
Purchased technical services	3,000	-	3,000	-	3,000
General supplies	2,000	-	2,000	-	2,000
Total	<u>25,634</u>	<u>-</u>	<u>25,634</u>	<u>20,034</u>	<u>5,600</u>
School-sponsored co/extra curricular activities-instruction					
Salaries	49,572	-	49,572	48,058	1,514
Supplies and materials	5,385	1,000	6,385	5,745	640
Other objects	800	-	800	687	113
Total	<u>55,757</u>	<u>1,000</u>	<u>56,757</u>	<u>54,490</u>	<u>2,267</u>
School-sponsored athletics - instruction					
Salaries	28,592	-	28,592	28,262	330
Purchased services	5,900	2,300	8,200	6,112	2,088
Supplies and materials	6,000	100	6,100	6,061	39
Other objects	1,000	980	1,980	1,820	160
Total	<u>41,492</u>	<u>3,380</u>	<u>44,872</u>	<u>42,255</u>	<u>2,617</u>
Total instruction regular	<u>\$ 4,045,894</u>	<u>\$ 74,678</u>	<u>\$ 4,120,572</u>	<u>\$ 4,042,717</u>	<u>\$ 77,855</u>
Undistributed expenditures					
Tuition to priv. school for the disabled w/i state	\$ 100,000	\$ 81,275	\$ 181,275	\$ 111,171	\$ 70,104
Total	<u>100,000</u>	<u>81,275</u>	<u>181,275</u>	<u>111,171</u>	<u>70,104</u>
Undistributed expenditures - health services					
Salaries	161,674	799	162,473	162,063	410
Purchased professional and technical services	5,000	371	5,371	5,169	202
Other purchased services	2,050	(341)	1,709	1,050	659
Supplies and materials	3,500	(30)	3,470	2,658	812
Total	<u>172,224</u>	<u>799</u>	<u>173,023</u>	<u>170,940</u>	<u>2,083</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 168,054	\$ 165	\$ 168,219	\$ 168,219	\$ -
Purchased professional - educational services	47,366	(2,978)	44,388	37,180	7,208
Supplies and materials	2,000	-	2,000	1,157	843
Other objects	1,000	-	1,000	963	37
Total	218,420	(2,813)	215,607	207,519	8,088
Undistributed expenditures- guidance					
Salaries of other professional staff	59,597	99	59,696	59,696	-
Other purchased services	1,400	-	1,400	1,049	351
Supplies and materials	2,500	-	2,500	-	2,500
Total	63,497	99	63,596	60,745	2,851
Undistributed expenditures - child study teams					
Salaries of other professional staff	243,751	2,005	245,756	245,756	-
Salaries of secretarial and clerical assistants	37,649	-	37,649	37,649	-
Other purchased professional & technical services	3,200	-	3,200	3,118	82
Miscellaneous purchased service	8,000	1,444	9,444	7,275	2,169
Supplies and materials	4,000	-	4,000	2,402	1,598
Other objects	2,000	-	2,000	1,144	856
Total	298,600	3,449	302,049	297,344	4,705
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	137,440	(1,255)	136,185	134,374	1,811
Salaries of other professional staff	10,000	1,293	11,293	11,293	-
Salaries of facilitators, math & literacy coaches	220,371	-	220,371	220,371	-
Purchased professional - educational services	10,000	(1,558)	8,442	8,044	398
Other purchased services	2,000	-	2,000	-	2,000
Total	379,811	(1,520)	378,291	374,082	4,209
Undistributed expenditures - edu. media service/sch. library					
Salaries	128,711	(33,840)	94,871	87,880	6,991
Salaries of technology coordinators	95,813	201	96,014	96,014	-
Purchased professional and technical services	122,000	-	122,000	120,120	1,880
Other purchased services	5,000	-	5,000	2,855	2,145
Supplies and materials	14,950	(1,700)	13,250	5,706	7,544
Other objects	1,200	-	1,200	134	1,066
Total	367,674	(35,339)	332,335	312,709	19,626
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	14,000	(10,837)	3,163	3,163	-
Other purchased services	9,479	15,102	24,581	16,707	7,874
Supplies and materials	3,000	-	3,000	2,529	471
Total	26,479	4,265	30,744	22,399	8,345

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - support service - general admin.					
Salaries	\$ 142,068	\$ 21,461	\$ 163,529	\$ 163,288	\$ 241
Legal services	11,000	(3,500)	7,500	4,402	3,098
Audit fees	17,500	-	17,500	16,480	1,020
Other purchased professional services	5,000	-	5,000	4,325	675
Purchased technical services	5,300	3,905	9,205	9,205	-
Communications/telephone	15,000	(109)	14,891	12,382	2,509
Boe other purchased services	12,500	(4,000)	8,500	7,987	513
Misc purch services	24,700	1,963	26,663	19,328	7,335
General supplies	8,800	(726)	8,074	6,880	1,194
Boe in-house training/meeting supplies	500	-	500	75	425
Miscellaneous expenditures	3,000	-	3,000	2,212	788
Boe membership dues and fees	5,500	-	5,500	5,237	263
Total	250,868	18,994	269,862	251,801	18,061
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	127,126	939	128,065	128,065	-
Salaries of secretarial and clerical assistants	128,912	316	129,228	129,228	-
Other purchased services	5,000	(686)	4,314	4,314	-
Supplies and materials	4,500	(1,500)	3,000	2,303	697
Other objects	3,500	1,186	4,686	4,116	570
Total	269,038	255	269,293	268,026	1,267
Undistributed expenditures - central services					
Salaries	206,170	1,406	207,576	207,576	-
Purchased professional services	4,800	150	4,950	4,950	-
Purchased technical services	18,000	1,930	19,930	19,743	187
Miscellaneous purchased services	4,500	60	4,560	2,647	1,913
Supplies and materials	3,000	-	3,000	2,615	385
Other objects	1,810	(210)	1,600	1,380	220
Total	238,280	3,336	241,616	238,911	2,705
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	155,113	28,969	184,082	180,264	3,818
General supplies	7,000	(5,856)	1,144	1,144	-
Total	162,113	23,113	185,226	181,408	3,818
Undistributed expenditures - custodial services					
Salaries	330,774	(1,406)	329,368	318,866	10,502
Unused vacation payment to terminated/retired staff	-	9,094	9,094	9,094	-
Purchased professional and technical services	51,100	264	51,364	48,904	2,460
Cleaning, repair, and maintenance service	14,000	15,247	29,247	9,630	19,617
Other purchased property services	2,600	9,736	12,336	10,884	1,452
Insurance	46,700	-	46,700	42,483	4,217
Miscellaneous purchased services	600	-	600	-	600
General supplies	40,500	8,019	48,519	44,725	3,794
Energy (electricity)	117,000	(28,860)	88,140	75,944	12,196
Energy (oil)	135,000	(32,520)	102,480	38,422	64,058
Energy (gasoline)	2,300	-	2,300	1,032	1,268
Other objects	-	21,000	21,000	21,000	-
Total	740,574	574	741,148	620,984	120,164

