

**ALEXANDRIA TOWNSHIP  
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2017**

**Prepared by  
Alexandria Township Board of Education  
Department of Administration**

**ALEXANDRIA TOWNSHIP  
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2017**

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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  
(908) 996-6811  
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Brian Walsh, President  
Elizabeth Kelly, Vice President

Teresa E. Barna, RSBO  
School Business Administrator/Board Secretary  
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November 10, 2017

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Alexandria Township Board of Education for the fiscal year ending June 30, 2017 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, 2017, was 484 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. LESTER D. WILSON SCHOOL PROJECT

Entrance Enhancement: On June 27, 2013, the Alexandria Township Board of Education authorized the Spiezle Architectural Group to submit a security vestibule project for the Lester D. Wilson School as a Grant for a School Facilities Project. As of July 1, 2015, this project is complete. The conversion of a classroom to office space, redesign of security doors, and enhanced video camera system ensures a secure entrance to the school.

## 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 from 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 2016. Based on that performance review following are the results, including county office verification of the District's self-assessment:

- |                           |      |
|---------------------------|------|
| ● Instruction and program | 100% |
| ● Fiscal management       | 100% |
| ● Operations              | 100% |
| ● 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.

#### 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 Bedard, Kurowicki and Company, CPA's, PC 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 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 Letter 15-08. 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,

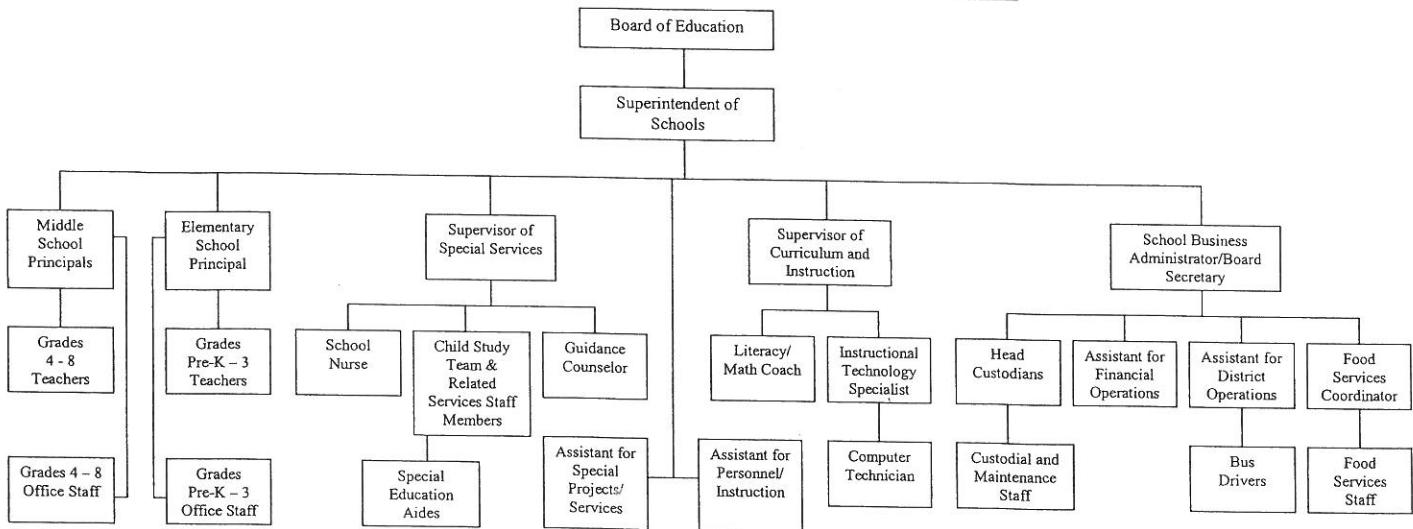
A handwritten signature in blue ink that reads "Matthew J. Jennings".

Matthew J. Jennings, Ed. D.  
Superintendent

A handwritten signature in blue ink that reads "Teresa E. Barna".

Teresa E. Barna, RSBO  
Business Administrator/  
Board Secretary

### 1110 ORGANIZATIONAL CHART



Adopted: 25 June 2009



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

**Roster of Officials  
June 30, 2017**

**Members of the Board of Education**

**Term Expires**

Amy DiPaolo	2018
Elizabeth A. Kelly, Vice President	2017
Joseph Krouse	2019
Douglas E. Linden, Jr.	2018
Christopher Kassai	2017
Joan M. Monaco	2019
Scott A. Saccal	2019
Elizabeth Stochak	2018
Brian P. Walsh, President	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  
114 Broad Street  
Flemington, New Jersey 08822

Architect

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Trenton, New Jersey 08618

Attorneys

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Newark, New Jersey 07102

Official Depository

Investors Savings Bank  
555 Old Highway 22  
Clinton, New Jersey 08809



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## **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, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the Table of Contents.

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

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

### **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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Alexandria Township School District, as of June 30, 2017, 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 Schedules, Schedules of the District's Proportionate Share of Net Pension Liability, and Schedules 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 fund financial statements, long-term debt schedules 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 Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are 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 relate 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 November 10, 2017 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  
Certified Public Accountant  
Registered Municipal Accountant

November 10, 2017  
Flemington, New Jersey

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**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, 2017. 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 \$790,631, which represents a 10.62 percent increase from 2016.
- General revenues accounted for \$14,732,561 in revenue or 96.66 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and capital grants accounted for \$509,589 or 3.34 percent to total revenues of \$15,242,150.
- Total assets of governmental activities increased by \$570,775 as cash and cash equivalents increased by \$812,794, receivables decreased by \$43,102 and capital assets decreased by \$198,917.
- The School District had \$14,451,519 in expenses; only \$509,589 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,732,561 were adequate to provide for these programs.
- Among major funds, the General Fund had \$11,429,236 in revenues and \$10,731,332 in expenditures. After accounting for net transfers in of \$33,730 the General Fund's balance increased \$731,634 over 2016.

**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, 2017**  
**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, 2017**  
**Unaudited**

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

**Fund Financial Statements**

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

The District has three kinds of funds:

*Governmental Funds:* Most of the District's basic services are included in government funds, which focus on how money flows into and out of those funds and the balances left at the year-end that are available for spending. The 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 Position 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.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**Unaudited**

Table 1 provides a summary of the District's net position at 6/30/17 with comparisons to 6/30/16.

	Table 1 Net Position		Variance	
	6/30/17	6/30/16	Dollars	%
	<u>6/30/17</u>	<u>6/30/16</u>	<u>Dollars</u>	<u>%</u>
<b>ASSETS</b>				
Current & other assets	\$ 2,310,682	\$ 1,532,966	\$ 777,716	50.73
Capital assets	8,685,601	8,892,503	(206,902)	(2.33)
Total assets	<u>10,996,283</u>	<u>10,425,469</u>	<u>570,814</u>	5.48
Deferred outflows of resources				
Deferred amount of pension liability	<u>1,079,035</u>	<u>608,545</u>	<u>470,490</u>	77.31
<b>LIABILITIES</b>				
Long-term liabilities	3,675,867	3,456,300	219,567	6.35
Other liabilities	<u>167,040</u>	<u>98,983</u>	<u>68,057</u>	68.76
Total liabilities	<u>3,842,907</u>	<u>3,555,283</u>	<u>287,624</u>	8.09
Deferred inflows of resources				
Deferred amount of pension liability	<u>-</u>	<u>36,951</u>	<u>(36,951)</u>	*
<b>NET POSITION</b>				
Net investment in capital assets	8,230,601	8,007,503	223,098	2.79
Restricted	1,623,421	1,037,049	586,372	56.54
Unrestricted	<u>(1,621,611)</u>	<u>(1,602,772)</u>	<u>(18,839)</u>	(1.18)
Total net position	<u>\$ 8,232,411</u>	<u>\$ 7,441,780</u>	<u>\$ 790,631</u>	10.62

\* = Undefined

The negative balance in unrestricted net position 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, 2017**  
**Unaudited**

Table 2 provides a summary of the District's changes in net position in fiscal year 2017 with comparisons to fiscal year 2016.

Table 2  
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/17	6/30/16	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 301,654	\$ 213,171	\$ 88,483	41.51
Operating grants	207,935	226,157	(18,222)	(8.06)
Capital grants	-	(2,535)	2,535	*
General revenues				
Property taxes	8,501,364	8,258,288	243,076	2.94
Unrestricted grants	6,173,398	4,996,813	1,176,585	23.55
Other	57,799	152,790	(94,991)	(62.17)
Total revenues	<u>15,242,150</u>	<u>13,844,684</u>	<u>1,397,466</u>	10.09
Program expenses				
Instruction				
Regular	6,145,127	5,459,686	685,441	12.55
Special	2,067,323	1,989,622	77,701	3.91
Other	162,194	171,061	(8,867)	(5.18)
Support services				
Tuition	209,736	111,171	98,565	88.66
Student & instructional staff	2,898,544	2,552,322	346,222	13.56
General & business administration	940,786	818,149	122,637	14.99
School administration	556,560	458,964	97,596	21.26
Maintenance	808,156	998,447	(190,291)	(19.06)
Transportation	500,275	467,777	32,498	6.95
Food service	121,913	124,081	(2,168)	(1.75)
Interest on long-term debt	40,905	58,080	(17,175)	(13.84)
Total expenses	<u>14,451,519</u>	<u>13,209,360</u>	<u>1,242,159</u>	9.40
Increase (decrease) in net position	<u>\$ 790,631</u>	<u>\$ 635,324</u>	<u>\$ 155,307</u>	24.45

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2017**  
**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 56.21 percent of revenues for governmental activities for the Alexandria Township School District for the fiscal year 2017. The District's total governmental revenues on a district wide basis were \$15,242,150 for the year ended June 30, 2017.

The total cost of all governmental expenses and services on a district wide basis was \$14,451,519.

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

Table 3 provides a summary of the School District's cost of governmental services in fiscal years 2017 and 2016.

Table 3  
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/17	6/30/16	6/30/17	6/30/16
Instruction	\$ 8,374,644	\$ 7,620,369	\$ 8,094,013	\$7,336,925
Support services				
Tuition	209,736	111,171	209,736	111,171
Student & instructional staff	2,898,544	2,552,322	2,856,130	2,527,479
General & business				
administration	940,786	818,149	875,786	818,342
School administration	556,560	458,964	556,560	459,070
Plant operations & maintenance	808,156	998,447	804,016	993,007
Pupil transportation	500,275	467,777	500,275	467,777
Food service	121,913	124,081	4,509	716
Interest on long-term debt	40,905	58,080	40,905	58,080
Total expenses	<u>\$14,451,519</u>	<u>\$13,209,360</u>	<u>\$13,941,930</u>	<u>\$12,772,567</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, 2017**  
**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 \$12,065,078 and expenditures were \$11,367,174. The net change in fund balance for the year was an increase of \$697,904.

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, 2017**  
**Unaudited**

During the course of the 2017 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 2017, the District had \$8,685,601 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 6/30/17 with comparisons to 6/30/16.

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

	6/30/17	6/30/16	Variance	
			Dollars	%
Land	\$ 155,364	\$ 155,364	\$ -	0.00
Construction in progress	48,702	-	48,702	*
Land improvements	116,261	134,160	(17,899)	(13.34)
Buildings & improvements	8,172,913	8,443,464	(270,551)	(3.20)
Furniture & equipment	192,361	159,515	32,846	20.59
<b>Total</b>	<b>\$ 8,685,601</b>	<b>\$ 8,892,503</b>	<b>\$ (206,902)</b>	<b>(2.33)</b>

\* Undefined

Table 5 provides a summary of the District's outstanding debt at 6/30/17 with comparisons to 6/30/16.

Table 5  
Outstanding Debt at Year-end

	6/30/17	6/30/16	Variance	
			Dollars	%
General obligation bonds	\$ 455,000	\$ 885,000	\$ (430,000)	(48.59)
Compensated absences	166,760	247,253	(80,493)	(32.55)
PERS net pension liability	3,053,074	2,298,217	754,857	32.85
Unamortized bond premiums	1,033	25,830	(24,797)	(96.00)
<b>Total</b>	<b>\$ 3,675,867</b>	<b>\$ 3,456,300</b>	<b>\$ 219,567</b>	<b>6.35</b>

**Factors Bearing on the District's Future**

The Alexandria Township School District is in good financial condition and 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, 2017**  
**Unaudited**

Reliance on local property taxes to support the District's programs continues to be a concern. Additionally, health benefit costs are unpredictable. Future finances are not without challenges.

