

**ALEXANDRIA TOWNSHIP
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

JUNE 30, 2018

**Responsibility of the Management of
Alexandria Township School District
Hunterdon County, New Jersey**



**ALEXANDRIA TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
Introduction Section (unaudited)	
Letter of Transmittal	1 - 5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 Financial Section	
Independent Auditors' Report	9 - 11
 Required Supplementary Information - Part I	
Management's Discussion and Analysis	12 - 20
 Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	21
A-2 Statement of Activities	22
 B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	23 - 24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	25 - 26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Proprietary Funds	
B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses, and Changes in Net Position	29
B-6 Statement of Cash Flows	30
Fiduciary Funds	
B-7 Statement of Net Position	31
B-8 Statement of Changes in Net Position	32
 Notes to the Financial Statements	33 - 67

**ALEXANDRIA TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (continued)

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	68 - 74
C-1a Combining Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Special Revenue Fund - Budgetary Comparison Schedule	75
Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	76 - 77
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	78
L-2 Schedule of District's Contributions - Public Employees Retirement System	79
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	80
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	81
M. Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability	82
Notes to the Required Supplementary Information - Part III	83

**ALEXANDRIA TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (continued)

	<u>Page</u>
Other Supplementary Information	
D. School Based Budget Schedules	N/A
Combining and Individual Non-Major Fund Financial Statements	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	84
F. Capital Projects Fund	N/A
G. Proprietary Funds	
Enterprise Fund	
G-1 Statement of Net Position	85
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position	86
G-3 Statement of Cash Flows	87
H. Fiduciary Funds	
H-1 Combining Statement of Net Position	88
H-2 Unemployment Compensation Fund Statement of Changes in Net Position	89
H-3 Student Activity Agency Fund Statement of Receipts and Disbursements	90
H-4 Payroll Agency Fund Statement of Receipts and Disbursements	91
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	92
I-2 Schedule of Obligations Under Capital Leases	N/A
I-3 Budgetary Comparison Schedule Debt Service Fund	93
Statistical Section	
J. Statistical Section (Unaudited)	94
J-1 Net Position by Component	95
J-2 Changes in Net Position	96 - 98
J-3 Fund Balances - Governmental Funds	99
J-4 Changes in Fund Balances - Governmental Funds	100 - 101
J-5 General Fund - Other Local Revenues by Source	102

**ALEXANDRIA TOWNSHIP
SCHOOL DISTRICT**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS (continued)

		<u>Page</u>
J.	Statistical Section (Unaudited) (continued)	
	J-6 Assessed Value and Actual Value of Taxable Property	103
	J-7 Direct and Overlapping Property Tax Rates	104
	J-8 Principal Property Taxpayers	105
	J-9 Property Tax Levies and Collections	106
	J-10 Ratios of Outstanding Debt by Type	107
	J-11 Ratios of Net General Bonded Debt Outstanding	108
	J-12 Direct and Overlapping Governmental Activities Debt	109
	J-13 Legal Debt Margin Information	110
	J-14 Demographic and Economic Statistics	111
	J-15 Principal Employers	112
	J-16 Full Time Equivalent District Employees by Function/Program	113
	J-17 Operating Statistics	114
	J-18 School Building Information	115
	J-19 Schedule of Required Maintenance Expenditures by School Facility	116
	J-20 Insurance Schedule	117
Single Audit Section		
K.	Single Audit Section	
	K-1 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	118 - 119
	K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08.	120 - 122
	K-3 Schedule of Expenditures of Federal Awards, Schedule A	123
	K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	124
	K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	125 - 126
	K-6 Schedule of Findings and Questioned Costs - Section I	127 - 128
	K-7 Schedule of Findings and Questioned Costs - Section II and III	129
	K-8 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	129

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

Arthur C. Pfefferle, Sr. Wing

557 County Road 513
Pittstown, New Jersey 08867
(908) 996-6811
FAX (908) 996-3375

Joseph Krouse, Board President
Amy DiPaolo, Board Vice President

Thaddeus Thompson, Business Administrator/
Board Secretary

February 25, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Alexandria Township School District for the fiscal year ending June 30, 2018 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:

- Introduction 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 introduction 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 School District 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, 2018, was 493 students.

B. QUALITY SINGLE ACCOUNTABILITY CONTINUUM (QSAC)

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

These components are:

- Instruction and program;
- Personnel;
- Fiscal Management;
- Operations: and
- Governance.