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - Care and upkeep of grounds					
Salaries	\$ 8,000	\$ -	\$ 8,000	\$ 7,218	\$ 782
Purchased professional and technical services	10,000	-	10,000	8,546	1,454
Total	18,000	-	18,000	15,764	2,236
Undistributed expenditures - Security					
Purchased professional and technical services	8,500	-	8,500	4,564	3,936
General supplies	2,000	-	2,000	1,152	848
Total	10,500	-	10,500	5,716	4,784
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	29,584	-	29,584	29,584	-
Management fee - esc & ctsa trans. program	500	-	500	-	500
Contr service (oth. than between home & school) - vend	11,000	8,641	19,641	19,641	-
Contr service (between home & school) - joint agreements	340,000	(20,277)	319,723	319,541	182
Contract service (sp ed stds) - joint agreements	78,000	56,563	134,563	99,011	35,552
Total	459,084	44,927	504,011	467,777	36,234
Unallocated benefits-employee benefits					
Social security contributions	95,000	-	95,000	92,202	2,798
Other retirement contributions - PERS	85,000	3,748	88,748	88,748	-
Workmen's compensation	48,000	-	48,000	47,076	924
Health benefits	1,445,035	(88,533)	1,356,502	1,244,905	111,597
Tuition reimbursement	20,000	-	20,000	20,000	-
Other employee benefits	71,000	(6,942)	64,058	58,133	5,925
Unused sick payment to terminated/retired staff	-	15,170	15,170	15,170	-
Total	1,764,035	(76,557)	1,687,478	1,566,234	121,244
On-behalf TPAF pension contribution	-	-	-	401,026	(401,026)
On-behalf TPAF post retirement medical benefits	-	-	-	477,510	(477,510)
Reimbursed TPAF social security contribution	-	-	-	355,521	(355,521)
Total	-	-	-	1,234,057	(1,234,057)
Total undistributed expenditures	\$ 5,539,197	\$ 64,857	\$ 5,604,054	\$ 6,407,587	\$ (803,533)
Total current	\$ 9,585,091	\$ 139,535	\$ 9,724,626	\$ 10,450,304	\$ (725,678)
Capital outlay					
Facilities acquisition and construction service					
Assessment for debt service on SDA funding	\$ 21,988	\$ -	\$ 21,988	\$ 21,988	\$ -
Total facilities acquisition and construction service	21,988	-	21,988	21,988	-
Total capital outlay	\$ 21,988	\$ -	\$ 21,988	\$ 21,988	\$ -
Total expenditures	\$ 9,607,079	\$ 139,535	\$ 9,746,614	\$ 10,472,292	\$ (725,678)
Excess (deficiency) of revenues over (under) expenditures	\$ (78,029)	\$ (137,535)	\$ (215,564)	\$ 600,004	\$ 815,568
Fund balances, July 1	969,871	-	969,871	969,871	-
Fund balances, June 30	\$ 891,842	\$ (137,535)	\$ 754,307	\$ 1,569,875	\$ 815,568

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of Excess (Deficiency) of of Revenues Over (Under) Expenditures:					
Adjustment for Prior Year Encumbrances	\$ (55,102)	\$ -	\$ (55,102)	\$ (55,102)	\$ -
Increase in Capital Reserve	-	250,000	250,000	250,000	-
Interest Deposit to Capital Reserve	-	2,000	2,000	1,012	(988)
Increase in Maintenance Reserve	-	250,000	250,000	250,000	-
Budgeted Fund Balance	(22,927)	(639,535)	(662,462)	154,094	816,556
Total	\$ (78,029)	\$ (137,535)	\$ (215,564)	\$ 600,004	\$ 815,568
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - current year				\$ 74,898	
Committed fund balance					
Capital reserve				501,159	
Maintenance reserve				502,160	
Assigned fund balance					
Year-end encumbrances				52,555	
Unassigned fund balance				439,103	
Fund balance per budgetary basis				1,569,875	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(158,589)	
Fund balance per governmental funds (GAAP)				\$ 1,411,286	

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 195,567	\$ -	\$ 195,567	\$ 195,567	\$ -
Total revenues	<u>\$ 195,567</u>	<u>\$ -</u>	<u>\$ 195,567</u>	<u>\$ 195,567</u>	<u>\$ -</u>
Expenditures					
Instruction					
Other salaries for instruction	\$ 118,405	\$ -	\$ 118,405	\$ 118,405	\$ -
General supplies	51,739	(8,995)	42,744	42,744	-
Totals	<u>170,144</u>	<u>(8,995)</u>	<u>161,149</u>	<u>161,149</u>	<u>-</u>
Support services					
Salaries of other professional staff	-	13,221	13,221	13,221	-
Purchased professional & technical services	24,476	(13,057)	11,419	11,419	-
Other purchased services	783	-	783	783	-
General supplies	164	(164)	-	-	-
Total	<u>25,423</u>	<u>-</u>	<u>25,423</u>	<u>25,423</u>	<u>-</u>
Facility acquisition and construction services					
Instructional equipment	-	8,995	8,995	8,995	-
Total expenditures	<u>\$ 195,567</u>	<u>\$ -</u>	<u>\$ 195,567</u>	<u>\$ 195,567</u>	<u>\$ -</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 11,072,296	\$ 195,567
Differences-Budget to GAAP		
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	158,589	-
State aid receivable current year	<u>(158,589)</u>	<u>-</u>
Total revenues (GAAP basis)	<u>\$ 11,072,296</u>	<u>\$ 195,567</u>
 <u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 10,472,292</u>	<u>\$ 195,567</u>
Total expenditures (GAAP basis)	<u>\$ 10,472,292</u>	<u>\$ 195,567</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - Percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - Value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	\$ 32,194,819	\$ 27,224,093	\$ 26,394,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 32,194,819	\$ 27,224,093	\$ 26,394,040	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ -	\$ 5,017,764	\$ 5,061,772	\$ 5,009,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	0.00%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Pension Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 401,026	\$ 275,388	\$ 215,483	\$ 337,453	\$ 163,593	\$ 15,194	\$ 16,051	\$ 15,989	\$ 429,526	\$ 312,520
Contributions in relation to the contractually required contribution	<u>(401,026)</u>	<u>(275,388)</u>	<u>(215,483)</u>	<u>(337,453)</u>	<u>(163,593)</u>	<u>(15,194)</u>	<u>(16,051)</u>	<u>(15,989)</u>	<u>(429,526)</u>	<u>(312,520)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 5,012,668	\$ 5,017,764	\$ 5,061,772	\$ 5,009,104	\$ 4,932,590	\$ 4,959,044	\$ 5,123,732	\$ 4,787,108	\$ 4,509,061	\$ 4,416,542
Contributions as a percentage of covered employee payroll	8.00%	5.49%	4.26%	6.74%	3.32%	0.31%	0.31%	0.33%	9.53%	7.08%

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - Percentage	N/A	0.0102379602%	0.0102186407%	0.0085807236%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - Value	N/A	\$ 2,298,217	\$ 1,913,209	\$ 1,639,947	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	674,582	696,348	734,072	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	340.69%	274.75%	223.40%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 88,019	\$ 84,241	\$ 64,654	\$ 72,043	\$ 75,138	\$ 71,123	\$ 68,863	\$ 63,033	\$ 55,359	\$ 21,360
Contributions in relation to the contractually required contribution	(88,019)	(84,241)	(64,654)	(72,043)	(75,138)	(71,123)	(68,863)	(63,033)	(55,359)	(21,360)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 718,616	\$ 674,582	\$ 696,348	\$ 734,072	\$ 573,175	\$ 627,166	\$ 646,193	\$ 643,877	\$ 765,488	\$ 758,950
Contributions as a percentage of covered employee payroll	12.25%	12.49%	9.28%	9.81%	13.11%	11.34%	10.66%	9.79%	7.23%	2.81%

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2016

Note 1 - Special funding situation - TPAF

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

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, 2016

	NCLB Title IA	NCLB Title IIA	IDEA Basic	IDEA Preschool	Race to the Top	REAP	Total
Revenues							
Federal sources	\$ 16,398	\$ 8,242	\$ 113,400	\$ 5,005	\$ 783	\$ 51,739	\$ 195,567
Total revenues	<u>\$ 16,398</u>	<u>\$ 8,242</u>	<u>\$ 113,400</u>	<u>\$ 5,005</u>	<u>\$ 783</u>	<u>\$ 51,739</u>	<u>\$ 195,567</u>
Expenditures							
Instruction							
Other salaries for instruction	\$ -	\$ -	\$ 113,400	\$ 5,005	\$ -	\$ -	\$ 118,405
General supplies	-	-	-	-	-	42,744	42,744
Total	<u>-</u>	<u>-</u>	<u>113,400</u>	<u>5,005</u>	<u>-</u>	<u>42,744</u>	<u>161,149</u>
Support services							
Salaries of other professional staff	6,000	7,221	-	-	-	-	13,221
Purchased professional & technical services	10,398	1,021	-	-	-	-	11,419
Other purchased services	-	-	-	-	783	-	783
Total	<u>16,398</u>	<u>8,242</u>	<u>-</u>	<u>-</u>	<u>783</u>	<u>-</u>	<u>25,423</u>
Facilities acquisition & construction services							
Instructional equipment	-	-	-	-	-	8,995	8,995
Total expenditures	<u>\$ 16,398</u>	<u>\$ 8,242</u>	<u>\$ 113,400</u>	<u>\$ 5,005</u>	<u>\$ 783</u>	<u>\$ 51,739</u>	<u>\$ 195,567</u>

See independent auditors' report.