Alexandria Township is primarily a residential community, with very few retailables; 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 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.

A recent bond referendum to expand the square footage to the Alexandrian Township Middle School and close the Lester D. Wilson Elementary School was overwhelmingly defeated by the voters of the community. There are no current plans to present another referendum to the community. Declining enrollments were the main reason for the proposal. The closing of a school building would have operational cost savings to the district and the taxpayers. The District will continue to monitor the enrollments and investigate ways to offer increased opportunities for our students.

**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, 2017**

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 471,172	\$ 14,927	\$ 486,099
Receivables, net	196,763	1,252	198,015
Inventory	-	3,147	3,147
<b>Restricted assets</b>			
Capital reserve account - cash	741,893	-	741,893
Maintenance reserve account - cash	631,528	-	631,528
Emergency reserve fund - cash	250,000	-	250,000
<b>Capital assets, net</b>			
Land and construction in progress	204,066	-	204,066
Other capital assets, net of depreciation	8,422,295	59,240	8,481,535
Total assets	<u>10,917,717</u>	<u>78,566</u>	<u>10,996,283</u>
<b>Deferred outflows of resources</b>			
Deferred amount on pension activity	<u>1,079,035</u>	<u>-</u>	<u>1,079,035</u>
<b>Liabilities</b>			
Accounts payable	135,885	5,155	141,040
Accrued interest	8,342	-	8,342
Unearned revenue	12,551	5,107	17,658
<b>Long-term liabilities</b>			
Due within one year	465,463	-	465,463
Due beyond one year	3,210,404	-	3,210,404
Total liabilities	<u>3,832,645</u>	<u>10,262</u>	<u>3,842,907</u>
<b>Net position</b>			
Net investment in capital assets	8,171,361	59,240	8,230,601
<b>Restricted for</b>			
Capital reserve	741,893	-	741,893
Maintenance reserve	631,528	-	631,528
Emergency reserve	250,000	-	250,000
Unrestricted	<u>(1,630,675)</u>	<u>9,064</u>	<u>(1,621,611)</u>
<b>Total net position</b>	<u>\$ 8,164,107</u>	<u>\$ 68,304</u>	<u>\$ 8,232,411</u>

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

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	\$ 3,010,565	\$ 3,134,562	\$ 142,533	\$ 22,192	\$ -	\$ (5,980,402)	\$ -	\$ (5,980,402)
Special education	1,022,885	1,044,438	-	114,436	-	(1,952,887)	-	(1,952,887)
Other special instruction	3,923	1,581	-	-	-	(5,504)	-	(5,504)
Other instruction	92,078	64,612	1,470	-	-	(155,220)	-	(155,220)
Support services								
Tuition	209,736	-	-	-	-	(209,736)	-	(209,736)
Students & instruction related services	1,489,431	1,409,113	-	42,414	-	(2,856,130)	-	(2,856,130)
General & business administration services	558,104	382,682	65,000	-	-	(875,786)	-	(875,786)
School administration services	286,013	270,547	-	-	-	(556,560)	-	(556,560)
Plant operations & maintenance	716,889	91,267	4,140	-	-	(804,016)	-	(804,016)
Pupil transportation	482,929	17,346	-	-	-	(500,275)	-	(500,275)
Interest on long-term debt	40,905	-	-	-	-	(40,905)	-	(40,905)
Total governmental activities	<u>7,913,458</u>	<u>6,416,148</u>	<u>213,143</u>	<u>179,042</u>	<u>-</u>	<u>(13,937,421)</u>	<u>-</u>	<u>(13,937,421)</u>
Business-type activities								
Food service	121,913	-	88,511	28,893	-	-	(4,509)	(4,509)
Total business-type activities	<u>121,913</u>	<u>-</u>	<u>88,511</u>	<u>28,893</u>	<u>-</u>	<u>-</u>	<u>(4,509)</u>	<u>(4,509)</u>
Total primary government	<u>\$ 8,035,371</u>	<u>\$ 6,416,148</u>	<u>\$ 301,654</u>	<u>\$ 207,935</u>	<u>\$ -</u>	<u>(13,937,421)</u>	<u>(4,509)</u>	<u>(13,941,930)</u>
			General revenues, special items & transfers					
			Property taxes levied for general purposes			8,044,564	-	8,044,564
			Property taxes levied for debt service			456,800	-	456,800
			Federal & State aid not restricted			6,173,398	-	6,173,398
			Investment earnings			14,227	70	14,297
			Miscellaneous income			43,176	326	43,502
			Total general revenues & special items			<u>14,732,165</u>	<u>396</u>	<u>14,732,561</u>
			Change in net position			794,744	(4,113)	790,631
			Net position - beginning			7,369,363	72,417	7,441,780
			Net position - ending			<u>\$ 8,164,107</u>	<u>\$ 68,304</u>	<u>\$ 8,232,411</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**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2017**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash & cash equivalents	\$ 469,421	\$ 1,751	\$ -	\$ -	\$ 471,172
Receivables from other governments					
State	196,763	-	-	-	196,763
Restricted cash & equivalents	1,623,421	-	-	-	1,623,421
<b>Total assets</b>	<b>\$ 2,289,605</b>	<b>\$ 1,751</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,291,356</b>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 135,885	\$ -	\$ -	\$ -	\$ 135,885
Unearned revenue	10,800	1,751	-	-	12,551
<b>Total liabilities</b>	<b>146,685</b>	<b>1,751</b>	<b>-</b>	<b>-</b>	<b>148,436</b>

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2017**

	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	\$ 97,123	\$ -	\$ -	\$ -	\$ 97,123
Capital reserve account	741,893	-	-	-	741,893
Maintenance reserve account	631,528	-	-	-	631,528
Emergency reserve account	250,000	-	-	-	250,000
Committed fund balance					
Year-end encumbrances	156,810	-	-	-	156,810
Unassigned fund balance	265,566	-	-	-	265,566
Total fund balances	<u>2,142,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,142,920</u>
Total liabilities and fund balances	<u>\$ 2,289,605</u>	<u>\$ 1,751</u>	<u>\$ -</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 \$15,566,735 and the accumulated depreciation is \$6,940,374.	8,626,361
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	1,079,035
Long-term liabilities, including bonds payable are not due and payable in the current period & therefore are not reported as liabilities in the funds.	(3,675,867)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(8,342)</u>
Total net position of governmental activities	<u>\$ 8,164,107</u>

See accompanying notes to financial statements.



**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues</b>					
<b>Local sources</b>					
Local tax levy	\$ 8,044,564	\$ -	\$ -	\$ 456,800	\$ 8,501,364
Tuition - individuals	134,133	-	-	-	134,133
Interest earned on capital reserve funds	1,970	-	-	-	1,970
Interest on investments	12,257	-	-	-	12,257
Miscellaneous	23,469	-	-	-	23,469
<b>Total</b>	<b>8,216,393</b>	<b>-</b>	<b>-</b>	<b>456,800</b>	<b>8,673,193</b>
State sources	3,212,843	-	-	-	3,212,843
Federal sources	-	179,042	-	-	179,042
<b>Total revenues</b>	<b>11,429,236</b>	<b>179,042</b>	<b>-</b>	<b>456,800</b>	<b>12,065,078</b>
<b>Expenditures</b>					
<b>Current</b>					
<b>Instructional</b>					
Regular instruction	2,995,211	697	-	-	2,995,908
Special education instruction	906,565	114,436	-	-	1,021,001
Other special instruction	3,923	-	-	-	3,923
Other instruction	92,078	-	-	-	92,078
<b>Support service &amp; undistributed costs</b>					
Tuition	209,736	-	-	-	209,736
Student & instruction related services	1,447,017	42,414	-	-	1,489,431
General & business administrative services	497,997	-	-	-	497,997
School administrative services	286,013	-	-	-	286,013
Plant operations & maintenance	727,982	-	-	-	727,982
Pupil transportation	486,191	-	-	-	486,191
Unallocated benefits	2,963,085	-	-	-	2,963,085

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 93,546	\$ 21,495	\$ -	\$ -	\$ 115,041
Debt service					
Principal	-	-	-	430,000	430,000
Interest & other charges	21,988	-	-	26,800	48,788
Total expenditures	<u>10,731,332</u>	<u>179,042</u>	<u>-</u>	<u>456,800</u>	<u>11,367,174</u>
Excess (deficit) of revenues over (under) expenditures	<u>697,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,904</u>
Other financing sources (uses)					
Operating transfer in					
Transfers in	33,730	-	-	-	33,730
Transfers out	-	-	(33,730)	-	(33,730)
Total other financing sources (uses)	<u>33,730</u>	<u>-</u>	<u>(33,730)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	731,634	-	(33,730)	-	697,904
Fund balances, July 1	<u>1,411,286</u>	<u>-</u>	<u>33,730</u>	<u>-</u>	<u>1,445,016</u>
Fund balances, June 30	<u>\$ 2,142,920</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,142,920</u>

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

Total net changes in fund balances - governmental fund (from B-2) \$ 697,904

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	\$	115,041	
Depreciation expense		<u>(313,958)</u>	(198,917)

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	430,000
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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
------------------------------	--------

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.

(247,416)

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities (continued)**  
**For the Fiscal Year Ended June 30, 2017**

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.

\$ 7,883

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.

80,493

Change in net position of governmental activities

\$ 794,744

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Food Service Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 14,927
Receivables from other governments	
State	68
Federal	1,184
Inventory	3,147
Total current assets	<u>19,326</u>
Noncurrent assets	
Capital assets	141,691
Less: accumulated depreciation	82,451
Total noncurrent assets	<u>59,240</u>
Total assets	<u>78,566</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	5,155
Unearned revenues - commodities	2,183
Unearned revenues - prepaid sales	2,924
Total liabilities	<u>10,262</u>
<b>NET POSITION</b>	
Net investment in capital assets	59,240
Unrestricted	9,064
Total net position	<u><u>\$ 68,304</u></u>

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 59,436
Daily sales - non-reimbursable programs	29,075
Total operating revenues	88,511
 Operating expenses	
Cost of sales - reimbursable programs	37,169
Cost of sales - non-reimbursable programs	8,674
Commodity food costs	11,184
Salaries	36,375
Employee benefits	7,579
Purchased property services	511
Insurance	922
Management fee	7,455
Other purchased services	3,825
Supplies and materials (not included in cost of sales)	234
Depreciation	7,985
Total operating expenses	121,913
 Operating income (loss)	 (33,402)
 Non-operating revenues (expenses)	
State sources	
State School Lunch Program	958
Federal sources	
National School Lunch Program	
Cash assistance	16,751
Non cash assistance (commodities)	11,184
Interest earned on investments	70
Miscellaneous	326
Total non-operating revenues (expenses)	29,289
 Change in net position	 (4,113)
 Net position, beginning	 72,417
 Net position, ending	 \$ 68,304

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flow**  
**For the Fiscal Year Ended June 30, 2017**

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 88,639
Payments to Food Service Management Co.	(96,052)
Payments to vendors (net)	(1,271)
Net cash provided by (used for) operating activities	(8,684)
Cash flows from non-capital financing activities	
State sources	948
Federal sources	16,573
Miscellaneous	326
Net cash provided by (used for) non-capital financing activities	17,847
Cash flows from investing activities	
Interest earned on investments	70
Net cash provided by (used for) investing activities	70
Net increase (decrease) in cash and cash equivalents	9,233
Cash and cash equivalents, beginning	5,694
Cash and cash equivalents, ending	\$ 14,927
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (33,402)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	7,985
Federal Food Donation Program	11,184
(Increase) decrease in inventory	1,397
Increase (decrease) in accounts payable	5,155
Increase (decrease) in unearned revenues	(1,003)
Net cash provided by (used for) operating activities	\$ (8,684)

See accompanying notes to financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2017**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 29,767	\$ 50,513	\$ 11,330
Total assets	\$ 29,767	\$ 50,513	\$ 11,330
 <b>LIABILITIES</b>			
Due to student groups	\$ -	\$ 50,513	\$ -
Payroll deductions and withholdings	-	-	11,330
Total liabilities	-	\$ 50,513	\$ 11,330
<b>NET POSITION</b>	\$ 29,767		

See accompanying notes to financial statements.