Pursuant to the requirements of N.J.A.C. 6A:30, the District submitted the QSAC district performance review (DPR) in November 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.

C. 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

D. 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.

E. 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".

F. 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.

G. 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 (GUDPA). GUDPA 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.

H. 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.

I. OTHER INFORMATION

Independent audit - State statutes require an annual audit by an independent certified public accountant or registered municipal accountant. The accounting firm of BKC, CPAs, 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.

J. ACKNOWLEDGEMENTS

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

Respectfully Submitted,

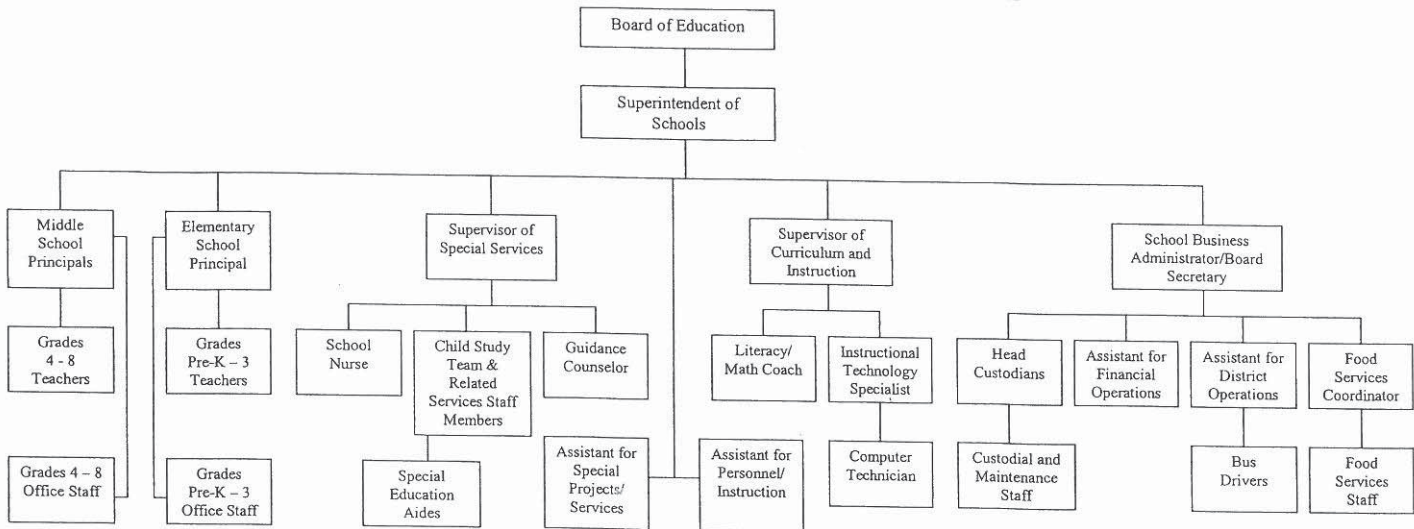


Matthew J. Jennings, Ed. D.
Superintendent

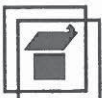


Thaddeus Thompson
Business Administrator/
Board Secretary

1110 ORGANIZATIONAL CHART



Adopted: 25 June 2009



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

**Roster of Officials
June 30, 2018**

Members of the Board of Education

Term Expires

Joseph Krouse , President	2019
Amy DiPaolo, Vice President	2018
Ann Marie Austin	2019
Bart Cocchiola	2020
Elizabeth A. Kelly	2020
Douglas E. Linden, Jr.	2018
Christopher Kassai	2020
Joan M. Monaco	2019
Elizabeth Stochak	2018

Administration

Matthew J. Jennings	Superintendent of Schools
Teresa E. Barna	School Business Administrator
Kelly Morris	Board Secretary
Ellen Kluber	Treasurer

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
557 County Road 513
Pittstown, NJ 08867
June 30, 2018

Consultants & Advisors

AUDIT FIRM

BKC, CPAs, PC
114 Broad Street
Flemington, New Jersey 08822

ARCHITECT

Spiezle Group, Inc.
120 Sanhican Drive
Trenton, New Jersey 08618

ATTORNEY

Adams, Gutierrez & Lattiboudere, LLC
1037 Raymond Blvd.
Suite 900
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

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, 2018, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 opinion.

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, 2018, 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.

Change in Accounting Principle

As discussed in Note 7 to the financial statements, in 2018 the District adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The introduction section, combining and individual fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost 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 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 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 introduction 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 February 25, 2019 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.