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2016

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/16
			Prior Years	Current Year	
Modify entrance to provide security vestibule at the Lester D Wilson School	4/10/14	\$ 100,928	\$ 44,098	\$ 23,100	\$ 33,730
		<u>\$ 100,928</u>	<u>\$ 44,098</u>	<u>\$ 23,100</u>	<u>\$ 33,730</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

Revenues and other financing sources	
State sources	
NJ SDA aid	\$ (2,535)
Total revenues	<u>(2,535)</u>
Expenditures and other financing uses	
Construction services	<u>23,100</u>
Total expenditures	<u>23,100</u>
Excess (deficiency) of revenues over (under) expenditures	(25,635)
Fund balance - beginning	<u>59,365</u>
Fund balance - ending	<u><u>\$ 33,730</u></u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Modify Entrance to Provide Security Vestibule at the Lester D Wilson School
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfer from capital reserve	\$ 67,903	\$ -	\$ 67,903	\$ 67,903
State sources				
NJ SDA aid	35,560	(2,535)	33,025	33,025
Total revenues	<u>103,463</u>	<u>(2,535)</u>	<u>100,928</u>	<u>100,928</u>
Expenditures and other financing uses				
Purchased professional & technical services	2,017	-	2,017	2,017
Construction services	41,772	23,100	64,872	64,872
Other purchased services	309	-	309	309
Transfers to general fund - Capital reserve	-	-	-	33,730
Total expenditures	<u>44,098</u>	<u>23,100</u>	<u>67,198</u>	<u>100,928</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 59,365</u>	<u>\$ (25,635)</u>	<u>\$ 33,730</u>	<u>\$ -</u>
Additional project information				
Project number		0020-010-14-1001		
Grant date		4/10/2014		
Bond authorized date		N/A		
Bonds authorized		N/A		
Bonds issued		N/A		
Original authorized cost		\$ 88,900		
Revised authorized cost		\$ 100,928		
Percentage completion		67%		

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Fund Net Position
Food Service Enterprise Fund
June 30, 2016

ASSETS

Current assets

Cash & cash equivalents	\$ 5,694
Receivables from other governments	
State	58
Federal	1,006
Inventory	4,544
Total current assets	<u>11,302</u>

Noncurrent assets

Capital assets	141,691
Less: accumulated depreciation	<u>74,466</u>
Total noncurrent assets	<u>67,225</u>

Total assets	<u>78,527</u>
--------------	---------------

LIABILITIES

Current liabilities

Unearned revenues - Commodities	3,314
Unearned revenues - Prepaid sales	<u>2,796</u>
Total liabilities	<u>6,110</u>

NET POSITION

Net investment in capital assets	67,225
Unrestricted	<u>5,192</u>
TOTAL NET POSITION	<u><u>\$ 72,417</u></u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Food Service Enterprise Fund
For the Fiscal Year Ended June 30, 2016

Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 60,519
Daily sales - non-reimbursable programs	32,256
Total operating revenues	<u>92,775</u>
Operating expenses	
Cost of sales - reimbursable programs	38,349
Cost of sales - non-reimbursable programs	20,439
Salaries	36,749
Employee benefits	8,197
Purchased property services	145
Supplies and materials (not included in cost of sales)	657
Insurance	907
Management fee	7,455
Other purchased services	3,464
Depreciation	7,627
Miscellaneous	92
Total operating expenses	<u>124,081</u>
Operating income (loss)	<u>(31,306)</u>
Non-operating revenues (expenses)	
State sources	
State School Lunch Program	1,037
Federal sources	
National School Lunch Program	
Cash assistance	18,154
Non-cash assistance (commodities)	11,399
Interest earned on investments	46
Total non-operating revenues (expenses)	<u>30,636</u>
Change in net position	(670)
Net position, beginning	<u>73,087</u>
Net position, ending	<u>\$ 72,417</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Food Service Enterprise Fund
For the Fiscal Year Ended June 30, 2016

Cash flows from operating activities	
Receipts from customers (net)	\$ 93,165
Payments to Food Service Management Co.	(111,029)
Payments to vendors (net)	<u>(1,275)</u>
Net cash provided by (used for) operating activities	<u>(19,139)</u>
Cash flows from noncapital financing activities	
State sources	1,080
Federal sources	<u>19,044</u>
Net cash provided by (used for) noncapital financing activities	<u>20,124</u>
Cash flows from investing activities	
Interest earned on investments	<u>46</u>
Net cash provided by (used for) investing activities	<u>46</u>
Cash flows from capital financing activities	
Acquisition of equipment	<u>(20,395)</u>
Net cash provided by (used for) capital financing activities	<u>(20,395)</u>
Net increase (decrease) in cash and cash equivalents	(19,364)
Cash and cash equivalents, beginning	<u>25,058</u>
Cash and cash equivalents, ending	<u>\$ 5,694</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (31,306)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	7,627
Federal food donation program	11,399
(Increase) decrease in inventory	1,218
Increase (decrease) in accounts payable	(7,541)
Increase (decrease) in unearned revenues	<u>(536)</u>
Net cash provided by (used for) operating activities	<u>\$ (19,139)</u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Combining Schedule of Fiduciary Fund Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 37,903	\$ 49,381	\$ 12,747	\$ 100,031
Due from other funds	66	-	-	66
Total assets	<u>\$ 37,969</u>	<u>\$ 49,381</u>	<u>\$ 12,747</u>	<u>\$ 100,097</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 66	\$ 66
Due to students groups	-	49,381	-	49,381
Payroll deductions & withholdings	-	-	12,681	12,681
Total liabilities	<u>-</u>	<u>49,381</u>	<u>12,747</u>	<u>62,128</u>
Net position				
Held in Trust for unemployment claims & other purposes	<u>\$ 37,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,969</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Combining Schedule of Changes in Fiduciary Net Position
Unemployment Compensation Fund
For the Fiscal Year Ended June 30, 2016

Additions	
Employee contributions	\$ 9,210
Investment earnings - interest	130
Total additions	<u>9,340</u>
Deductions	
Unemployment claims	<u>5,318</u>
Change in net position before other financing uses	4,022
Other financing sources (uses)	
Refund of prior year revenue	<u>(50,000)</u>
Change in net position after other financing uses	(45,978)
Net position - beginning of the year	<u>83,947</u>
Net position - end of the year	<u><u>\$ 37,969</u></u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Student Activity Agency Fund
Student Activity Agency Fund Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2016

	Balance 07/01/15	Additions	Deletions	Balance 06/30/16
Assets				
Cash and cash equivalents	\$ 57,738	\$ 102,420	\$ 110,777	\$ 49,381
Total assets	\$ 57,738	\$ 102,420	\$ 110,777	\$ 49,381
Liabilities				
Due to Student Groups				
Alexandria Middle School	\$ 48,096	\$ 88,082	\$ 95,072	\$ 41,106
Lester D Wilson School	9,642	14,338	15,705	8,275
Total liabilities	\$ 57,738	\$ 102,420	\$ 110,777	\$ 49,381

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Payroll Agency Fund
Payroll Agency Fund Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2016

	Balance 07/01/15	Additions	Deletions	Balance 06/30/16
Assets				
Cash and cash equivalents	\$ 17,960	\$ 6,766,363	\$ 6,771,576	\$ 12,747
Total assets	\$ 17,960	\$ 6,766,363	\$ 6,771,576	\$ 12,747
Liabilities				
Due to other funds	\$ 1,424	\$ 15,548	\$ 16,906	\$ 66
Payroll deductions and withholdings	16,297	3,192,575	3,197,187	11,685
Net payroll	239	3,558,240	3,557,483	996
Total liabilities	\$ 17,960	\$ 6,766,363	\$ 6,771,576	\$ 12,747

See independent auditors' report.