**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 8,750
Investment earnings - interest	145
Total additions	8,895
Deductions	
Unemployment claims	17,097
Change in net position	(8,202)
Net position, beginning of the year	37,969
Net position, end of the year	\$ 29,767

See accompanying notes to financial statements.

## **NOTES TO THE 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, 2017 of 484 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 N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 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 2016-2017 and 2015-2016 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 and payables

Short-term interfund receivables and 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, 2017.

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

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.

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. Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. 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:

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances – governmental funds (continued)

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.

P. 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.

Q. 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.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

**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. As of June 30, 2017, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other State statutes permit investments in obligations issued by local authorities and other State agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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

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.

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.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2017, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 250,000
Collateralized with securities held by pledging financial institutions	2,106,645
Total bank balances	<u>\$ 2,356,645</u>

Deposits at June 30, 2017 appear in the financial statements as summarized below:

Cash		<u>\$ 2,201,130</u>
	<u>Ref.</u>	
Unrestricted cash		
Governmental Funds, Balance Sheet	B-1	\$ 471,172
Enterprise Funds, Statement of Net Position	B-4	14,927
Fiduciary Funds, Statement of Net Position	B-7	91,610
Restricted cash		
Governmental Funds, Balance Sheet	B-1	<u>1,623,421</u>
Total cash		<u>\$ 2,201,130</u>

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 155,364	\$ -	\$ -	\$ 155,364
Construction in progress	-	48,702	-	48,702
Total	<u>155,364</u>	<u>48,702</u>	<u>-</u>	<u>204,066</u>
Capital assets, being depreciated				
Land improvements	818,584	-	-	818,584
Building & improvements	13,809,112	-	-	13,809,112
Furniture & equipment	668,634	66,339	-	734,973
Total	<u>15,296,330</u>	<u>66,339</u>	<u>-</u>	<u>15,362,669</u>
Accumulated depreciation				
Land improvements	684,424	17,899	-	702,323
Building & improvements	5,365,648	270,551	-	5,636,199
Furniture & equipment	576,344	25,508	-	601,852
Total	<u>6,626,416</u>	<u>313,958</u>	<u>-</u>	<u>6,940,374</u>
Total capital assets, being depreciated, net	<u>8,669,914</u>	<u>(247,619)</u>	<u>-</u>	<u>8,422,295</u>
Governmental activities capital assets, net	<u>\$ 8,825,278</u>	<u>\$ (198,917)</u>	<u>\$ -</u>	<u>\$ 8,626,361</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 141,691	\$ -	\$ -	\$ 141,691
Less: accumulated depreciation	74,466	7,985	-	82,451
Business type activities capital assets, net	<u>\$ 67,225</u>	<u>\$ (7,985)</u>	<u>\$ -</u>	<u>\$ 59,240</u>

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)

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

Instruction		
Regular	\$	150,505
Special education		50,318
Other special instruction		186
Other instruction		4,368
Support services		
Student & instruction		70,656
General & business administration		23,624
School administration		13,568
Plant maintenance		733
Total depreciation expense, governmental activities	\$	<u>313,958</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 885,000	\$ -	\$ 430,000	\$ 455,000	\$ 455,000
Compensated absences payable	247,253	(18,625)	61,868	166,760	9,430
PERS net pension liability	2,298,217	1,326,451	571,594	3,053,074	-
Unamortized bond premium	25,830	-	24,797	1,033	1,033
Total governmental activities long-term liabilities	<u>\$ 3,456,300</u>	<u>\$ 1,307,826</u>	<u>\$ 1,088,259</u>	<u>\$ 3,675,867</u>	<u>\$ 465,463</u>

Payments on the general obligation bonds are made in the Debt Service Fund from property taxes and State Aid. The other long-term debts are paid in the current expenditures budget of the District's General Fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments are listed as follows:



**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 5 - Long-term debt (continued)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 455,000	\$ 9,100	\$ 464,100
Total	<u>\$ 455,000</u>	<u>\$ 9,100</u>	<u>\$ 464,100</u>

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2017, 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>\$ 455,000</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, 2017 is \$23,422,899. General obligation debt at June 30, 2017 is \$455,000, resulting in a legal debt margin of \$22,967,899.

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](http://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 10-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.

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.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Plan description (continued)

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, 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2016.

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 State fiscal year ended June 30, 2016. 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 2016, the State's pension contribution was less than the actuarial determined amount.

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.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1<sup>st</sup> until eventually reaching 7.50% of base salary effective July 1, 2018.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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, 2016:

	2016
Total pension liability	\$ 5,100,086
Plan fiduciary net position	2,047,012
Net pension liability	\$ 3,053,074

Plan fiduciary net position as a percentage of the total pension liability 40.14%

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases (based on age)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.65%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set-back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set-back 3 years for males and set forward 1 year for females).

The actuarial assumptions, used in the July 1, 2015 valuation, were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 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%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grad Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

**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 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2043, 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, 2016, 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:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.98%)	\$ 3,053,074
At a 1% lower rate (2.98%)	3,741,186
At a 1% higher rate (4.98%)	2,484,978

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2017, 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	\$ 56,778	\$ -
Changes of assumptions	632,434	-
Net difference between projected and actual earnings on pension plan investments	116,416	-
Changes in proportion and differences between District contributions and proportionate share of contributions	181,122	-
District contributions subsequent to the measurement date	92,285	-
Total	\$ 1,079,035	\$ -

**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 (continued)

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, 2017, the plan measurement date is June 30, 2016) of \$92,285 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

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, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Deferred outflows of resources				
Changes of assumptions and differences between expected and actual experience	\$ 303,715	\$ 549,084	\$ 163,587	\$ 689,212
Difference between projected and actual earnings on pension plan investments	(37,205)	171,414	17,793	116,416
Net of deferred outflows	<u>\$ 266,510</u>	<u>\$ 720,498</u>	<u>\$ 181,380</u>	<u>\$ 805,628</u>

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,

2017	\$ 181,380
2018	181,380
2019	210,134
2020	176,544
2021	56,190
Total	<u>\$ 805,628</u>

Pension expense

For the year ended June 30, 2017, the District recognized net pension expense of \$339,701, which represents the District's proportionate share of allocable plan pension expense of \$291,483, plus the net amortization of deferred amounts from changes in proportion of \$51,773, less other adjustments to the net pension liability of \$3,555. 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, 2016 are as follows:

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)  
A. Public employees' retirement systems (PERS) (continued)  
Pension expense (continued)

Service cost	\$ 99,638
Interest on total pension liability	217,547
Member contributions	(51,643)
Administrative expense	1,648
Expected investment return net of investment expense	(156,762)
Pension expense related to specific liabilities of individual employers	(325)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	148,988
Amortization of expected versus actual experience	14,599
Amortization of projected versus actual investment earnings on pension plan investments	17,793
Pension expense	\$ 291,483

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](http://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 10-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



**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)

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.

Contribution policy

The contribution policy for TPAF is set by N.J.S.A. 18A:66 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 the State fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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. During the State fiscal year ending June 30, 2016, the State of New Jersey contributed \$398,902 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1<sup>st</sup> until eventually reaching 7.50% of base salary effective July 1, 2018.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Components of the net pension liability

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 year ending June 30, 2016 is as follows:

	2016
State's proportionate share of net pension liability	\$ 39,402,577
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	2,960,555
Non-employer contribution	398,902
 Allocable proportionate percentage	 .0500882129%

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

Service cost	\$ 1,168,842
Interest on total pension liability	1,842,191
Member contributions	(379,778)
Administrative expense	6,865
Expected investment return net of investment expense	(943,118)
Pension expense related to specific liabilities of individual employers	(121)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	12,391
Amortization of expected versus actual experience	1,158,957
Amortization of projected versus actual investment earnings on pension plan investments	94,326
Pension expense	\$ 2,960,555

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

Components of the net pension liability (continued)

As detailed earlier, the District was not required to report a liability for its proportionate share of net pension expense for TPAF due to a special funding situation. The State's proportionate share of the net pension liability for TPAF as of June 30, 2016 is as follows:

	2016
Total pension liability	\$ 50,729,349
Plan fiduciary net position	11,326,772
Net pension liability	\$ 39,402,577

Plan fiduciary net position as a percentage of the total pension liability	22.33%
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The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (based on age)	
2012 - 2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post retirement, and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis on a 60-year average of Social Security data from 1953 to 2013.

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)  
B. Teacher's pension and annuity fund (TPAF) (continued)  
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	.50%	2.87%
Hedge Funds - Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 rate in the most recent State fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

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

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, 2016, 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:

<u>District’s Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.22%)	\$ 39,402,577
At a 1% lower rate (2.22%)	47,055,483
At a 1% higher rate (4.22%)	33,152,992

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 (\$8,300 in 2017) 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/njdcprp](http://www.prudential.com/njdcprp).

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District’s contribution to the DCRP for fiscal year ending 2017 was \$0.

D. Other pension plan information

During the year ended June 30, 2017, the State of New Jersey contributed \$468,840 to the TPAF for post-retirement medical benefits, \$19,674 for non-contributory insurance premiums, \$1,305 for long-term disability insurance, and \$543,005 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 \$342,547 during the year ended June 30, 2017 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.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

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, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the State contributed \$1.37 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 2016, the State paid \$231.2 million toward Ch. 126 benefits for 20,045 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.

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, PO Box 295, Trenton, NJ 08625-0295 by visiting their website at ([www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions)).

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Post-retirement benefits (continued)

*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 - Inventory

Inventory in the Food Service Fund as of June 30, 2017 consisted of the following:

Food	\$	2,483
Supplies		664
Total		3,147

Note 10 - 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.

Amounts received or are receivables from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 11 - 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. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. 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 Contrib.	Amount Reimbursed	Ending Balance
2016 - 2017	\$ -	\$ 145	\$ 8,750	\$ 17,097	\$ 29,767
2015 - 2016	(50,000)	130	9,210	5,318	37,969
2014 - 2015	-	273	9,165	9,947	83,947

Note 12 - 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 12 - 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, \$129,368 to the Maintenance Reserve Account and \$250,000 to their Emergency Expense Account by Board resolution in June 2017 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	\$ 501,159	\$ 250,000	\$ 1,970	\$ 199,664	\$ 210,900	\$ 741,893
Maintenance	502,160	129,368	-	-	-	631,528
Emergency	-	250,000	-	-	-	250,000
Total	<u>\$ 1,003,319</u>	<u>\$ 629,368</u>	<u>\$ 1,970</u>	<u>\$ 199,664</u>	<u>\$ 210,900</u>	<u>\$ 1,623,421</u>

Note 13 - Fund balances - budgetary basis

As described in Note 1 (N), Fund Balance may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2017 is as follows:

Restricted

Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	\$ 22,225
Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	74,898
Capital Reserve Account - Represents funds restricted to capital projects in the Districts long range facilities plan.	741,893
Maintenance Reserve Account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	631,528
Emergency Reserve Account - Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education.	250,000

Committed

Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30	156,810
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Unassigned

Undesignated - Represents fund balance which has not been restricted or designated.	429,707
Total fund balance	<u>\$ 2,307,061</u>

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 14 - 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 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, 2017 is \$22,225.

Note 15 - Subsequent events

The District has evaluated subsequent events through November 10, 2017, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

Note 16 - 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 June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement, which is effective for reporting periods beginning after June 15, 2017, is expected to have a material impact on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "*Leases*". This statement, which is effective for reporting periods beginning after June 15, 2019, is expected to have a material impact on the District's financial reporting.