BKC, CPAs, PC



Michael Holk, CPA, PSA

February 25, 2019
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
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, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the 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 \$891,262, which represents a 10.83 percent increase from 2017.
- General revenues accounted for \$15,612,809 in revenue or 96.9 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and capital grants accounted for \$499,471 or 3.1 percent to total revenues of \$16,112,280.
- Total assets of governmental activities increased by \$458,677 as cash and cash equivalents increased by \$682,381, receivables decreased by \$154,916 and capital assets decreased by \$68,788.
- The School District had \$15,221,018 in expenses; only \$499,471 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$15,612,809 were adequate to provide for these programs.
- Among major funds, the general fund had \$11,634,073 in revenues and \$10,993,695 in expenditures. After accounting for net transfers out of \$1,260 the General Fund's balance increased \$639,118 over 2017.

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, 2018
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, 2018
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, 2018
Unaudited

Table 1 provides a summary of the District's net position at 06/30/18 with comparisons to 06/30/17.

	Table 1 Net Position		Variance	
	06/30/18	06/30/17	Dollars	%
ASSETS				
Current & other assets	\$ 2,845,107	\$ 2,310,682	\$ 534,425	23.13
Capital assets	8,608,828	8,685,601	(76,773)	(0.88)
Total assets	<u>11,453,935</u>	<u>10,996,283</u>	<u>457,652</u>	4.16
Deferred outflows of resources				
Deferred amount of pension liability	760,749	1,079,035	(318,286)	(29.50)
LIABILITIES				
Long-term liabilities	2,518,772	3,675,867	(1,157,095)	(31.48)
Other liabilities	48,163	167,040	(118,877)	(71.17)
Total liabilities	<u>2,566,935</u>	<u>3,842,907</u>	<u>(1,275,972)</u>	(33.20)
Deferred inflows of resources				
Deferred amount of pension liability	524,076	-	524,076	100.00
NET POSITION				
Net investment in capital assets	8,608,828	8,230,601	378,227	4.60
Restricted	1,894,460	1,623,421	271,039	16.70
Unrestricted	(1,379,615)	(1,621,611)	241,996	(14.92)
Total net position	<u>\$ 9,123,673</u>	<u>\$ 8,232,411</u>	<u>\$ 891,262</u>	10.83

* = 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, 2018
Unaudited

Table 2 provides a summary of the District's changes in net position in June 30, 2018 compared to June 30, 2017.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/18	06/30/17	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 259,638	\$ 301,654	\$ (42,016)	(13.93)
Operating grants	239,833	207,935	31,898	15.34
General revenues				
Property taxes	8,689,590	8,501,364	188,226	2.21
Unrestricted grants	6,860,011	6,173,398	686,613	11.12
Other	63,208	57,799	5,409	9.36
Total revenues	<u>16,112,280</u>	<u>15,242,150</u>	<u>870,130</u>	5.71
Program expenses				
Instruction				
Regular	6,602,259	6,145,127	457,132	7.44
Special	2,446,656	2,067,323	379,333	18.35
Other	298,380	162,194	136,186	83.96
Support services				
Tuition	110,707	209,736	(99,029)	(47.22)
Student & instructional staff	2,960,806	2,898,544	62,262	2.15
General & business				
administration	933,841	940,786	(6,945)	(0.74)
School administration	556,388	556,560	(172)	(0.03)
Maintenance	720,483	808,156	(87,673)	(10.85)
Transportation	438,335	500,275	(61,940)	(12.38)
Food service	131,450	121,913	9,537	7.82
Interest on long-term debt	21,713	40,905	(19,192)	(46.92)
Total expenses	<u>15,221,018</u>	<u>14,451,519</u>	<u>769,499</u>	5.32
Increase (decrease) in net position	<u>\$ 891,262</u>	<u>\$ 790,631</u>	<u>\$ 100,631</u>	12.73

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
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 54.36 percent of revenues for governmental activities for the Alexandria Township School District for the fiscal year 2018. The District's total governmental revenues on a district wide basis were \$16,112,280 for the year ended June 30, 2018.

The total cost of all expenses and services on a district wide basis was \$15,221,018. Of the total expenses, \$15,089,568 were for governmental activities and \$131,450 were for business-type activities.