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
For the Fiscal Year Ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 7/1/15	Issued	Retired	Balance 6/30/16
			Date	Amount					
Refunding School Bonds of 2011	03/15/2011	\$ 2,450,000	07/15/16	\$ 430,000	4.00%				
			07/15/17	455,000	4.00%	\$ 1,300,000	\$ -	\$ 415,000	\$ 885,000
						\$ 1,300,000	\$ -	\$ 415,000	\$ 885,000

See independent auditor's report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 458,700	\$ -	\$ 458,700	\$ 458,700	\$ -
Total revenues	<u>458,700</u>	<u>-</u>	<u>458,700</u>	<u>458,700</u>	<u>-</u>
EXPENDITURES					
Regular debt service					
Redemption of principal	415,000	-	415,000	415,000	-
Interest	43,700	-	43,700	43,700	-
Total expenditures	<u>458,700</u>	<u>-</u>	<u>458,700</u>	<u>458,700</u>	<u>-</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

<u>Contents</u>	<u>Page</u>
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue Sources, the Property Tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government activities										
Net investment in capital assets	\$ 6,374,839	\$ 6,384,157	\$ 7,059,599	\$ 7,277,361	\$ 7,460,425	\$ 7,540,670	\$ 7,628,284	\$ 7,687,666	\$ 7,800,452	\$ 7,940,278
Restricted	481,108	547,442	90,609	(49)	216,654	238,091	399,981	454,913	561,672	1,037,049
Unrestricted	104,444	165,640	(48,510)	(60,029)	46,270	39,044	(63,916)	(1,551,742)	(1,628,755)	(1,607,964)
Total governmental activities net assets	<u>\$ 6,960,391</u>	<u>\$ 7,097,239</u>	<u>\$ 7,101,698</u>	<u>\$ 7,217,283</u>	<u>\$ 7,723,349</u>	<u>\$ 7,817,805</u>	<u>\$ 7,964,349</u>	<u>\$ 6,590,837</u>	<u>\$ 6,733,369</u>	<u>\$ 7,369,363</u>
Business-type activities										
Net investment in capital assets	\$ 10,884	\$ 9,037	\$ 7,188	\$ 5,879	\$ 47,827	\$ 51,611	\$ 68,991	\$ 61,723	\$ 54,457	\$ 67,225
Unrestricted	11,290	4,677	1,185	904	4,207	573	1,374	3,546	18,630	5,192
Total business-type activities	<u>\$ 22,174</u>	<u>\$ 13,714</u>	<u>\$ 8,373</u>	<u>\$ 6,783</u>	<u>\$ 52,034</u>	<u>\$ 52,184</u>	<u>\$ 70,365</u>	<u>\$ 65,269</u>	<u>\$ 73,087</u>	<u>\$ 72,417</u>
District-wide										
Net investment in capital assets	\$ 6,385,723	\$ 6,393,194	\$ 7,066,787	\$ 7,283,240	\$ 7,508,252	\$ 7,592,281	\$ 7,697,275	\$ 7,749,389	\$ 7,854,909	\$ 8,007,503
Restricted	481,108	547,442	90,609	(49)	216,654	238,091	399,981	454,913	561,672	1,037,049
Unrestricted	115,734	170,317	(47,325)	(59,125)	50,477	39,617	(62,542)	(1,548,196)	(1,610,125)	(1,602,772)
Total district-wide	<u>\$ 6,982,565</u>	<u>\$ 7,110,953</u>	<u>\$ 7,110,071</u>	<u>\$ 7,224,066</u>	<u>\$ 7,775,383</u>	<u>\$ 7,869,989</u>	<u>\$ 8,034,714</u>	<u>\$ 6,656,106</u>	<u>\$ 6,806,456</u>	<u>\$ 7,441,780</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,912,455	\$ 4,248,229	\$ 4,492,213	\$ 4,449,627	\$ 4,361,371	\$ 4,376,757	\$ 4,690,541	\$ 4,592,538	\$ 5,270,025	\$ 5,459,686
Special education	1,524,807	1,456,569	1,267,120	1,397,665	1,289,417	1,403,943	1,404,078	1,451,892	1,780,465	1,989,622
Other special education	10,726	30,656	98,714	71,827	48,627	253,603	215,178	51,003	38,431	30,549
Other instruction	80,519	68,567	75,589	72,989	51,285	59,418	69,916	110,865	90,308	140,512
Support services										
Tuition	237,322	222,635	94,794	89,070	16,400	48,400	16,810	54,240	15,910	111,171
Student & instruction related services	1,286,243	1,203,586	1,374,958	1,488,258	1,584,972	1,944,408	1,991,621	2,049,436	2,404,459	2,552,322
General & business administrative services	663,152	645,922	696,074	675,936	724,906	730,177	694,724	700,417	1,056,653	818,149
School administration	430,108	416,900	411,842	418,987	418,778	432,326	446,206	452,038	453,372	458,964
Plant operations & maintenance	795,264	935,556	891,761	883,064	826,757	900,618	916,043	893,769	952,788	998,447
Pupil transportation	603,432	613,766	590,391	483,088	428,720	453,349	438,223	410,871	431,754	467,777
Interest on long-term debt	170,486	179,781	176,716	153,579	127,760	89,603	69,122	90,269	49,849	58,080
Total governmental activities expenses	<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>10,692,602</u>	<u>10,952,462</u>	<u>10,857,338</u>	<u>12,544,014</u>	<u>13,085,279</u>
Business-type activities										
Food services	154,545	156,949	157,756	155,533	147,046	139,171	134,197	126,623	114,333	124,081
Total business-type activities	<u>154,545</u>	<u>156,949</u>	<u>157,756</u>	<u>155,533</u>	<u>147,046</u>	<u>139,171</u>	<u>134,197</u>	<u>126,623</u>	<u>114,333</u>	<u>124,081</u>
Total district expenses	<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>\$ 10,831,773</u>	<u>\$ 11,086,659</u>	<u>\$ 10,983,961</u>	<u>\$ 12,658,347</u>	<u>\$ 13,209,360</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 80	\$ -	\$ -	\$ -	\$ 85,100	\$ 93,109	\$ 207,069	\$ 162,224	\$ 91,559	\$ 114,956
Other instruction	-	-	-	-	1,505	-	1,980	-	-	-
Student & instruction related services	-	-	-	-	-	-	2,625	-	-	-
General administration	20	-	-	-	-	-	-	-	-	-
Plant operations & maintenance	-	-	15,508	6,878	7,240	-	13,040	-	5,245	5,440
Pupil transportation services	2,115	-	-	-	-	-	-	8,983	-	-
Operating grants & contributions	149,402	137,140	161,578	183,078	223,490	226,555	239,130	200,688	188,093	195,567
Capital grants & contributions	-	-	-	43,520	-	-	-	-	-	(2,535)
Total governmental activities program revenues	<u>151,617</u>	<u>137,140</u>	<u>177,086</u>	<u>233,476</u>	<u>317,335</u>	<u>319,664</u>	<u>463,844</u>	<u>371,895</u>	<u>284,897</u>	<u>313,428</u>
Business-type activities										
Charges for services										
Food service	132,017	146,018	147,347	145,405	134,212	104,486	102,113	96,083	93,145	92,775
Operating grants & contributions	26,205	2,147	-	-	-	25,734	27,918	25,066	28,952	30,590
Total business-type activities program revenues	<u>158,222</u>	<u>148,165</u>	<u>147,347</u>	<u>145,405</u>	<u>134,212</u>	<u>130,220</u>	<u>130,031</u>	<u>121,149</u>	<u>122,097</u>	<u>123,365</u>
Total district-program revenues	<u>\$ 309,839</u>	<u>\$ 285,305</u>	<u>\$ 324,433</u>	<u>\$ 378,881</u>	<u>\$ 451,547</u>	<u>\$ 449,884</u>	<u>\$ 593,875</u>	<u>\$ 493,044</u>	<u>\$ 406,994</u>	<u>\$ 436,793</u>
Net (expense) revenues										
Governmental activities	\$ (9,562,897)	\$ (9,885,027)	\$ (9,993,086)	\$ (9,950,614)	\$ (9,561,658)	\$ (10,372,938)	\$ (10,488,618)	\$ (10,485,443)	\$ (12,259,117)	\$ (12,771,851)
Business-type activities	<u>3,677</u>	<u>(8,784)</u>	<u>(10,409)</u>	<u>(10,128)</u>	<u>(12,834)</u>	<u>(8,951)</u>	<u>(4,166)</u>	<u>(5,474)</u>	<u>7,764</u>	<u>(716)</u>
Total district-wide net expenses	<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>\$ (10,381,889)</u>	<u>\$ (10,492,784)</u>	<u>\$ (10,490,917)</u>	<u>\$ (12,251,353)</u>	<u>\$ (12,772,567)</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 6,405,579	\$ 6,692,749	\$ 6,858,922	\$ 6,987,661	\$ 7,270,045	\$ 7,373,799	\$ 7,460,585	\$ 7,496,784	\$ 7,646,655	\$ 7,799,588