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2017 of \$(1,630,675) 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.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources					
Local tax levy	\$ 8,044,564	\$ -	\$ 8,044,564	\$ 8,044,564	\$ -
Tuition from individuals	96,000	-	96,000	134,133	38,133
Rents and royalties	-	-	-	3,620	3,620
Unrestricted miscellaneous revenues	8,000	-	8,000	32,106	24,106
Interest earned on capital reserve funds	-	-	-	1,970	1,970
<b>Total</b>	<b>8,148,564</b>	<b>-</b>	<b>8,148,564</b>	<b>8,216,393</b>	<b>67,829</b>
State Sources					
School Choice Aid	331,292	-	331,292	331,292	-
Categorical Transportation Aid	253,247	-	253,247	253,247	-
Extraordinary Aid	-	-	-	175,960	175,960
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	41,956	-	41,956	41,956	-
PARCC Readiness Aid	4,750	-	4,750	4,750	-
Per Pupil Growth Aid	4,750	-	4,750	4,750	-
Professional Learning Community Aid	4,480	-	4,480	4,480	-
Other State Aids	-	-	-	3,747	3,747
TPAF Pension (on-behalf)	-	-	-	562,679	562,679
TPAF Social Security (reimbursed)	-	-	-	342,547	342,547
TPAF Post Retirement Benefits (on-behalf)	-	-	-	468,840	468,840
TPAF Long Term Disability Insurance (on-behalf)	-	-	-	1,305	1,305
<b>Total</b>	<b>1,663,317</b>	<b>-</b>	<b>1,663,317</b>	<b>3,218,395</b>	<b>1,555,078</b>
<b>Total Revenues</b>	<b>\$ 9,811,881</b>	<b>\$ -</b>	<b>\$ 9,811,881</b>	<b>\$ 11,434,788</b>	<b>\$ 1,622,907</b>
<b>EXPENDITURES</b>					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 229,249	\$ (59,185)	\$ 170,064	\$ 156,431	\$ 13,633
Grades 1-5	1,374,574	32,430	1,407,004	1,403,057	3,947
Grades 6-8	1,085,792	13,304	1,099,096	1,098,060	1,036
Regular programs - undistributed instruction					
Purchased technical services	5,000	(5,000)	-	-	-
Other purchased services	120,000	45,204	165,204	164,081	1,123
General supplies	136,130	85,627	221,757	154,749	67,008
Textbooks	63,500	20,262	83,762	58,558	25,204
Other objects	7,500	(1,040)	6,460	5,119	1,341
<b>Total</b>	<b>3,021,745</b>	<b>131,602</b>	<b>3,153,347</b>	<b>3,040,055</b>	<b>113,292</b>
Special education					
Multiple disabilities					
Salaries of teachers	55,008	(44,978)	10,030	-	10,030
Other salaries for instruction	16,164	2,814	18,978	18,978	-
Other purchased services	250	18	268	268	-
General supplies	2,000	(1,800)	200	-	200
<b>Total</b>	<b>73,422</b>	<b>(43,946)</b>	<b>29,476</b>	<b>19,246</b>	<b>10,230</b>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource room/resource center					
Salaries of teachers	\$ 706,680	\$ 3,322	\$ 710,002	\$ 708,397	\$ 1,605
General supplies	2,600	-	2,600	969	1,631
Total	<u>709,280</u>	<u>3,322</u>	<u>712,602</u>	<u>709,366</u>	<u>3,236</u>
Preschool disabilities - full-time					
Salaries of teachers	141,056	64	141,120	137,857	3,263
Other salaries for instruction	14,000	23,781	37,781	37,325	456
Total	<u>155,056</u>	<u>23,845</u>	<u>178,901</u>	<u>175,182</u>	<u>3,719</u>
Home instruction					
Salaries of teachers	2,550	2,600	5,150	2,754	2,396
Purchased professional-educational services	-	1,400	1,400	-	1,400
Other purchased services	2,250	-	2,250	17	2,233
Total	<u>4,800</u>	<u>4,000</u>	<u>8,800</u>	<u>2,771</u>	<u>6,029</u>
Total special education	<u>942,558</u>	<u>(12,779)</u>	<u>929,779</u>	<u>906,565</u>	<u>23,214</u>
Basic skills/remedial					
Salaries of teachers	20,775	(18,175)	2,600	1,885	715
Purchased technical services	3,000	-	3,000	-	3,000
Other purchased services	-	16	16	16	-
General supplies	2,000	22	2,022	2,022	-
Total	<u>25,775</u>	<u>(18,137)</u>	<u>7,638</u>	<u>3,923</u>	<u>3,715</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	49,572	7,369	56,941	53,933	3,008
Supplies and materials	5,385	(128)	5,257	3,762	1,495
Other objects	1,625	-	1,625	1,360	265
Total	<u>56,582</u>	<u>7,241</u>	<u>63,823</u>	<u>59,055</u>	<u>4,768</u>
School-sponsored athletics - instruction					
Salaries	28,592	-	28,592	27,450	1,142
Purchased services	6,500	-	6,500	-	6,500
Supplies and materials	5,000	-	5,000	4,381	619
Other objects	1,900	-	1,900	1,192	708
Total	<u>41,992</u>	<u>-</u>	<u>41,992</u>	<u>33,023</u>	<u>8,969</u>
Total instruction regular	<u>\$ 4,088,652</u>	<u>\$ 107,927</u>	<u>\$ 4,196,579</u>	<u>\$ 4,042,621</u>	<u>\$ 153,958</u>
Undistributed expenditures					
Tuition to priv. school for the disabled w/i state	\$ 180,000	\$ 30,000	\$ 210,000	\$ 209,736	\$ 264
Total	<u>180,000</u>	<u>30,000</u>	<u>210,000</u>	<u>209,736</u>	<u>264</u>
Undistributed expenditures - health services					
Salaries	165,491	53	165,544	164,465	1,079
Purchased professional and technical services	5,500	-	5,500	4,718	782
Other purchased services	1,700	-	1,700	1,583	117
Supplies and materials	3,000	-	3,000	2,857	143
Total	<u>175,691</u>	<u>53</u>	<u>175,744</u>	<u>173,623</u>	<u>2,121</u>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 171,823	\$ 14,358	\$ 186,181	\$ 183,443	\$ 2,738
Purchased professional - educational services	36,400	(5,346)	31,054	28,554	2,500
Supplies and materials	1,500	-	1,500	1,453	47
Total	<u>209,723</u>	<u>9,012</u>	<u>218,735</u>	<u>213,450</u>	<u>5,285</u>
Undistributed expenditures- guidance					
Salaries of other professional staff	62,378	-	62,378	62,378	-
Other purchased services	800	-	800	742	58
Supplies and materials	600	-	600	512	88
Total	<u>63,778</u>	<u>-</u>	<u>63,778</u>	<u>63,632</u>	<u>146</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	259,495	(12,369)	247,126	236,711	10,415
Salaries of secretarial and clerical assistants	38,779	-	38,779	38,778	1
Other purchased professional & technical services	2,700	-	2,700	2,298	402
Other purchased services	1,050	(1,050)	-	-	-
Miscellaneous purchased service	12,400	15,050	27,450	26,878	572
Supplies and materials	2,500	-	2,500	2,468	32
Other objects	1,300	-	1,300	1,233	67
Total	<u>318,224</u>	<u>1,631</u>	<u>319,855</u>	<u>308,366</u>	<u>11,489</u>
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	131,641	(2,374)	129,267	129,041	226
Salaries of other professional staff	24,000	272	24,272	24,272	-
Salaries of facilitators, math & literacy coaches	225,894	(51,518)	174,376	154,236	20,140
Other purchased services	2,000	1,728	3,728	2,495	1,233
Total	<u>383,535</u>	<u>(51,892)</u>	<u>331,643</u>	<u>310,044</u>	<u>21,599</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	125,133	3,000	128,133	128,133	-
Salaries of technology coordinators	98,598	-	98,598	98,598	-
Purchased professional and technical services	125,050	-	125,050	120,390	4,660
Other purchased services	6,000	550	6,550	5,892	658
Supplies and materials	7,200	4,479	11,679	5,786	5,893
Other objects	800	-	800	150	650
Total	<u>362,781</u>	<u>8,029</u>	<u>370,810</u>	<u>358,949</u>	<u>11,861</u>
Undistributed expenditures - instructional staff training services					
Salaries of other professional staff	-	4,635	4,635	4,635	-
Purchased professional - educational services	-	6,000	6,000	350	5,650
Other purchased services	8,750	28,511	37,261	11,716	25,545
Supplies and materials	2,000	252	2,252	2,252	-
Total	<u>10,750</u>	<u>39,398</u>	<u>50,148</u>	<u>18,953</u>	<u>31,195</u>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expend. - support service - general admin.					
Salaries	\$ 141,993	\$ 19,454	\$ 161,447	\$ 161,447	\$ -
Legal services	6,000	(3,375)	2,625	252	2,373
Audit fees	17,500	(525)	16,975	16,975	-
Other purchased professional services	5,000	(607)	4,393	4,393	-
Purchased technical services	5,300	33,465	38,765	38,765	-
Communications/telephone	15,000	370	15,370	15,028	342
BOE other purchased services	12,500	154	12,654	8,305	4,349
Misc purch services	24,700	(648)	24,052	23,723	329
General supplies	8,800	(1,105)	7,695	7,693	2
BOE in-house training/meeting supplies	500	-	500	465	35
Miscellaneous expenditures	3,000	(370)	2,630	2,391	239
BOE membership dues and fees	5,500	-	5,500	5,476	24
<b>Total</b>	<b>245,793</b>	<b>46,813</b>	<b>292,606</b>	<b>284,913</b>	<b>7,693</b>
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	139,178	2,600	141,778	141,778	-
Salaries of secretarial and clerical assistants	131,083	(226)	130,857	129,699	1,158
Other purchased services	5,000	5,915	10,915	8,570	2,345
Supplies and materials	4,750	(1,762)	2,988	2,492	496
Other objects	5,150	110	5,260	3,474	1,786
<b>Total</b>	<b>285,161</b>	<b>6,637</b>	<b>291,798</b>	<b>286,013</b>	<b>5,785</b>
Undistributed expenditures - central services					
Salaries	219,098	(12,034)	207,064	173,441	33,623
Purchased professional services	4,800	300	5,100	5,100	-
Purchased technical services	18,000	8,925	26,925	24,356	2,569
Miscellaneous purchased services	4,500	(577)	3,923	2,032	1,891
Supplies and materials	3,000	3,475	6,475	6,475	-
Other objects	1,600	80	1,680	1,680	-
<b>Total</b>	<b>250,998</b>	<b>169</b>	<b>251,167</b>	<b>213,084</b>	<b>38,083</b>
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	98,000	87,806	185,806	172,284	13,522
General supplies	10,000	4,985	14,985	13,142	1,843
Other objects	1,000	1,318	2,318	1,924	394
<b>Total</b>	<b>109,000</b>	<b>94,109</b>	<b>203,109</b>	<b>187,350</b>	<b>15,759</b>
Undistributed expenditures - custodial services					
Salaries	316,521	(185,115)	131,406	104,175	27,231
Unused vacation payment to terminated/retired staff	23,819	-	23,819	12,346	11,473
Purchased professional and technical services	51,100	11,021	62,121	50,027	12,094
Cleaning, repair, and maintenance service	14,000	141,341	155,341	153,941	1,400
Other purchased property services	2,600	(2,000)	600	117	483
Insurance	44,000	-	44,000	43,758	242
Miscellaneous purchased services	600	-	600	540	60
General supplies	40,500	(2,058)	38,442	23,763	14,679
Energy (electricity)	132,000	(32,792)	99,208	77,012	22,196
Energy (oil)	150,000	(62,839)	87,161	47,838	39,323
Energy (gasoline)	2,300	-	2,300	1,216	1,084
Other objects	2,000	-	2,000	-	2,000
<b>Total</b>	<b>779,440</b>	<b>(132,442)</b>	<b>646,998</b>	<b>514,733</b>	<b>132,265</b>

See independent auditors' report.