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 year June 30, 2018 compared to June 30, 2017

Table 3
Cost of Governmental Services

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>06/30/18</u>	<u>06/30/17</u>	<u>06/30/18</u>	<u>06/30/17</u>
Instruction	\$ 9,347,295	\$ 8,374,644	\$ 9,089,210	\$ 8,094,013
Support services				
Tuition	110,707	209,736	110,707	209,736
Student & instructional staff	2,960,806	2,898,544	2,865,364	2,856,130
General & business				
administration	933,841	940,786	923,008	875,786
School administration	556,388	556,560	556,388	556,560
Plant operations & maintenance	720,483	808,156	712,865	804,016
Pupil transportation	438,335	500,275	438,335	500,275
Food service	131,450	121,913	3,957	4,509
Interest on long-term debt	21,713	40,905	21,713	40,905
Total expenses	<u>\$15,221,018</u>	<u>\$14,451,519</u>	<u>\$14,721,547</u>	<u>\$13,941,930</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 administration 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, 2018
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 \$12,305,340 and expenditures were \$11,664,962. After accounting for net transfers out of \$1,260, the net change in fund balance for the year was an increase of \$639,118.

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, 2018
Unaudited

During the course of the 2018 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 2018, the District had \$8,608,828 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 June 30, 2018 compared to June 30, 2017.

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

	06/30/18	06/30/17	Variance	
			Dollars	%
Land	\$ 155,364	\$ 155,364	\$ -	0.00
Construction in progress	134,184	48,702	85,482	175.52
Land improvements	161,209	116,261	44,948	38.66
Buildings & improvements	7,902,363	8,172,913	(270,550)	(3.31)
Furniture & equipment	255,708	192,361	63,347	32.93
Total	\$8,608,828	\$ 8,685,601	\$ (76,773)	(0.88)

* Undefined

Debt and Long-term Liabilities

Table 5 provides a summary of the District's outstanding debt at June 30, 2018 compared to June 30, 2017.

Table 5
Outstanding Debt at Year-end

	06/30/18	06/30/17	Variance	
			Dollars	%
General obligation bonds	\$ -	\$ 455,000	\$ (455,000)	(100.00)
Compensated absences	194,181	166,760	27,421	16.44
PERS net pension liability	2,324,591	3,053,074	(728,483)	(23.86)
Unamortized bond premiums	-	1,033	(1,033)	(100.00)
Total	\$ 2,518,772	\$ 3,675,867	\$ (1,157,095)	(31.48)

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018
Unaudited

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. However, the State legislature is discussing changes to the school funding formula. It is not yet known what the impact of that may be. Recent proposed legislation by the Budget Appropriations Committee projects that Alexandria Township School District could lose over \$700,000 in state aid over a 7-year period.

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 ratables; thus, the burden is focused on homeowners to bear the tax burden.

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

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.

As of June 30, 2018, the Alexandria Township Board of Education has no outstanding bond payments and therefore has no long-term debt.

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

Contacting the School District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 882,514	\$ 20,502	\$ 903,016
Receivables, net	41,847	2,107	43,954
Inventory	-	3,677	3,677
Restricted assets			
Capital reserve account - cash	1,013,895	-	1,013,895
Maintenance reserve account - cash	630,565	-	630,565
Emergency reserve fund - cash	250,000	-	250,000
Capital assets, net			
Land and construction in progress	289,548	-	289,548
Other capital assets, net of depreciation	8,268,025	51,255	8,319,280
Total assets	<u>11,376,394</u>	<u>77,541</u>	<u>11,453,935</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>760,749</u>	<u>-</u>	<u>760,749</u>
Liabilities			
Accounts payable	23,008	6,671	29,679
Unearned revenue	13,775	4,709	18,484
Long-term liabilities			
Due within one year	10,765	-	10,765
Due beyond one year	<u>2,508,007</u>	<u>-</u>	<u>2,508,007</u>
Total liabilities	<u>2,555,555</u>	<u>11,380</u>	<u>2,566,935</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>524,076</u>	<u>-</u>	<u>524,076</u>
Net position			
Net investment in capital assets	8,557,573	51,255	8,608,828
Restricted for			
Capital reserve	1,013,895	-	1,013,895
Maintenance reserve	630,565	-	630,565
Emergency reserve	250,000	-	250,000
Unrestricted	<u>(1,394,521)</u>	<u>14,906</u>	<u>(1,379,615)</u>
Total net position	<u>\$ 9,057,512</u>	<u>\$ 66,161</u>	<u>\$ 9,123,673</u>