Taxes levied for debt service	366,366	405,687	555,492	564,723	598,987	386,289	484,379	427,242	454,900	458,700
Unrestricted grants & contributions	2,590,898	2,790,526	2,494,381	2,494,559	2,299,729	2,678,027	2,702,441	2,689,321	4,287,048	4,996,813
Tuition received	17,744	19,757	49,348	-	-	-	-	-	-	-
Investment earnings	116,535	107,049	36,691	16,174	8,945	12,302	6,389	6,534	9,821	9,106
Miscellaneous income	27,942	6,107	4,711	10,082	245	26,007	3,676	31,783	3,225	143,638
Loss on disposal of capital assets	(6,698)	-	-	-	-	-	-	-	-	-
Special item - payment to refunding bond agent	-	-	-	-	(52,183)	-	-	-	-	-
Operating transfers	(5,000)	-	(5,000)	(7,000)	(58,044)	(9,030)	(22,308)	-	-	-
Total governmental activities	<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>	<u>10,635,162</u>	<u>10,651,664</u>	<u>12,401,649</u>	<u>13,407,845</u>
Business-type activities										
Investment earnings	479	324	68	46	41	71	39	40	54	46
Miscellaneous income	-	-	-	1,492	-	-	-	338	-	-
Operating transfers	5,000	-	5,000	7,000	58,044	9,030	22,308	-	-	-
Total business-type activities	<u>5,479</u>	<u>324</u>	<u>5,068</u>	<u>8,538</u>	<u>58,085</u>	<u>9,101</u>	<u>22,347</u>	<u>378</u>	<u>54</u>	<u>46</u>
Total district-wide	<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>	<u>\$ 10,657,509</u>	<u>\$ 10,652,042</u>	<u>\$ 12,401,703</u>	<u>\$ 13,407,891</u>
Change in net position										
Governmental activities	\$ (49,531)	\$ 136,848	\$ 1,459	\$ 115,585	\$ 506,066	\$ 94,456	\$ 146,544	\$ 166,221	\$ 142,532	\$ 635,994
Business-type activities	<u>9,156</u>	<u>(8,460)</u>	<u>(5,341)</u>	<u>(1,590)</u>	<u>45,251</u>	<u>150</u>	<u>18,181</u>	<u>(5,096)</u>	<u>7,818</u>	<u>(670)</u>
Total district	<u>\$ (40,375)</u>	<u>\$ 128,388</u>	<u>\$ (3,882)</u>	<u>\$ 113,995</u>	<u>\$ 551,317</u>	<u>\$ 94,606</u>	<u>\$ 164,725</u>	<u>\$ 161,125</u>	<u>\$ 150,350</u>	<u>\$ 635,324</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Restricted	\$ 48,467	\$ 46,185	\$ 53,291	\$ 44,625	\$ 50,543	\$ 52,691	\$ 57,603	\$ 53,394	\$ 229,927	\$ 74,898
Committed	322,543	428,255	465,912	353,315	216,121	238,087	368,648	366,048	502,307	1,003,319
Assigned	95,858	143,389	63,384	54,152	125,614	153,965	58,575	108,093	55,102	52,555
Unassigned	169,819	193,739	105,513	108,055	214,023	244,741	149,658	200,315	230,946	280,514
Total general fund	<u>\$ 636,687</u>	<u>\$ 811,568</u>	<u>\$ 688,100</u>	<u>\$ 560,147</u>	<u>\$ 606,301</u>	<u>\$ 689,484</u>	<u>\$ 634,484</u>	<u>\$ 727,850</u>	<u>\$ 811,282</u>	<u>\$ 1,411,286</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 285,125	\$ 82,310	\$ (394,688)	\$ (357,000)	\$ -	\$ -	\$ -	\$ 53,305	\$ 59,365	\$ 33,730
Assigned, reporting in										
Debt service fund	<u>36,264</u>	<u>38,357</u>	<u>19,385</u>	<u>3,636</u>	<u>533</u>	<u>4</u>	<u>31,333</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 321,389</u>	<u>\$ 120,667</u>	<u>\$ (375,303)</u>	<u>\$ (353,364)</u>	<u>\$ 533</u>	<u>\$ 4</u>	<u>\$ 31,333</u>	<u>\$ 53,305</u>	<u>\$ 59,365</u>	<u>\$ 33,730</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 6,771,945	\$ 7,098,436	\$ 7,414,414	\$ 7,552,384	\$ 7,869,032	\$ 7,760,088	\$ 7,944,964	\$ 7,924,026	\$ 8,101,555	\$ 8,258,288
Tuition charges	17,744	19,757	52,348	-	85,100	93,109	207,069	154,083	91,559	108,292
Interest earnings	116,535	107,049	36,691	16,174	8,945	12,302	6,389	6,534	9,821	9,106
Miscellaneous	25,979	6,107	20,219	16,960	8,990	26,007	21,231	16,230	8,470	124,281
State sources	2,594,413	2,791,300	2,494,381	2,299,401	2,299,729	2,615,705	2,702,441	2,689,321	2,822,136	3,028,494
Federal sources	145,887	136,366	161,578	421,756	223,490	288,877	239,130	200,688	188,093	195,567
Total revenues	9,672,503	10,159,015	10,179,631	10,306,675	10,495,286	10,796,088	11,121,224	10,990,882	11,221,634	11,724,028
Expenditures										
Instruction										
Regular instruction	2,770,336	3,016,189	3,223,066	3,358,251	3,158,030	3,097,495	3,335,606	3,118,098	3,023,127	2,944,295
Special education instruction	997,654	928,020	845,228	969,669	813,377	901,669	886,396	900,132	914,083	981,643
Other special instruction	7,422	22,342	58,234	27,457	27,423	113,691	88,514	38,353	23,033	20,034
Other instruction	62,276	64,937	71,812	69,598	48,688	56,471	66,367	80,839	86,174	96,745
Support services										
Tuition	232,440	217,174	6,399	670	16,400	29,848	16,810	54,240	15,910	111,171
Student & inst. related services	939,436	886,401	1,000,538	1,105,083	1,147,988	1,345,568	1,433,510	1,425,378	1,464,132	1,445,738
General administration	293,353	294,341	323,364	310,792	306,956	287,883	298,952	294,669	576,672	251,801
School administration services	302,084	308,395	303,621	316,708	302,032	305,820	304,325	310,525	285,720	268,026
Central services	202,939	210,633	216,463	223,387	233,626	225,458	234,512	207,538	244,829	238,911
Plant operations & maintenance	700,906	848,939	785,507	779,710	719,174	781,234	809,261	756,490	803,186	823,872
Pupil transportation	598,343	613,766	590,391	483,088	428,676	447,956	433,250	410,871	421,475	467,777
Employee benefits	1,107,055	981,038	1,281,211	1,155,683	1,148,622	1,516,811	1,334,393	1,647,829	1,529,890	1,566,234
On-behalf TPAF pension & Social Security contribution	829,428	962,049	680,124	700,513	709,047	861,470	1,088,409	934,817	1,069,504	1,234,057
Capital outlay	93,017	53,735	36,823	41,711	35,707	57,245	85,932	14,479	921	-
Capital projects fund	109,979	140,544	629,518	116,312	-	-	-	35	44,063	23,100
Special revenue funds	149,402	137,140	161,578	226,598	223,490	226,555	239,130	200,688	188,093	195,567
Debt service										
Principal	295,000	310,000	474,000	594,000	807,000	370,000	370,000	385,000	395,000	415,000
Interest & other charges	175,556	164,213	181,863	165,459	137,955	79,230	97,310	95,563	81,888	65,688
Total expenditures	9,866,626	10,159,856	10,869,740	10,644,689	10,264,191	10,704,404	11,122,677	10,875,544	11,167,700	11,149,659

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ (194,123)	\$ (841)	\$ (690,109)	\$ (338,014)	\$ 231,095	\$ 91,684	\$ (1,363)	\$ 115,338	\$ 53,932	\$ 574,369
Other financing sources (uses)										
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	(5,000)	-	(5,000)	(7,000)	(58,044)	(9,030)	(22,308)	-	-	-
Total other financing sources (uses)	(5,000)	(25,000)	70,771	232,000	168,956	(9,030)	(22,308)	-	-	-
Net change in fund balances	<u>\$ (199,123)</u>	<u>\$ (25,841)</u>	<u>\$ (619,338)</u>	<u>\$ (106,014)</u>	<u>\$ 400,051</u>	<u>\$ 82,654</u>	<u>\$ (23,671)</u>	<u>\$ 115,338</u>	<u>\$ 53,932</u>	<u>\$ 574,369</u>
Debt service as a percentage of non-capital expenditures	5.12%	5.00%	6.87%	7.81%	10.18%	4.41%	4.42%	4.63%	4.48%	4.52%

Source: District records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects and debt service.