**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - Care and upkeep of grounds					
Salaries	\$ 8,000	\$ -	\$ 8,000	\$ 4,434	\$ 3,566
Purchased professional and technical services	10,000	5,000	15,000	12,776	2,224
Total	<u>18,000</u>	<u>5,000</u>	<u>23,000</u>	<u>17,210</u>	<u>5,790</u>
Undistributed expenditures - security					
Purchased professional and technical services	8,500	-	8,500	8,440	60
General supplies	2,000	-	2,000	249	1,751
Total	<u>10,500</u>	<u>-</u>	<u>10,500</u>	<u>8,689</u>	<u>1,811</u>
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	24,466	-	24,466	23,433	1,033
Unused vacation payment to terminated/retired staff	21,371	(18,109)	3,262	3,262	-
Management fee - esc & ctsa trans. program	500	-	500	-	500
Contr service (oth. than between home & school) - vend	11,000	(1,116)	9,884	6,961	2,923
Contr service (between home & school) - joint agreements	348,500	(40,074)	308,426	308,426	-
Contract service (sp ed stds) - joint agreements	90,000	54,109	144,109	144,109	-
Total	<u>495,837</u>	<u>(5,190)</u>	<u>490,647</u>	<u>486,191</u>	<u>4,456</u>
Unallocated benefits - employee benefits					
Social Security Contributions	95,000	-	95,000	81,226	13,774
Other retirement contributions - PERS	85,000	9,784	94,784	94,784	-
Workmen's compensation	50,000	(3,648)	46,352	39,646	6,706
Health benefits	1,522,775	(54,048)	1,468,727	1,263,453	205,274
Tuition reimbursement	20,000	-	20,000	20,000	-
Other employee benefits	81,810	(18,064)	63,746	51,635	12,111
Unused sick payment to terminated/retired staff	-	39,971	39,971	36,970	3,001
Total	<u>1,854,585</u>	<u>(26,005)</u>	<u>1,828,580</u>	<u>1,587,714</u>	<u>240,866</u>
On-behalf TPAF Pension Contribution	-	-	-	562,679	(562,679)
On-behalf TPAF Post Retirement Medical Benefits	-	-	-	468,840	(468,840)
On-behalf TPAF Long Term Disability Insurance	-	-	-	1,305	(1,305)
Reimbursed TPAF Social Security Contribution	-	-	-	342,547	(342,547)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,375,371</u>	<u>(1,375,371)</u>
Total undistributed expenditures	<u>\$ 5,753,796</u>	<u>\$ 25,322</u>	<u>\$ 5,779,118</u>	<u>\$ 6,618,021</u>	<u>\$ (838,903)</u>
Total current	<u>\$ 9,842,448</u>	<u>\$ 133,249</u>	<u>\$ 9,975,697</u>	<u>\$ 10,660,642</u>	<u>\$ (684,945)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ -	\$ 55,854	\$ 55,854	\$ 27,927	\$ 27,927
Total equipment	<u>-</u>	<u>55,854</u>	<u>55,854</u>	<u>27,927</u>	<u>27,927</u>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities acquisition and construction service					
Legal services	\$ -	\$ 2,220	\$ 2,220	\$ -	\$ 2,220
Architectural/engineering services	-	42,700	42,700	20,709	21,991
Other purchased professional and technology services	-	19,500	19,500	-	19,500
Construction services	-	66,830	66,830	-	66,830
Supplies and materials	-	58,500	58,500	-	58,500
Infrastructure	-	7,500	7,500	-	7,500
Other objects	-	13,650	13,650	66	13,584
Assessment for debt service on SDA funding	21,988	-	21,988	21,988	-
Total facilities acquisition and construction service	<u>21,988</u>	<u>210,900</u>	<u>232,888</u>	<u>42,763</u>	<u>190,125</u>
 Total capital outlay	 <u>\$ 21,988</u>	 <u>\$ 266,754</u>	 <u>\$ 288,742</u>	 <u>\$ 70,690</u>	 <u>\$ 218,052</u>
 Total expenditures	 <u>\$ 9,864,436</u>	 <u>\$ 400,003</u>	 <u>\$ 10,264,439</u>	 <u>\$ 10,731,332</u>	 <u>\$ (466,893)</u>
 Excess (deficiency) of revenues over (under) expenditures	 \$ (52,555)	 \$ (400,003)	 \$ (452,558)	 \$ 703,456	 \$ 1,156,014
 Other financing sources (uses)					
Operating transfer in					
Transfers from other funds	-	-	-	33,730	33,730
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,730</u>	<u>33,730</u>
 Excess (deficiency) of revenues & other financing sources					
Over (under) expenditures & other financing uses	(52,555)	(400,003)	(452,558)	737,186	1,189,744
 Fund balances, July 1	 <u>1,569,875</u>	 <u>-</u>	 <u>1,569,875</u>	 <u>1,569,875</u>	 <u>-</u>
 Fund balances, June 30	 <u>\$ 1,517,320</u>	 <u>\$ (400,003)</u>	 <u>\$ 1,117,317</u>	 <u>\$ 2,307,061</u>	 <u>\$ 1,189,744</u>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2017**

	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	\$ (52,555)	\$ -	\$ (52,555)	\$ (52,555)	\$ -
Increase in capital reserve	-	250,000	250,000	449,664	199,664
Interest deposit to capital reserve	-	-	-	1,970	1,970
Withdrawal from capital reserve	-	(210,900)	(210,900)	(210,900)	-
Increase in emergency reserve	-	250,000	250,000	250,000	-
Increase in maintenance reserve	-	129,368	129,368	129,368	-
Budgeted fund balance	-	(818,471)	(818,471)	169,639	988,110
<b>Total</b>	<b>\$ (52,555)</b>	<b>\$ (400,003)</b>	<b>\$ (452,558)</b>	<b>\$ 737,186</b>	<b>\$ 1,189,744</b>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 74,898	
Excess surplus - current year				22,225	
Capital reserve				741,893	
Maintenance reserve				631,528	
Emergency reserve				250,000	
Committed fund balance					
Year-end encumbrances				156,810	
Unassigned fund balance				429,707	
 Fund balance per budgetary basis				 2,307,061	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(164,141)	
 Fund balance per governmental funds (GAAP)				 <u>\$ 2,142,920</u>	

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 189,690	\$ -	\$ 189,690	\$ 189,690	\$ -
Total revenues	<u>\$ 189,690</u>	<u>\$ -</u>	<u>\$ 189,690</u>	<u>\$ 189,690</u>	<u>\$ -</u>
Expenditures					
Instruction					
Salaries for teachers	\$ -	\$ 697	\$ 697	\$ 697	\$ -
Other salaries for instruction	114,436	-	114,436	114,436	-
Totals	<u>114,436</u>	<u>697</u>	<u>115,133</u>	<u>115,133</u>	<u>-</u>
Support services					
Purchased professional & technical services	26,496	(697)	25,799	25,799	-
Other purchased services	6,147	1,497	7,644	7,644	-
General supplies	42,611	(22,992)	19,619	19,619	-
Total	<u>75,254</u>	<u>(22,192)</u>	<u>53,062</u>	<u>53,062</u>	<u>-</u>
Facility acquisition and construction services					
Instructional equipment	-	21,495	21,495	21,495	-
Total expenditures	<u>\$ 189,690</u>	<u>\$ -</u>	<u>\$ 189,690</u>	<u>\$ 189,690</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	\$ 11,434,788	\$ 189,690
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Outstanding encumbrances - current year	-	(10,648)
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>(164,141)</u>	<u>-</u>
Total revenues (GAAP basis)	<u>\$ 11,429,236</u>	<u>\$ 179,042</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,731,332	\$ 189,690
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		
Outstanding encumbrances - current year	<u>-</u>	<u>(10,648)</u>
Total expenditures (GAAP basis)	<u>\$ 10,731,332</u>	<u>\$ 179,042</u>

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.0103084728%	0.0102379602%	0.0102186407%	0.0085807236%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 3,053,074	\$ 2,298,217	\$ 1,913,209	\$ 1,639,947	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 556,121	718,616	674,582	696,348	734,072	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	424.85%	340.69%	274.75%	223.40%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information Not Available

See independent auditors' report.



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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 92,285	\$ 88,019	\$ 84,241	\$ 64,654	\$ 72,043	\$ 75,138	\$ 71,123	\$ 68,863	\$ 63,033	\$ 55,359
Contributions in relation to the contractually required contribution	(92,285)	(88,019)	(84,241)	(64,654)	(72,043)	(75,138)	(71,123)	(68,863)	(63,033)	(55,359)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 566,121	\$ 718,616	\$ 674,582	\$ 696,348	\$ 734,072	\$ 573,175	\$ 627,166	\$ 646,193	\$ 643,877	\$ 765,488
Contributions as a percentage of covered employee payroll	16.30%	12.25%	12.49%	9.28%	9.81%	13.11%	11.34%	10.66%	9.79%	7.23%

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**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	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
State's proportionate share of the net pension liability (asset) associated with the District	\$ -	\$ 39,402,577	\$ 32,194,819	\$ 27,224,093	\$ 26,394,040	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 39,402,577</b>	<b>\$ 32,194,819</b>	<b>\$ 27,224,093</b>	<b>\$ 26,394,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
District's covered employee payroll	\$ 4,848,713	\$ 5,012,668	\$ 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%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information Not Available

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 562,679	\$ 401,026	\$ 275,388	\$ 215,483	\$ 337,453	\$ 163,593	\$ 15,194	\$ 16,051	\$ 15,989	\$ 429,526
Contributions in relation to the contractually required contribution	(562,679)	(401,026)	(275,388)	(215,483)	(337,453)	(163,593)	(15,194)	(16,051)	(15,989)	(429,526)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 4,848,713	\$ 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
Contributions as a percentage of covered employee payroll	11.60%	8.00%	5.49%	4.26%	6.74%	3.32%	0.31%	0.31%	0.33%	9.53%

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2017**

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.

Note 2 - Changes in assumptions - TPAF

The discount rate decreased from 4.13% in State fiscal year 2015 to 3.22% in State fiscal year 2016. The inflation rate was 2.50% for State fiscal years 2015 and 2016.

Note 3 - Changes in assumptions - PERS

The discount rate decreased from 4.90% in State fiscal year 2015 to 3.98% in State fiscal year 2016. The inflation rate increased from 3.04% for State fiscal year 2015 to 3.08% for State fiscal year 2016.

## **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, 2017**

	<u>NCLB Title IA</u>	<u>NCLB Title IIA</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>REAP</u>	<u>Total</u>
<b>Revenues</b>						
Federal sources	\$ 15,728	\$ 7,768	\$109,389	\$ 5,047	\$ 51,758	\$ 189,690
Total revenues	<u>\$ 15,728</u>	<u>\$ 7,768</u>	<u>\$109,389</u>	<u>\$ 5,047</u>	<u>\$ 51,758</u>	<u>\$ 189,690</u>
<b>Expenditures</b>						
<b>Instruction</b>						
Salaries for teachers	\$ -	\$ 697	\$ -	\$ -	\$ -	\$ 697
Other salaries for instruction	-	-	109,389	5,047	-	114,436
Total	<u>-</u>	<u>697</u>	<u>109,389</u>	<u>5,047</u>	<u>-</u>	<u>115,133</u>
<b>Support services</b>						
Purchased professional & technical services	15,728	7,071	-	-	3,000	25,799
Other purchased services	-	-	-	-	7,644	7,644
General supplies	-	-	-	-	19,619	19,619
Total	<u>15,728</u>	<u>7,071</u>	<u>-</u>	<u>-</u>	<u>30,263</u>	<u>53,062</u>
<b>Facilities acquisition &amp; construction services</b>						
Instructional equipment	-	-	-	-	21,495	21,495
Total expenditures	<u>\$ 15,728</u>	<u>\$ 7,768</u>	<u>\$109,389</u>	<u>\$ 5,047</u>	<u>\$ 51,758</u>	<u>\$ 189,690</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, 2017**

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/17
			Prior Years	Current Year	
Modify entrance to provide security vestibule at the Lester D Wilson School	4/10/14	\$ 100,928	\$ 67,198	\$ -	\$ 33,730
		<u>\$ 100,928</u>	<u>\$ 67,198</u>	<u>\$ -</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, 2017**

Expenditures and other financing uses	
Transfer to general fund - capital reserve	\$ 33,730
Total expenditures	33,730
Excess (deficiency) of revenues over (under) expenditures	(33,730)
Fund balance - beginning	33,730
Fund balance - ending	\$ -

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, 2017**

	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	33,025	-	33,025	33,025
Total revenues	<u>100,928</u>	<u>-</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	64,872	-	64,872	64,872
Other purchased services	309	-	309	309
Transfers to general fund - capital reserve	-	33,730	33,730	33,730
Total expenditures	<u>67,198</u>	<u>33,730</u>	<u>100,928</u>	<u>100,928</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 33,730</u>	<u>\$ (33,730)</u>	<u>\$ -</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
Increase in authorized costs	\$ 12,028
Revised authorized cost	\$ 100,928
Percentage completion	100%

See independent auditors' report.