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

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	\$ 3,062,470	\$ 3,539,789	\$ 146,360	\$ -	\$ -	\$ (6,455,899)	\$ -	\$ (6,455,899)
Special education	1,103,604	1,343,052	-	111,725	-	(2,334,931)	-	(2,334,931)
Other special instruction	17,520	51,146	-	-	-	(68,666)	-	(68,666)
Other instruction	100,927	128,787	-	-	-	(229,714)	-	(229,714)
Support services								
Tuition	110,707	-	-	-	-	(110,707)	-	(110,707)
Students and instruction related services	1,528,046	1,432,760	-	95,442	-	(2,865,364)	-	(2,865,364)
General and business administration services	500,814	433,027	10,833	-	-	(923,008)	-	(923,008)
School administration services	294,057	262,331	-	-	-	(556,388)	-	(556,388)
Plant operations and maintenance	649,472	71,011	7,618	-	-	(712,865)	-	(712,865)
Pupil transportation	423,933	14,402	-	-	-	(438,335)	-	(438,335)
Interest on long-term debt	21,713	-	-	-	-	(21,713)	-	(21,713)
Total governmental activities	<u>7,813,263</u>	<u>7,276,305</u>	<u>164,811</u>	<u>207,167</u>	<u>-</u>	<u>(14,717,590)</u>	<u>-</u>	<u>(14,717,590)</u>
Business-type activities								
Food service	131,450	-	94,827	32,666	-	-	(3,957)	(3,957)
Total business-type activities	<u>131,450</u>	<u>-</u>	<u>94,827</u>	<u>32,666</u>	<u>-</u>	<u>-</u>	<u>(3,957)</u>	<u>(3,957)</u>
Total primary government	<u>\$ 7,944,713</u>	<u>\$ 7,276,305</u>	<u>\$ 259,638</u>	<u>\$ 239,833</u>	<u>\$ -</u>	<u>(14,717,590)</u>	<u>(3,957)</u>	<u>(14,721,547)</u>
			General revenues, special items & transfers					
			Property taxes levied for general purposes			8,225,490	-	8,225,490
			Property taxes levied for debt service			464,100	-	464,100
			Federal & state aid not restricted			6,860,011	-	6,860,011
			Investment earnings			40,246	235	40,481
			Miscellaneous income			22,408	319	22,727
			Transfers			(1,260)	1,260	-
			Total general revenues & special items			<u>15,610,995</u>	<u>1,814</u>	<u>15,612,809</u>
			Change in net position			893,405	(2,143)	891,262
			Net position - beginning			8,164,107	68,304	8,232,411
			Net position - ending			<u>\$ 9,057,512</u>	<u>\$ 66,161</u>	<u>\$ 9,123,673</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, 2018

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 882,514	\$ -	\$ -	\$ -	\$ 882,514
Due from other funds	16,239	-	-	-	16,239
Receivables from other governments					
State	25,608	-	-	-	25,608
Federal	-	14,853	-	-	14,853
Other accounts receivable	-	1,386	-	-	1,386
Restricted cash and equivalents	1,894,460	-	-	-	1,894,460
Total assets	\$ 2,818,821	\$ 16,239	\$ -	\$ -	\$ 2,835,060
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 16,239	\$ -	\$ -	\$ 16,239
Accounts payable	23,008	-	-	-	23,008
Unearned revenue	13,775	-	-	-	13,775
Total liabilities	36,783	16,239	-	-	53,022