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest income	\$ 98,798	\$ 107,049	\$ 36,691	\$ 14,048	\$ 8,945	\$ 12,302	\$ 6,389	\$ 6,534	\$ 9,821	\$ 9,106
Tuition	17,744	19,757	52,348	-	85,100	93,109	207,069	154,083	91,559	108,292
Book fines	80	-	-	87	-	39	-	-	-	-
Prior year accounts payable cancelled	4,284	1,850	1,280	5,039	-	-	1,402	1,176	1,725	57,166
Insurance dividends	-	-	-	-	-	-	-	-	-	-
Prior year refunds	4,580	4,174	3,046	78	129	3,711	159	4,149	-	54,816
Miscellaneous	20	6	385	114	46	-	38	273	105	1,494
Donations	16,982	-	-	-	70	-	-	-	-	-
Premium received on sale of temporary notes	-	77	-	-	-	-	-	-	-	-
Outstanding checks voided	33	-	-	-	-	5,973	2,077	229	-	-
Safety grant	-	-	-	2,475	-	-	-	-	-	-
Sale of surplus equipment	-	-	-	2,164	-	-	-	-	-	-
Building use fees	-	-	15,508	6,878	7,240	7,240	7,240	8,983	5,245	5,440
Sale of books	-	-	-	-	-	192	-	-	-	1,650
School Boards Association Grant/Safety Award	-	-	-	-	-	5,600	5,800	-	-	2,200
Training fees	-	-	-	-	-	-	2,625	-	-	-
Activity fees	-	-	-	-	1,505	1,530	1,980	1,420	1,395	1,515
Annual totals	<u>\$ 142,521</u>	<u>\$ 132,913</u>	<u>\$ 109,258</u>	<u>\$ 30,883</u>	<u>\$ 103,035</u>	<u>\$ 129,696</u>	<u>\$ 234,779</u>	<u>\$ 176,847</u>	<u>\$ 109,850</u>	<u>\$ 241,679</u>

Source: District Records

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 33,421,700	\$ 27,780,400	\$ 23,145,300	\$ 19,873,200	\$ 14,932,700	\$ 13,406,100	\$ 12,754,400	\$ 10,448,300	\$ 9,380,000	\$ 9,316,700
Residential	613,108,800	644,944,300	653,844,600	661,048,700	670,392,500	661,932,700	654,129,600	569,320,900	567,628,200	576,623,900
Farm regular	110,104,700	114,371,300	119,772,700	120,545,600	121,687,600	122,866,700	123,550,900	106,917,400	108,879,000	104,491,000
Qualified farm	3,972,780	3,864,670	3,962,339	3,957,181	4,037,633	4,082,151	4,052,732	4,235,179	4,272,779	4,172,379
Commercial	21,479,488	21,719,788	21,679,788	21,720,188	21,752,488	21,045,588	20,957,488	19,100,800	18,850,800	18,850,800
Industrial	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	1,034,800	836,200	836,200	836,200
Apartment	418,900	418,900	418,900	418,900	418,900	418,900	418,900	230,400	230,400	230,400
Total assessed value	785,041,168	815,634,158	825,358,427	830,098,569	835,756,621	826,286,939	816,898,820	711,089,179	710,077,379	714,521,379
Public utilities (a)	2,004,605	1,769,750	1,515,311	1,960,839	2,175,745	2,293,602	2,109,187	178,774	165,764	168,946
Net valuation taxable	\$ 787,045,773	\$ 817,403,908	\$ 826,873,738	\$ 832,059,408	\$ 837,932,366	\$ 828,580,541	\$ 819,008,007	\$ 711,267,953	\$ 710,243,143	\$ 714,690,325
Estimated actual county equalized value	\$ 893,908,093	\$ 916,853,752	\$ 900,393,499	\$ 884,510,905	\$ 855,451,114	\$ 802,261,594	\$ 777,229,047	\$ 770,673,063	\$ 788,527,459	\$ 776,921,758
Percentage of net valuation to estimated actual county equalized value	88.05%	89.15%	91.83%	94.07%	97.95%	103.28%	105.38%	92.29%	90.07%	91.99%
Total direct school tax rate (b)	\$ 0.90	\$ 0.91	\$ 0.91	\$ 0.95	\$ 0.93	\$ 0.96	\$ 0.97	\$ 1.14	\$ 1.16	\$ 1.19

*

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 equipment of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

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			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2008	0.84	0.07	0.91	0.56	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
2013	0.92	0.05	0.97	0.59	0.21	0.34	2.11
2014	* 1.08	0.06	1.14	0.70	0.24	0.40	2.48
2015	1.10	0.06	1.16	0.75	0.24	0.41	2.56
2016	1.13	0.16	1.19	0.71	0.26	0.40	2.56

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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget 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 See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago

	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner	\$ 4,373,600	1	0.61%	\$ 6,182,300	1	0.79%
Sky Manor Airport Partners LLC	2,598,800	2	0.36%	-		-
Columbia Gas Transmission	2,427,300	3	0.34%	2,571,488	3	33.00%
Individual Property Owner	1,532,700	4	0.21%	3,576,900	2	0.45%
Bloomsbury Orchards LLC	1,316,700	6	0.18%	-		-
Manchada Shapiro Rauch LLC	1,209,300	7	0.17%	1,541,000	7	0.20%
Alexandria Airpark LLC	1,196,700	8	0.17%	-		-
Individual Property Owner	1,182,800	9	0.17%	-		-
Individual Property Owner	1,168,000	5	0.16%	-		-
DeSapio Properties #Six Inc.	1,146,600	10	0.16%	-		-
CP Assignment LTD c/o Burkhardt	-		-	1,993,500	4	0.25%
United Telephone Company of NJ	-		-	1,704,674	5	0.22%
Individual Property Owner	-		-	1,646,200	6	0.21%
Saphire Inc. c/o Riverside Jeans	-		-	1,486,900	8	0.19%
Individual Property Owner	-		-	1,333,700	9	0.17%
Lee, The Pihoon Living Trust	-		-	1,229,700	10	0.16%
	<u>\$18,152,500</u>		<u>2.54%</u>	<u>\$23,266,362</u>		<u>2.96%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
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%
2012	17,240,449	16,920,099	98.14%
2013	17,360,535	16,983,790	97.83%
2014	17,626,188	17,264,789	97.95%
2015	18,207,488	17,957,221	98.63%

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

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

See independent auditors' report.

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	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2007	\$ 4,280,000	\$ -	\$ -	\$ -	\$ -	\$ 4,280,000	1.31%	\$ 851
2008	3,970,000	-	-	770,000	-	4,740,000	1.36%	926
2009	3,650,000	-	-	616,000	-	4,266,000	1.21%	831
2010	3,315,000	-	-	357,000	-	3,672,000	1.09%	714
2011	2,820,000	-	-	-	-	2,820,000	0.87%	571
2012	2,450,000	-	-	-	-	2,450,000	0.71%	497
2013	2,080,000	-	-	-	-	2,080,000	0.57%	424
2014	1,695,000	-	-	-	-	1,695,000	0.46%	346
2015	1,300,000	-	-	-	-	1,300,000	0.34%	265
2016	885,000	-	-	-	-	885,000	N/A	181

NOTES: (1) Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit 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.