## **PROPRIETARY FUND**

### **DETAIL STATEMENTS**

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

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Food Service Enterprise Fund**  
**Statement of Net Position**  
**June 30, 2017**

**ASSETS**

## Current assets

Cash & cash equivalents	\$ 14,927
Receivables from other governments	
State	68
Federal	1,184
Inventory	3,147
Total current assets	<u>19,326</u>

## Noncurrent assets

Capital assets	141,691
Less: accumulated depreciation	<u>82,451</u>
Total noncurrent assets	<u>59,240</u>

Total assets	<u>78,566</u>
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**LIABILITIES**

## Current liabilities

Accounts payable	5,155
Unearned revenues - commodities	2,183
Unearned revenues - prepaid sales	2,924
Total liabilities	<u>10,262</u>

**NET POSITION**

Net investment in capital assets	59,240
Unrestricted	<u>9,064</u>

<b>TOTAL NET POSITION</b>	<u><u>\$ 68,304</u></u>
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See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Food Service Enterprise Fund**  
**Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 59,436
Daily sales - non-reimbursable programs	29,075
Total operating revenues	<u>88,511</u>
Operating expenses	
Cost of sales - reimbursable programs	37,169
Cost of sales - non-reimbursable programs	8,674
Commodity food costs	11,184
Salaries	36,375
Employee benefits	7,579
Purchased property services	511
Insurance	922
Management fee	7,455
Other purchased services	3,825
Supplies and materials	234
Depreciation	7,985
Total operating expenses	<u>121,913</u>
Operating income (loss)	<u>(33,402)</u>
Non-operating revenues (expenses)	
State sources	
State School Lunch Program	958
Federal sources	
National School Lunch Program	
Cash assistance	16,751
Non-cash assistance (commodities)	11,184
Interest earned on investments	70
Miscellaneous	326
Total non-operating revenues (expenses)	<u>29,289</u>
Change in net position	(4,113)
Net position, beginning	<u>72,417</u>
Net position, ending	<u>\$ 68,304</u>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Food Service Enterprise Fund**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2017**

Cash flows from operating activities	
Receipts from customers (net)	\$ 88,639
Payments to Food Service Management Company	(96,052)
Payments to vendors (net)	<u>(1,271)</u>
Net cash provided by (used for) operating activities	<u>(8,684)</u>
 Cash flows from noncapital financing activities	
State sources	948
Federal sources	16,573
Miscellaneous	<u>326</u>
Net cash provided by (used for) noncapital financing activities	<u>17,847</u>
 Cash flows from investing activities	
Interest earned on investments	<u>70</u>
Net cash provided by (used for) investing activities	<u>70</u>
 Net increase (decrease) in cash and cash equivalents	9,233
 Cash and cash equivalents, beginning	<u>5,694</u>
Cash and cash equivalents, ending	<u><u>\$ 14,927</u></u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (33,402)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	7,985
Federal Food Donation Program	11,184
(Increase) decrease in inventory	1,397
Increase (decrease) in accounts payable	5,155
Increase (decrease) in unearned revenues	<u>(1,003)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (8,684)</u></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**  
**Fiduciary Funds**  
**Combining Statement of Net Position**  
**June 30, 2017**

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 29,767	\$ 50,513	\$ 11,330	\$ 91,610
<b>Total assets</b>	<b>\$ 29,767</b>	<b>\$ 50,513</b>	<b>\$ 11,330</b>	<b>\$ 91,610</b>
 <b>Liabilities</b>				
Due to students groups	\$ -	\$ 50,513	\$ -	\$ 50,513
Payroll deductions & withholdings	-	-	11,330	11,330
<b>Total liabilities</b>	-	50,513	11,330	61,843
 <b>Net position</b>				
Held in trust for unemployment claims & other purposes	\$ 29,767	\$ -	\$ -	\$ 29,767

See independent auditors' report.



**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2017**

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 8,750
Investment earnings - interest	145
Total additions	8,895
 Deductions	
Unemployment claims	17,097
 Change in net position	(8,202)
 Net position - beginning of the year	37,969
 Net position - end of the year	\$ 29,767

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Student Activity Agency Fund Statement of Receipts & Disbursements**  
**For the Fiscal Year Ended June 30, 2017**

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
<b>Assets</b>				
Cash and cash equivalents	\$ 49,381	\$ 123,788	\$ 122,656	\$ 50,513
<b>Total assets</b>	<b>\$ 49,381</b>	<b>\$ 123,788</b>	<b>\$ 122,656</b>	<b>\$ 50,513</b>
<b>Liabilities</b>				
Due to student groups				
Alexandria Middle School	\$ 41,106	\$ 112,250	\$ 110,431	\$ 42,925
Lester D Wilson School	8,275	11,538	12,225	7,588
<b>Total liabilities</b>	<b>\$ 49,381</b>	<b>\$ 123,788</b>	<b>\$ 122,656</b>	<b>\$ 50,513</b>

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Payroll Agency Fund Statement of Receipts & Disbursements**  
**For the Fiscal Year Ended June 30, 2017**

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
<b>Assets</b>				
Cash and cash equivalents	\$ 12,747	\$ 6,433,481	\$ 6,434,898	\$ 11,330
<b>Total assets</b>	<b>\$ 12,747</b>	<b>\$ 6,433,481</b>	<b>\$ 6,434,898</b>	<b>\$ 11,330</b>
<b>Liabilities</b>				
Due to other funds	\$ 66	\$ 8,750	\$ 8,816	\$ -
Payroll deductions and withholdings	11,685	3,035,632	3,036,214	11,103
Net payroll	996	3,389,099	3,389,868	227
<b>Total liabilities</b>	<b>\$ 12,747</b>	<b>\$ 6,433,481</b>	<b>\$ 6,434,898</b>	<b>\$ 11,330</b>

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, 2017**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 7/1/16	Issued	Retired	Balance 6/30/17
			Date	Amount					
Refunding School Bonds of 2011	03/15/11	\$ 2,450,000	07/15/17	\$ 455,000	4.00%	\$ 885,000	\$ -	\$ 430,000	\$ 455,000
						<u>\$ 885,000</u>	<u>\$ -</u>	<u>\$ 430,000</u>	<u>\$ 455,000</u>

See independent auditor's report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local sources					
Local tax levy	\$ 456,800	\$ -	\$ 456,800	\$ 456,800	\$ -
Total revenues	<u>456,800</u>	<u>-</u>	<u>456,800</u>	<u>456,800</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular debt service					
Redemption of principal	430,000	-	430,000	430,000	-
Interest	26,800	-	26,800	26,800	-
Total expenditures	<u>456,800</u>	<u>-</u>	<u>456,800</u>	<u>456,800</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**

Contents	Page
<b>FINANCIAL TRENDS</b>	
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
<b>REVENUE CAPACITY</b>	
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
<b>DEBT CAPACITY</b>	
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
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
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
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.	

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Government activities</b>										
Net investment in capital assets	\$ 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	\$ 8,171,361
Restricted	547,442	90,609	(49)	216,654	238,091	399,981	454,913	561,672	1,037,049	1,623,421
Unrestricted	165,640	(48,510)	(60,029)	46,270	39,044	(63,916)	(1,551,742)	(1,628,755)	(1,607,964)	(1,630,675)
Total governmental activities net assets	<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>	<u>\$ 8,164,107</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 9,037	\$ 7,188	\$ 5,879	\$ 47,827	\$ 51,611	\$ 68,991	\$ 61,723	\$ 54,457	\$ 67,225	\$ 59,240
Unrestricted	4,677	1,185	904	4,207	573	1,374	3,546	18,630	5,192	9,064
Total business-type activities	<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>	<u>\$ 68,304</u>
<b>District-wide</b>										
Net investment in capital assets	\$ 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	\$ 8,230,601
Restricted	547,442	90,609	(49)	216,654	238,091	399,981	454,913	561,672	1,037,049	1,623,421
Unrestricted	170,317	(47,325)	(59,125)	50,477	39,617	(62,542)	(1,548,196)	(1,610,125)	(1,602,772)	(1,621,611)
Total district-wide	<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>	<u>\$ 8,232,411</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 6,145,127
Special education	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	2,067,323
Other special education	30,656	98,714	71,827	48,627	253,603	215,178	51,003	38,431	30,549	5,504
Other instruction	68,567	75,589	72,989	51,285	59,418	69,916	110,865	90,308	140,512	156,690
Support services										
Tuition	222,635	94,794	89,070	16,400	48,400	16,810	54,240	15,910	111,171	209,736
Student & instruction related services	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	2,898,544
General & business administrative services	645,922	696,074	675,936	724,906	730,177	694,724	700,417	1,056,653	818,149	940,786
School administration	416,900	411,842	418,987	418,778	432,326	446,206	452,038	453,372	458,964	556,560
Plant operations & maintenance	935,556	891,761	883,064	826,757	900,618	916,043	893,769	952,788	998,447	808,156
Pupil transportation	613,766	590,391	483,088	428,720	453,349	438,223	410,871	431,754	467,777	500,275
Interest on long-term debt	179,781	176,716	153,579	127,760	89,603	69,122	90,269	49,849	58,080	40,905
Total governmental activities expenses	<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>	<u>14,329,606</u>
Business-type activities										
Food services	156,949	157,756	155,533	147,046	139,171	134,197	126,623	114,333	124,081	121,913
Total business-type activities	<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>	<u>121,913</u>
Total district expenses	<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>	<u>\$ 14,451,519</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ -	\$ -	\$ -	\$ 85,100	\$ 93,109	\$ 207,069	\$ 162,224	\$ 91,559	\$ 114,956	\$ 142,533
Other instruction	-	-	-	1,505	-	1,980	-	-	-	1,470
Student & instruction related services	-	-	-	-	-	2,625	-	-	-	-
General and business administration	-	-	-	-	-	-	-	-	-	65,000
Plant operations & maintenance	-	15,508	6,878	7,240	-	13,040	-	5,245	5,440	4,140
Pupil transportation services	-	-	-	-	-	-	8,983	-	-	-
Operating grants & contributions	137,140	161,578	183,078	223,490	226,555	239,130	200,688	188,093	195,567	179,042
Capital grants & contributions	-	-	43,520	-	-	-	-	-	(2,535)	-
Total governmental activities program revenues	<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>	<u>392,185</u>
Business-type activities										
Charges for services										
Food service	146,018	147,347	145,405	134,212	104,486	102,113	96,083	93,145	92,775	88,511
Operating grants & contributions	2,147	-	-	-	25,734	27,918	25,066	28,952	30,590	28,893
Total business-type activities program revenues	<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>	<u>117,404</u>
Total district-program revenues	<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>	<u>\$ 509,589</u>
Net (expense) revenues										
Governmental activities	\$ (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)	\$ (13,937,421)
Business-type activities	(8,784)	(10,409)	(10,128)	(12,834)	(8,951)	(4,166)	(5,474)	7,764	(716)	(4,509)
Total district-wide net expenses	<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>	<u>\$ (13,941,930)</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 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	\$ 8,044,564
Taxes levied for debt service	405,687	555,492	564,723	598,987	386,289	484,379	427,242	454,900	458,700	456,800
Unrestricted grants & contributions	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	6,173,398
Tuition received	19,757	49,348	-	-	-	-	-	-	-	-
Investment earnings	107,049	36,691	16,174	8,945	12,302	6,389	6,534	9,821	9,106	14,227
Miscellaneous income	6,107	4,711	10,082	245	26,007	3,676	31,783	3,225	143,638	43,176
Special item - payment to refunding bond agent	-	-	-	(52,183)	-	-	-	-	-	-
Operating transfers	-	(5,000)	(7,000)	(58,044)	(9,030)	(22,308)	-	-	-	-
Total governmental activities	<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>	<u>14,732,165</u>
Business-type activities										
Investment earnings	324	68	46	41	71	39	40	54	46	70
Miscellaneous income	-	-	1,492	-	-	-	338	-	-	326
Operating transfers	-	5,000	7,000	58,044	9,030	22,308	-	-	-	-
Total business-type activities	<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>	<u>396</u>
Total district-wide	<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>	<u>\$ 14,732,561</u>
Change in net position										
Governmental activities	\$ 136,848	\$ 1,459	\$ 115,585	\$ 506,066	\$ 94,456	\$ 146,544	\$ 166,221	\$ 142,532	\$ 635,994	\$ 794,744
Business-type activities	(8,460)	(5,341)	(1,590)	45,251	150	18,181	(5,096)	7,818	(670)	(4,113)
Total district	<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>	<u>\$ 790,631</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Restricted	\$ 474,440	\$ 519,203	\$ 397,940	\$ 266,664	\$ 290,778	\$ 426,251	\$ 419,442	\$ 525,234	\$ 1,078,217	\$ 1,720,544
Committed	143,389	63,384	54,152	125,614	153,965	58,575	108,093	55,102	52,555	156,810
Unassigned	193,739	105,513	108,055	214,023	244,741	149,658	200,315	230,946	280,514	265,566
Total general fund	<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>	<u>\$ 2,142,920</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ 82,310	\$ (394,688)	\$ (357,000)	\$ -	\$ -	\$ -	\$ 53,305	\$ 59,365	\$ 33,730	\$ -
Assigned, reporting in										
Debt service fund	<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>	<u>-</u>
Total all other governmental funds	<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>	<u>\$ -</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Tax levy	\$ 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	\$ 8,501,364
Tuition charges	19,757	52,348	-	85,100	93,109	207,069	154,083	91,559	108,292	134,133
Interest earnings	107,049	36,691	16,174	8,945	12,302	6,389	6,534	9,821	9,106	14,227
Miscellaneous	6,107	20,219	16,960	8,990	26,007	21,321	16,230	8,470	124,281	23,469
State sources	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	3,212,843
Federal sources	136,366	161,578	421,756	223,490	288,877	239,130	200,688	188,093	195,567	179,042
<b>Total revenues</b>	<b>10,159,015</b>	<b>10,179,631</b>	<b>10,306,675</b>	<b>10,495,286</b>	<b>10,796,088</b>	<b>11,121,314</b>	<b>10,990,882</b>	<b>11,221,634</b>	<b>11,724,028</b>	<b>12,065,078</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	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	2,995,211
Special education instruction	928,020	845,228	969,669	813,377	901,669	886,396	900,132	914,083	981,643	906,565
Other special instruction	22,342	58,234	27,457	27,423	113,691	88,514	38,353	23,033	20,034	3,923
Other instruction	64,937	71,812	69,598	48,688	56,471	66,367	80,839	86,174	96,745	92,078
<b>Support services</b>										
Tuition	217,174	6,399	670	16,400	29,848	16,810	54,240	15,910	111,171	209,736
Student & inst. related services	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	1,447,017
General administration	294,341	323,364	310,792	306,956	287,883	298,952	294,669	576,672	251,801	284,913
School administration services	308,395	303,621	316,708	302,032	305,820	304,325	310,525	285,720	268,026	286,013
Central services	210,633	216,463	223,387	233,626	225,458	234,512	207,538	244,829	238,911	213,084
Plant operations & maintenance	848,939	785,507	779,710	719,174	781,234	809,261	756,490	803,188	823,872	727,982
Pupil transportation	613,766	590,391	483,088	428,676	447,956	433,250	410,871	421,475	467,777	486,191
Employee benefits	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	1,587,714
On-behalf TPAF Pension & Social Security contribution	962,049	680,124	700,513	709,047	861,470	1,088,409	934,817	1,069,504	1,234,057	1,375,371
Capital outlay	53,735	36,823	41,711	35,707	57,245	85,932	14,479	921	-	93,546
Capital projects fund	140,544	629,518	116,312	-	-	-	35	44,063	23,100	-
Special revenue funds	137,140	161,578	226,598	223,490	226,555	239,130	200,688	188,093	195,567	179,042
<b>Debt service</b>										
Principal	310,000	474,000	594,000	807,000	370,000	370,000	385,000	395,000	415,000	430,000
Interest & other charges	164,213	181,863	165,459	137,955	79,230	97,310	95,563	81,888	65,688	48,788
<b>Total expenditures</b>	<b>10,159,856</b>	<b>10,869,740</b>	<b>10,644,689</b>	<b>10,264,191</b>	<b>10,704,404</b>	<b>11,122,677</b>	<b>10,875,544</b>	<b>11,167,702</b>	<b>11,149,659</b>	<b>11,367,174</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over (under) expenditures	\$ (841)	\$ (690,109)	\$ (338,014)	\$ 231,095	\$ 91,684	\$ (1,363)	\$ 115,338	\$ 53,932	\$ 574,369	\$ 697,904
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)	(7,000)	(58,044)	(9,030)	(22,308)	-	-	-	-
Total other financing sources (uses)	(25,000)	70,771	232,000	168,956	(9,030)	(22,308)	-	-	-	-
Net change in fund balances	<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>	<u>\$ 697,904</u>
Debt service as a percentage of non-capital expenditures	5.00%	6.87%	7.81%	10.18%	4.41%	4.42%	4.63%	4.48%	4.52%	4.44%