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2007	\$ 4,280,000	\$ -	\$ 4,280,000	0.54%	\$ 836
2008	4,740,000	-	4,740,000	0.58%	923
2009	4,266,000	-	4,266,000	0.52%	829
2010	3,672,000	-	3,672,000	0.44%	743
2011	2,820,000	-	2,820,000	0.34%	572
2012	2,450,000	-	2,450,000	0.30%	499
2013	2,080,000	-	2,080,000	0.25%	425
2014	1,695,000	-	1,695,000	0.24%	348
2015	1,300,000	-	1,300,000	0.18%	266
2016	885,000	-	885,000	0.12%	182

NOTES: 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.

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$ 7,008,188	100.00%	\$ 7,008,188
Regional High School	2,090,000	33.43%	698,640
County general obligation debt	62,494,492	3.72%	<u>2,326,706</u>
Subtotal, overlapping debt			10,033,534
School district direct debt			<u>885,000</u>
Total direct and overlapping debt			<u><u>\$ 10,918,534</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each governmental unit.

NOTES: 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

- (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

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2016

		Equalized valuation basis
	2015	\$ 776,939,155
	2014	789,485,044
	2013	769,425,280
		\$ 2,335,849,479
Average equalized valuation of taxable property		\$ 778,616,493
Debt limit (3.0% of average equalization value)	(a)	23,358,495
Total net debt applicable to limit		885,000
Legal debt margin		\$ 22,473,495

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$25,339,953	\$24,406,356	\$23,625,892	\$23,429,382	\$ 23,358,495
Total net debt applicable	2,450,000	2,080,000	1,695,000	1,300,000	885,000
Legal debt margin	\$ 22,889,953	\$ 22,326,356	\$ 21,930,892	\$ 22,129,382	\$ 22,473,495
Total net debt applicable to the limit as a percentage of debt limit	9.67%	8.52%	7.17%	5.55%	3.79%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 22,352,717	\$24,994,255	\$26,753,797	\$27,051,970	\$ 26,408,904
Total net debt applicable	4,280,000	4,740,000	4,266,000	3,672,000	2,820,000
Legal debt margin	\$ 18,072,717	\$ 20,254,255	\$ 22,487,797	\$ 23,379,970	\$ 23,588,904
Total net debt applicable to the limit as a percentage of debt limit	19.15%	18.96%	15.95%	13.57%	10.68%

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

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2007	5,118	\$ 349,513,338	\$ 68,291	4.9%
2008	5,134	352,947,098	68,747	6.4%
2009	5,145	338,021,355	65,699	11.4%
2010	4,942	324,644,922	65,691	11.7%
2011	4,932	343,844,244	69,717	11.5%
2012	4,905	365,589,270	74,534	11.8%
2013	4,898	369,911,654	75,523	8.0%
2014	4,865	379,197,560	77,944	4.5%
2015	4,854	N/A	N/A	4.1%
2016	4,854	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 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2007

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Instruction										
Regular	46.4	46.0	46.1	46.8	45.5	41.7	40.0	44.0	44.0	39.0
Special education	29.5	24.0	19.0	19.0	16.5	16.3	18.0	17.4	19.0	21.0
Other instruction	0.1	0.3	0.4	0.2	0.2	1.0	1.0	3.0	3.0	3.0
Support services										
Student and instruction related services	10.4	10.0	11.6	14.7	14.0	16.6	16.3	16.6	11.0	14.0
General administration	2.0	2.0	2.0	2.0	2.0	1.8	1.8	2.0	2.0	2.0
School administration services	6.0	6.0	6.0	6.0	6.0	5.8	5.8	4.0	4.0	5.0
Central services	3.0	3.0	3.0	3.0	3.0	2.7	2.8	3.0	3.0	3.0
Plant operations and maintenance	7.0	3.0	6.5	6.4	5.8	5.2	5.7	6.0	5.0	5.0
Total	<u>104.4</u>	<u>94.3</u>	<u>94.6</u>	<u>98.1</u>	<u>93.0</u>	<u>91.0</u>	<u>91.3</u>	<u>96.0</u>	<u>91.0</u>	<u>92.0</u>

Source: District Personnel Records

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2007	659	\$ 9,193,074	\$ 13,950	7.23%	69.9	1:10.61	659.3	632.4	0.49%	95.92%
2008	633	9,491,364	14,994	7.49%	66.8	1:9.47	633.3	609.2	-3.94%	96.19%
2009	624	9,547,536	15,301	2.04%	70.1	1:8.90	624.8	599.8	-1.34%	96.00%
2010	616	9,727,207	15,791	3.20%	73.6	1:6.50	615.6	590.2	-1.47%	95.87%
2011	589	9,283,529	15,762	-0.19%	68.9	1:6.60	589.2	563.3	-4.29%	95.60%
2012	563	10,197,929	18,114	14.92%	68.6	1:6.50	562.6	541.2	-4.51%	96.20%
2013	560	10,569,435	18,874	4.20%	63.8	1:6.60	559.9	535.1	-0.48%	95.57%
2014	525	10,380,467	19,772	4.76%	66.0	1:8.00	524.6	503.9	-6.30%	96.05%
2015	493	10,645,830	21,594	9.21%	65.0	1:7.60	493.0	471.3	-6.03%	95.60%
2016	458	10,645,871	23,244	7.20%	65.0	1:7.40	487.5	467.0	-1.12%	95.79%

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).

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Alexandria Middle School (1980)										
Square feet	75,873	74,106	74,106	74,106	74,106	74,106	74,106	74,106	74,106	74,106
Capacity (students)	519	519	519	519	519	519	519	519	519	519
Enrollment	375	371	377	373	367	352	326	303	291	257
Lester D Wilson Elementary School (1900)										
Square feet	34,800	36,301	36,301	36,301	36,301	36,301	36,301	36,301	36,301	36,301
Capacity (students)	263	263	263	263	263	263	263	263	263	263
Enrollment	279	262	247	243	222	211	241	222	202	201
Number of Schools at June 30, 2016										
Elementary	1									
Middle	1									

Source: District Facilities Office

NOTE: Year of original construction is shown in parenthesis. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October District Count.

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>Alexandria Middle School</u>	<u>Lester D. Wilson School</u>	<u>Total</u>
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
2013	88,939	300	89,239
2014	55,515	45,570	101,085
2015	120,753	53,742	174,495
2016	76,467	104,941	181,408
Total school facilities	<u>\$ 837,991</u>	<u>\$ 251,995</u>	<u>\$ 1,089,986</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, 2016

(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School package policy - NJSIG		
Property - blanket building and contents (fund limit)	\$ 400,000,000	\$ 5,000
Comprehensive general liability	16,000,000	-
Boiler & machinery	100,000,000	5,000
Crime public employee dishonesty	250,000	1,000
Auto liability	16,000,000	-
Auto physical damage	Actual Cash Value	1,000
 School board legal liability - NJSIG		
Errors and omissions	16,000,000	10,000
 Workers compensation - NJ School Boards Assoc.		
Per accident per employee	2,000,000	-
Per disease per employee	2,000,000	-
Disease policy limit	2,000,000	-
 Public employees' faithful performance - NJSIG		
Treasurer of school monies bond	250,000	1,000
Business administrator's bond	250,000	1,000
 Student accident insurance - BMI benefits through Berkeley		
Policy limit	1,000,000	-
 Pollution Policy - NJSIG through Zurich		
UST coverage at scheduled locations		
Claim limit	1,000,000	25,000
 Excess liability - NJUEP		
Fund limit	24,000,000	-

Source: District records

See independent auditors' report.



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Alexandria Township School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 12, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Alexandria Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

October 12, 2016
Flemington, New Jersey



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey
OMB Circular Letter 15-08**

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

Report on Compliance for Each Major Federal Program and State Program

We have audited the Alexandria Township School District's, (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and New Jersey programs for the year ended June 30, 2016. Alexandria Township School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Alexandria Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and New Jersey programs for the year ended June 30, 2016.

Report on Internal Control over Compliance


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

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

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

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

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

October 12, 2016
Flemington, New Jersey

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period From To	Balance 06/30/15	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
												Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education														
Special Revenue Fund														
NCLB Title I A	84.010A	S010S150030	NCLB-002016	\$ 16,398	07/01/15-06/30/16	\$ -	\$ -	\$ 16,398	\$ 16,398	\$ -	\$ -	\$ -	\$ -	\$ -
NCLB Title II A	84.367A	S367A150029	NCLB-002016	8,242	07/01/15-06/30/16	-	-	8,242	8,242	-	-	-	-	-
Rural Education Achievement Program	84.358A	S358B150030	S358A15-7757	51,739	07/01/15-09/30/16	-	-	51,739	51,739	-	-	-	-	-
Race to the Top Phase 3	84.413A	B413A120008	N/A	783	N/A	783	-	-	783	-	-	(783)	-	-
IDEA Basic	84.027	H027A150100	IDEA-002016	113,400	07/01/15-06/30/16	-	-	113,400	113,400	-	-	-	-	-
IDEA Preschool	84.173	H173S150114	IDEA-002016	5,005	07/01/15-06/30/16	-	-	5,005	5,005	-	-	-	-	-
Total Special Revenue Fund						<u>783</u>	<u>-</u>	<u>194,784</u>	<u>195,567</u>	<u>-</u>	<u>-</u>	<u>(783)</u>	<u>-</u>	<u>-</u>
U.S. Department of Agriculture passed through State Department of Education														
Enterprise Fund														
Child Nutrition Center														
National School Lunch Program non-cash assistance	10.555	1616NJ304N1099	N/A	10,473	07/01/15-06/30/16	-	-	10,473	7,159	-	-	-	3,314	-
National School Lunch Program non-cash assistance	10.555	1616NJ304N1099	N/A	9,956	07/01/14-06/30/15	4,240	-	-	4,240	-	-	-	-	-
National School Lunch Program cash assistance	10.555	1616NJ304N1099	N/A	18,154	07/01/15-06/30/16	-	-	17,148	18,154	-	-	(1,006)	-	-
National School Lunch Program cash assistance	10.555	1616NJ304N1099	N/A	19,249	07/01/14-06/30/15	(1,896)	-	1,896	-	-	-	-	-	-
Total Enterprise Fund						<u>2,344</u>	<u>-</u>	<u>29,517</u>	<u>29,553</u>	<u>-</u>	<u>-</u>	<u>(1,006)</u>	<u>3,314</u>	<u>-</u>
Total Federal Financial Assistance						<u>\$ 3,127</u>	<u>\$ -</u>	<u>\$ 224,301</u>	<u>\$ 225,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,789)</u>	<u>\$ 3,314</u>	<u>\$ -</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2016			Memo	
				Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education													
General Fund													
Special Education Categorical aid	16-495-034-5120-089	\$ 335,552	07/01/15-06/30/16	\$ -	\$ -	\$ 302,455	\$ 335,552	\$ -	\$ -	\$ -	\$ -	\$ 33,097	\$ 335,552
Equalization aid	16-495-034-5120-078	644,612	07/01/15-06/30/16	-	-	581,032	644,612	-	-	-	-	63,580	644,612
Security aid	16-495-034-5120-084	42,678	07/01/15-06/30/16	-	-	38,469	42,678	-	-	-	-	4,209	42,678
Adjustment aid	16-495-034-5120-085	41,956	07/01/15-06/30/16	-	-	37,818	41,956	-	-	-	-	4,138	41,956
Transportation aid	16-495-034-5120-014	253,247	07/01/15-06/30/16	-	-	228,269	253,247	-	-	-	-	24,978	253,247
PARCC Readiness aid	16-495-034-5120-098	4,750	07/01/15-06/30/16	-	-	4,281	4,750	-	-	-	-	469	4,750
Per Pupil Growth aid	16-495-034-5120-097	4,750	07/01/15-06/30/16	-	-	4,281	4,750	-	-	-	-	469	4,750
School Choice aid	16-495-034-5120-068	280,324	07/01/15-06/30/16	-	-	252,675	280,324	-	-	-	-	27,649	280,324
Extraordinary aid	16-495-034-5120-044	181,922	07/01/15-06/30/16	-	-	-	181,922	-	(181,922)	-	-	-	181,922
Extraordinary aid	15-495-034-5120-044	133,825	07/01/14-06/30/15	(133,825)	-	133,825	-	-	-	-	-	-	133,825
Non-public Transportation aid	16-495-034-5120-014	7,181	07/01/15-06/30/16	-	-	-	7,181	-	(7,181)	-	-	-	7,181
Non-public Transportation aid	15-495-034-5120-014	5,710	07/01/14-06/30/15	(5,710)	-	5,710	-	-	-	-	-	-	5,710
TPAF Pension	16-495-034-5094-002	381,997	07/01/15-06/30/16	-	-	381,997	381,997	-	-	-	-	-	381,997
TPAF Pension-Non Contributory Insurance	16-495-034-5094-004	19,029	07/01/15-06/30/16	-	-	19,029	19,029	-	-	-	-	-	19,029
TPAF Pension-Post Retirement Medical	16-495-034-5094-001	477,510	07/01/15-06/30/16	-	-	477,510	477,510	-	-	-	-	-	477,510
TPAF Social Security Tax	16-495-034-5094-003	355,521	07/01/15-06/30/16	-	-	338,384	355,521	-	(17,137)	-	-	-	355,521
TPAF Social Security Tax	15-495-034-5094-003	356,937	07/01/14-06/30/15	(18,068)	-	18,068	-	-	-	-	-	-	356,937
Total General Fund				(157,603)	-	2,823,803	3,031,029	-	(206,240)	-	-	158,589	3,527,501
NJ School Development Authority													
Capital Projects Fund													
Lester D. Wilson Elementary security vestibule	0020-010-14-1001	33,025	07/01/13-06/30/17	(35,560)	-	-	(2,535)	-	(33,025)	-	-	-	33,025
Total capital projects fund				(35,560)	-	-	(2,535)	-	(33,025)	-	-	-	33,025
State Department of Agriculture													
Enterprise Fund													
State School Lunch program	16-100-010-3350-023	1,037	07/01/15-06/30/16	-	-	979	1,037	-	(58)	-	-	-	1,037
State School Lunch program	15-100-010-3350-023	1,018	07/01/14-06/30/15	(101)	-	101	-	-	-	-	-	-	1,018
Total Enterprise Fund				(101)	-	1,080	1,037	-	(58)	-	-	-	2,055
Total State Financial Assistance				\$ (193,264)	\$ -	\$ 2,824,883	3,029,531	\$ -	\$ (239,323)	\$ -	\$ -	\$ 158,589	\$ 3,562,581
Less: On behalf TPAF Pension System contributions							(878,536)						
Total for State financial assistance - major program determination							\$ 2,150,995						

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

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 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 2003, 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 \$0 for the General fund and \$0 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:

	Federal	State	Total
General fund	\$ -	\$ 3,031,029	\$ 3,031,029
Special Revenue fund	195,567	-	195,567
Capital Projects fund		(2,535)	(2,535)
Food Service fund	29,553	1,037	30,590
Total	\$ 225,120	\$ 3,029,531	\$ 3,254,651

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

- 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, 2016. 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, 2016.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: _____ Unmodified _____

Internal Control Over Financial Reporting: _____ Yes X No

 1. Material weakness(es) identified? _____

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

Noncompliance Material to General - purpose
 Financial Statements Noted? _____ Yes X No

Federal Awards

_____ Not Applicable _____

Internal Control Over Major Programs:

 1. Material weakness(es) identified? _____ Yes _____ No

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

Type of Auditor's Report Issued on Compliance for Major Programs? _____

Any Audit Findings Disclosed that are Required to be Reported in
 Accordance with Section .510(a) of Circular A-133? _____ Yes _____ No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
	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: _____ \$750,000 _____

Auditee qualified as a low-risk auditee _____ X _____ Yes _____ No

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

State Awards (continued)

Type of Auditor's Report issued on Compliance for Major Programs: Unmodified

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 15-08? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
16-495-034-5120-078	644,612	Equalization Aid

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2016.

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, 2016.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2015

Schedule of Prior Year Findings and Questioned Costs

There were no prior year findings or questioned costs.