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Interest income	\$ 107,049	\$ 36,691	\$ 14,048	\$ 8,945	\$ 12,302	\$ 6,389	\$ 6,534	\$ 9,821	\$ 9,106	\$ 14,227
Tuition	19,757	52,348	-	85,100	93,109	207,069	154,083	91,559	108,292	134,133
Book fines	-	-	87	-	39	-	-	-	-	-
Prior year accounts payable cancelled	1,850	1,280	5,039	-	-	1,402	1,176	1,725	57,166	3,169
Miscellaneous refunds	-	-	-	-	-	-	-	-	-	9,095
Prior year refunds	4,174	3,046	78	129	3,711	159	4,149	-	54,816	1,288
Miscellaneous	6	385	114	46	-	38	273	105	1,494	2,850
Donations	-	-	-	70	-	-	-	-	-	415
Premium received on sale of temporary notes	77	-	-	-	-	-	-	-	-	-
Outstanding checks voided	-	-	-	-	5,973	2,077	229	-	-	562
Safety grant	-	-	2,475	-	-	-	-	-	-	1,000
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	3,620
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	1,470
<b>Annual totals</b>	<b>\$ 132,913</b>	<b>\$ 109,258</b>	<b>\$ 30,883</b>	<b>\$ 103,035</b>	<b>\$ 129,696</b>	<b>\$ 234,779</b>	<b>\$ 176,847</b>	<b>\$ 109,850</b>	<b>\$ 241,679</b>	<b>\$ 171,829</b>

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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 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	\$ 8,131,900
Residential	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	576,752,800
Farm regular	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	107,236,400
Qualified farm	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	4,149,679
Commercial	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	18,905,200
Industrial	2,534,800	2,534,800	2,534,800	2,534,800	2,534,800	1,034,800	836,200	836,200	836,200	836,200
Apartment	418,900	418,900	418,900	418,900	418,900	418,900	230,400	230,400	230,400	230,400
Total assessed value	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	716,242,579
Public utilities (a)	1,769,750	1,515,311	1,960,839	2,175,745	2,293,602	2,109,187	178,774	165,764	168,946	168,184
Net valuation taxable	\$ 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	\$ 716,410,763
Estimated actual county equalized value	\$ 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	\$ 782,946,959
Percentage of net valuation to estimated actual county equalized value	89.15%	91.83%	94.07%	97.95%	103.28%	105.38%	92.29%	90.07%	91.99%	91.50%
Total direct school tax rate (b)	\$ 0.91	\$ 0.91	\$ 0.95	\$ 0.93	\$ 0.96	\$ 0.97	\$ 1.14	\$ 1.16	\$ 1.19	\$ 1.21

\*

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	\$ 0.21	\$ 0.37	\$ 2.04		
2009	0.84	0.07	0.91	0.21	0.38	2.07		
2010	0.88	0.07	0.95	0.21	0.36	2.05		
2011	0.88	0.05	0.93	0.21	0.35	2.01		
2012	0.90	0.06	0.96	0.21	0.34	2.08		
2013	0.92	0.05	0.97	0.21	0.34	2.11		
2014	* 1.08	0.06	1.14	0.24	0.40	2.48		
2015	1.10	0.06	1.16	0.24	0.41	2.56		
2016	1.13	0.06	1.19	0.26	0.40	2.56		
2017	1.15	0.06	1.21	0.26	0.41	2.57		

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**

	2017			2008		
	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%	\$ 7,365,400	1	0.90%
Sky Manor Airport Partners LLC	2,598,800	2	0.36%	-	-	-
Columbia Gas Transmission	2,427,300	3	0.34%	2,571,488	3	0.31%
Individual Property Owner	1,532,700	4	0.21%	3,543,100	2	0.43%
Alexandria Airpark LLC	1,251,100	5	0.17%	-	-	-
Manchada Shapiro Rauch LLC	1,209,300	6	0.17%	1,541,000	6	0.19%
Individual Property Owner	1,168,000	7	0.16%	-	-	-
DeSapio Properties #Six Inc.	1,146,600	8	0.16%	-	-	-
Individual Property Owner	1,049,100	9	0.15%	-	-	-
Individual Property Owner	1,047,000	10	0.15%	-	-	-
CP Assignment LTD c/o Burkhardt	-	-	-	1,993,500	4	0.24%
Individual Property Owner	-	-	-	1,686,300	5	0.21%
Saphire Inc. c/o Riverside Jeans	-	-	-	1,486,900	7	0.18%
United Telephone Company of NJ	-	-	-	1,480,129	8	0.18%
Individual Property Owner	-	-	-	1,473,900	9	0.18%
Individual Property Owner	-	-	-	1,359,200	10	0.17%
	<u>\$17,803,500</u>		<u>2.49%</u>	<u>\$24,500,917</u>		<u>3.00%</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
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%
2016	18,344,069	18,122,149	98.79%

Source: District records including the Certificate and Report of School Taxes (A-4F 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				
2008	\$ 3,970,000	\$ -	\$ -	\$ 770,000	\$ -	\$ 4,740,000	1.25%	\$ 923	
2009	3,650,000	-	-	616,000	-	4,266,000	1.16%	829	
2010	3,315,000	-	-	357,000	-	3,672,000	1.05%	750	
2011	2,820,000	-	-	-	-	2,820,000	0.79%	578	
2012	2,450,000	-	-	-	-	2,450,000	0.67%	505	
2013	2,080,000	-	-	-	-	2,080,000	0.57%	430	
2014	1,695,000	-	-	-	-	1,695,000	0.45%	351	
2015	1,300,000	-	-	-	-	1,300,000	0.33%	270	
2016	885,000	-	-	-	-	885,000	N/A	185	
2017	455,000	-	-	-	-	455,000	N/A	N/A	

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.

N/A - Information Is Not Available

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			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	750
2011	2,820,000	-	2,820,000	0.34%	578
2012	2,450,000	-	2,450,000	0.30%	505
2013	2,080,000	-	2,080,000	0.25%	430
2014	1,695,000	-	1,695,000	0.24%	351
2015	1,300,000	-	1,300,000	0.18%	270
2016	885,000	-	885,000	0.12%	185
2017	455,000	-	455,000	0.06%	N/A

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.

N/A Information Is Not Available

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2016**

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 6,404,354	100.00%	\$ 6,404,354
Regional High School	1,585,000	33.54%	531,646
County general obligation debt	75,793,752	3.70%	2,806,712
Subtotal, overlapping debt			9,742,712
School district direct debt			455,000
Total direct and overlapping debt			\$ 10,197,712

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 each overlapping payment.

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2017

		Equalized Valuation Basis
	2016	\$ 780,897,682
	2015	771,907,141
	2014	789,485,044
		\$ 2,342,289,867
Average equalized valuation of taxable property		\$ 780,763,289
Debt limit (3.0% of average equalization value)		(a) 23,422,899
Total net debt applicable to limit		455,000
Legal debt margin		\$ 22,967,899

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$24,406,356	\$23,625,892	\$23,429,382	\$23,358,495	\$ 23,422,899
Total net debt applicable	2,080,000	1,695,000	1,300,000	885,000	455,000
Legal debt margin	\$ 22,326,356	\$ 21,930,892	\$ 22,129,382	\$ 22,473,495	\$ 22,967,899
Total net debt applicable to the limit as a percentage of debt limit	8.52%	7.17%	5.55%	3.79%	1.94%

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 24,994,255	\$26,753,797	\$27,051,970	\$26,408,904	\$ 25,339,953
Total net debt applicable	4,740,000	4,266,000	3,672,000	2,820,000	2,450,000
Legal debt margin	\$ 20,254,255	\$ 22,487,797	\$ 23,379,970	\$ 23,588,904	\$ 22,889,953
Total net debt applicable to the limit as a percentage of debt limit	18.96%	15.95%	13.57%	10.68%	9.67%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 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)
2008	5,134	\$ 378,350,130	\$ 73,695	6.4%
2009	5,145	368,011,560	71,528	11.4%
2010	4,896	348,884,064	71,259	11.7%
2011	4,878	355,250,106	72,827	11.5%
2012	4,850	366,897,650	75,649	11.8%
2013	4,835	364,389,775	75,365	8.0%
2014	4,824	378,621,288	78,487	4.5%
2015	4,811	388,531,549	80,759	4.1%
2016	4,784	N/A	N/A	3.5%
2017	N/A	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.

N/A      Information Is Not Available

See independent auditors' report.



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

2017

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

2008

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>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>	<u>2017</u>
Function/Program										
Instruction										
Regular	46.0	46.1	46.8	45.5	41.7	40.0	44.0	44.0	39.0	37.0
Special education	24.0	19.0	19.0	16.5	16.3	18.0	17.4	19.0	21.0	18.0
Other instruction	0.3	0.4	0.2	0.2	1.0	1.0	3.0	3.0	3.0	2.0
Support services										
Student and instruction related services	10.0	11.6	14.7	14.0	16.6	16.3	16.6	11.0	14.0	15.0
General administration	2.0	2.0	2.0	2.0	1.8	1.8	2.0	2.0	2.0	2.0
School administration services	6.0	6.0	6.0	6.0	5.8	5.8	4.0	4.0	5.0	5.0
Central services	3.0	3.0	3.0	3.0	2.7	2.8	3.0	3.0	3.0	3.0
Plant operations and maintenance	3.0	6.5	6.4	5.8	5.2	5.7	6.0	5.0	5.0	2.0
Total	<u>94.3</u>	<u>94.6</u>	<u>98.1</u>	<u>93.0</u>	<u>91.1</u>	<u>91.4</u>	<u>96.0</u>	<u>91.0</u>	<u>92.0</u>	<u>84.0</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>
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%
2017	453	10,794,840	23,830	1.40%	61.0	1:7.40	484.3	459.2	-1.66%	94.83%

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Alexandria Middle School (1980)										
Square feet	74,106	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	371	377	373	367	352	326	303	291	257	259
Lester D Wilson Elementary School (1900)										
Square feet	36,301	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	262	247	243	222	211	241	222	202	201	195
Number of Schools at June 30, 2017										
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>
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
2017	52,826	134,524	187,350
Total school facilities	<u>\$ 864,681</u>	<u>\$ 348,068</u>	<u>\$ 1,212,749</u>

\* School Facilities as Defined Under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2017**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Property - Blanket Building and Contents (Fund Limit)	\$ 450,000,000	\$ 5,000
Comprehensive General Liability	16,000,000	-
Boiler & Machinery	100,000,000	5,000
Crime Public Employee Dishonesty	500,000	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 - NJSIG		
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.



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**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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2017.

**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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey 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

November 10, 2017  
Flemington, New Jersey





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**Independent Auditors' Report on Compliance for Each Major State Program  
and on Internal Control Over Compliance Required by 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 State Program**

We have audited the Alexandria Township School District's, (the District), compliance with the types of compliance requirements described in the New Jersey OMB Circular Letter 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2017. Alexandria Township School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with laws, regulations, contracts and grants applicable to its state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of State Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for State 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 state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State 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 state programs for the fiscal year ended June 30, 2017.

### **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 state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and 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

November 10, 2017  
Flemington, New Jersey

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards - Schedule A**  
**For the Fiscal Year Ended June 30, 2017**

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period From To	Balance 06/30/16	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment	Balance June 30, 2017		
											of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education														
Special Revenue Fund														
Title I A	84.010A	S010S160030	NCLB-002017	\$ 15,728	07/01/16-06/30/17	\$ -	\$ -	\$ 15,728	\$ 15,728	\$ -	\$ -	\$ -	\$ -	\$ -
Title II A	84.367A	S367A160029	NCLB-002017	7,768	07/01/16-06/30/17	-	-	7,768	7,768	-	-	-	-	-
Small, Rural School Achievement Program	84.358A	S358B160030	S358A16-7757	51,758	07/01/16-06/30/17	-	-	42,861	51,758	-	-	(8,897)	-	-
IDEA Basic	84.027	H027A160100	IDEA-002017	109,389	07/01/16-06/30/17	-	-	109,389	109,389	-	-	-	-	-
IDEA Preschool	84.173	H173S160114	IDEA-002017	5,047	07/01/16-06/30/17	-	-	5,047	5,047	-	-	-	-	-
Total Special Revenue Fund						<u>-</u>	<u>-</u>	<u>180,793</u>	<u>189,690</u>	<u>-</u>	<u>-</u>	<u>(8,897)</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 (commodities)	10.555	1616NJ304N1099	N/A	10,473	07/01/15-06/30/16	3,314	-	-	3,314	-	-	-	-	-
National School Lunch Program non-cash assistance (commodities)	10.555	17NJ304N1099	N/A	10,053	10/01/16-09/30/17	-	-	10,053	7,870	-	-	-	2,183	-
National School Lunch Program cash assistance	10.555	1616NJ304N1099	N/A	18,154	07/01/15-06/30/16	(1,006)	-	1,006	-	-	-	-	-	-
National School Lunch Program cash assistance	10.555	171NJ304N1099	N/A	16,751	10/01/16-09/30/17	-	-	15,567	16,751	-	-	(1,184)	-	-
Total Enterprise Fund						<u>2,308</u>	<u>-</u>	<u>26,626</u>	<u>27,935</u>	<u>-</u>	<u>-</u>	<u>(1,184)</u>	<u>2,183</u>	<u>-</u>
Total Federal Financial Assistance						<u>\$ 2,308</u>	<u>\$ -</u>	<u>\$ 207,419</u>	<u>\$ 217,625</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,081)</u>	<u>\$ 2,183</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, 2017**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2016		Cash Received	Budgetary Expenditure	Adjustments	Balance June 30, 2017			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	17-495-034-5120-089	\$ 335,552	07/01/16-06/30/17	\$ -	\$ -	\$ 302,439	\$ 335,552	\$ -	\$ -	\$ -	\$ -	\$ 33,113	\$ 335,552
Equalization Aid	17-495-034-5120-078	644,612	07/01/16-06/30/17	-	-	581,000	644,612	-	-	-	-	63,612	644,612
Security Aid	17-495-034-5120-084	42,678	07/01/16-06/30/17	-	-	38,466	42,678	-	-	-	-	4,212	42,678
Adjustment Aid	17-495-034-5120-085	41,956	07/01/16-06/30/17	-	-	37,816	41,956	-	-	-	-	4,140	41,956
Transportation Aid	17-495-034-5120-014	253,247	07/01/16-06/30/17	-	-	228,256	253,247	-	-	-	-	24,991	253,247
PARCC Readiness Aid	17-495-034-5120-098	4,750	07/01/16-06/30/17	-	-	4,281	4,750	-	-	-	-	469	4,750
Per Pupil Growth Aid	17-495-034-5120-097	4,750	07/01/16-06/30/17	-	-	4,281	4,750	-	-	-	-	469	4,750
Professional Learning Community Aid	17-495-034-5120-101	4,480	07/01/16-06/30/17	-	-	4,038	4,480	-	-	-	-	442	4,480
School Choice Aid	17-495-034-5120-068	331,292	07/01/16-06/30/17	-	-	298,599	331,292	-	-	-	-	32,693	331,292
Extraordinary Aid	16-495-034-5120-044	181,922	07/01/15-06/30/16	(181,922)	-	181,922	-	-	-	-	-	-	181,922
Extraordinary Aid	17-495-034-5120-044	175,960	07/01/16-06/30/17	-	-	-	175,960	-	(175,960)	-	-	-	175,960
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	17-495-034-5120-014	3,747	07/01/16-06/30/17	-	-	-	3,747	-	(3,747)	-	-	-	3,747
On behalf TPAF Pension Contribution - Teacher's Pension & Annuity Fund	17-495-034-5094-002	543,005	07/01/16-06/30/17	-	-	543,005	543,005	-	-	-	-	-	543,005
On behalf TPAF Pension Contribution - Non-Contributory Insurance	17-495-034-5094-004	19,674	07/01/16-06/30/17	-	-	19,674	19,674	-	-	-	-	-	19,674
On behalf TPAF Pension Contribution - Long-Term Disability Insurance	17-495-034-5094-004	1,305	07/01/16-06/30/17	-	-	1,305	1,305	-	-	-	-	-	1,305
On behalf TPAF Pension Contribution - Post Retirement Medical	17-495-034-5094-001	468,840	07/01/16-06/30/17	-	-	468,840	468,840	-	-	-	-	-	468,840
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	355,521	07/01/15-06/30/16	(17,137)	-	17,137	-	-	-	-	-	-	355,521
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	342,547	07/01/16-06/30/17	-	-	325,491	342,547	-	(17,056)	-	-	-	342,547
Total general fund				(206,240)	-	3,063,731	3,218,395	-	(196,763)	-	-	164,141	3,763,019
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	(33,025)	-	33,025	-	-	-	-	-	-	33,025
Total capital projects fund				(33,025)	-	33,025	-	-	-	-	-	-	33,025
State Department of Agriculture													
Enterprise Fund													
National School Lunch Program (State share)	16-100-010-3350-023	1,037	07/01/15-06/30/16	(58)	-	58	-	-	-	-	-	-	1,037
National School Lunch Program (State share)	17-100-010-3350-023	958	07/01/16-06/30/17	-	-	890	958	-	(68)	-	-	-	958
Total enterprise fund				(58)	-	948	958	-	(68)	-	-	-	1,995
Total state financial assistance				\$ (239,323)	\$ -	\$ 3,097,704	3,219,353	\$ -	\$ (196,831)	\$ -	\$ -	\$ 164,141	\$ 3,798,039
Less: On behalf TPAF Pension System contributions							(1,032,824)						
Total for State financial assistance - major program determination							\$ 2,186,529						

See independent auditors' report.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedule of Expenditures of Federal Awards and State**  
**Financial Assistance**  
**For the Fiscal Year Ended June 30, 2017**

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. This basis of accounting is 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 one or more deferred June State Aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June State Aid payments 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 Special Revenue Fund also recognizes the one or more State Aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$5,552) for the General Fund and (\$10,648) for the Special Revenue Fund. For a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds, see Exhibit C-3.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Notes to the Schedule of Expenditures of Federal Awards and State**  
**Financial Assistance**  
**For the Fiscal Year Ended June 30, 2017**

Note 3 - Relationship of financial statements (continued)  
 Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ -	\$ 3,212,843	\$ 3,212,843
Special Revenue Fund	179,042	-	179,042
Food Project Fund	27,935	958	28,893
Total	\$ 206,977	\$ 3,213,801	\$ 3,420,778

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, 2017. 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, 2017.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs - Section I  
For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

- |  |        |                   |  |
|--|--------|-------------------|--|
| 1. Were material weakness(es) identified?    | __ Yes | <u>X</u> No       |  |
|  |        | None              |  |
| 2. Were significant deficiencies identified? | __ Yes | <u>X</u> reported |  |

Noncompliance material to basic financial statements noted?

\_\_ Yes      X No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

- |  |        |             |  |
|--|--------|-------------|--|
| 1. Were material weakness(es) identified?    | __ Yes | __ No       |  |
|  |        | None        |  |
| 2. Were significant deficiencies identified? | __ Yes | __ reported |  |

What was the type of auditor's report issued on compliance for major programs?

\_\_\_\_\_

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?

\_\_ Yes      \_\_ No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

\_\_\_\_\_

Did the auditee qualify as a low-risk auditee?

\_\_ Yes      \_\_ No



**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs - Section I**  
**For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes    \_\_\_ No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? \_\_\_ Yes    X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? \_\_\_ Yes    X reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? \_\_\_ Yes    X No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
<i>17-495-034-5120-089</i>	<i>State Aid Public Cluster:</i>
<i>17-495-034-5120-078</i>	<i>Special Education Categorical Aid</i>
<i>17-495-034-5120-084</i>	<i>Equalization Aid</i>
<i>17-495-034-5120-068</i>	<i>Security Aid</i>
<i>17-495-034-5120-097</i>	<i>School Choice Aid</i>
<i>17-495-034-5120-098</i>	<i>Per Pupil Growth Aid</i>
<i>17-495-034-5120-101</i>	<i>PARCC Readiness Aid</i>
<i>17-495-034-5120-085</i>	<i>Professional Learning Community Aid</i>
<i>17-495-034-5120-014</i>	<i>Adjustment Aid</i>
<i>17-495-034-5120-085</i>	<i>Transportation Aid</i>
<i>17-495-034-5120-085</i>	<i>Reimbursed TPAF Social Security Contribution Aid</i>

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs - Section II and III  
For the Fiscal Year Ended June 30, 2017**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2017.

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, 2017.

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2017**

Status of Prior Year Findings

There were no prior year findings or questioned costs.