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2018

	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 - designated for subsequent year's expenditures	\$ 22,225	\$ -	\$ -	\$ -	\$ 22,225
Excess surplus	161,158	-	-	-	161,158
Capital reserve account	1,013,895	-	-	-	1,013,895
Maintenance reserve account	630,565	-	-	-	630,565
Emergency reserve account	250,000	-	-	-	250,000
Committed fund balance					
Year-end encumbrances	248,114	-	-	-	248,114
Assigned fund balance					
Designated for subsequent year's expenditures	177,775	-	-	-	177,775
Additional assigned fund balance unreserved - designated for subsequent year's expenditures					
July 1, 2018 - August 1, 2018	165,181	-	-	-	165,181
Unassigned fund balance	113,125	-	-	-	113,125
Total fund balances	<u>2,782,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,782,038</u>
Total liabilities and fund balances	<u>\$ 2,818,821</u>	<u>\$ 16,239</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 \$15,720,181 and the accumulated depreciation is \$7,162,608	8,557,573
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	236,673
Long-term liabilities, including bonds payable are not due and payable in the current period & therefore are not reported as liabilities in the funds.	<u>(2,518,772)</u>
Total net position of governmental activities	<u>\$ 9,057,512</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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 8,225,490	\$ -	\$ -	\$ 464,100	\$ 8,689,590
Tuition - individuals	136,525	-	-	-	136,525
Interest earned on capital reserve funds	6,602	-	-	-	6,602
Interest on investments	33,644	-	-	-	33,644
Rents and royalties	3,620	-	-	-	3,620
Miscellaneous	22,408	7,202	-	-	29,610
Total local sources	<u>8,428,289</u>	<u>7,202</u>	<u>-</u>	<u>464,100</u>	<u>8,899,591</u>
State sources	3,205,784	-	-	-	3,205,784
Federal sources	-	199,965	-	-	199,965
Total revenues	<u>11,634,073</u>	<u>207,167</u>	<u>-</u>	<u>464,100</u>	<u>12,305,340</u>
Expenditures					
Current					
Instructional					
Regular instruction	3,052,635	-	-	-	3,052,635
Special education instruction	991,879	111,725	-	-	1,103,604
Other special instruction	17,520	-	-	-	17,520
Other instruction	100,927	-	-	-	100,927
Support service and undistributed costs					
Tuition	110,707	-	-	-	110,707
Student and instruction related services	1,432,604	95,442	-	-	1,528,046
General and business administrative services	489,981	-	-	-	489,981
School administrative services	294,057	-	-	-	294,057
Plant operations and maintenance	645,474	-	-	-	645,474
Pupil transportation	423,933	-	-	-	423,933
Unallocated benefits	3,157,256	-	-	-	3,157,256

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, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 254,734	\$ -	\$ -	\$ -	\$ 254,734
Debt service					
Principal	-	-	-	455,000	455,000
Interest & other charges	21,988	-	-	9,100	31,088
Total expenditures	<u>10,993,695</u>	<u>207,167</u>	<u>-</u>	<u>464,100</u>	<u>11,664,962</u>
Excess (deficit) of revenues over (under) expenditures	<u>640,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,378</u>
Other financing sources (uses)					
Operating transfers					
Transfers out	<u>(1,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,260)</u>
Total other financing sources (uses)	<u>(1,260)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,260)</u>
Net change in fund balance	639,118	-	-	-	639,118
Fund balances, July 1	<u>2,142,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,142,920</u>
Fund balances, June 30	<u>\$ 2,782,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,782,038</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, 2018

Total net changes in fund balances - governmental fund (from B-2) \$ 639,118

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	\$ 254,734	
Depreciation expense	<u>(323,522)</u>	
		(68,788)

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 Position & are not reported in the Statement of Activities:

Debt principal payments	455,000
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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	1,033
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Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

(113,879)

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.

8,342

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.

(27,421)

Change in net position of governmental activities	<u>\$ 893,405</u>
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See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2018

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 20,502
Receivables from other governments	
State	113
Federal	1,994
Inventory	3,677
Total current assets	<u>26,286</u>
Noncurrent assets	
Capital assets	141,691
Less: accumulated depreciation	<u>90,436</u>
Total noncurrent assets	<u>51,255</u>
Total assets	<u>77,541</u>
Liabilities	
Current liabilities	
Accounts payable	6,671
Unearned revenues - commodities	1,276
Unearned revenues - prepaid sales	3,433
Total liabilities	<u>11,380</u>
Net position	
Net investment in capital assets	51,255
Unrestricted	<u>14,906</u>
Total net position	<u><u>\$ 66,161</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, 2018

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 61,313
Daily sales - non-reimbursable programs	33,514
Total operating revenues	94,827
 Operating expenses	
Cost of sales - reimbursable programs	37,152
Cost of sales - non-reimbursable programs	17,018
Commodity food costs	10,727
Salaries	36,451
Employee benefits	7,727
Purchased property services	2,118
Insurance	940
Management fee	7,678
Other purchased services	3,358
Supplies and materials (not included in cost of sales)	296
Depreciation	7,985
Total operating expenses	131,450
 Operating income (loss)	(36,623)
 Non-operating revenues (expenses)	
State sources	
State school lunch program	1,250
Federal sources	
National school lunch program	
Cash assistance	20,689
Non cash assistance (commodities)	10,727
Interest earned on investments	235
Miscellaneous	319
Total non-operating revenues (expenses)	33,220
 Other financing sources (uses)	
Operating transfer in	1,260
 Change in net position	(2,143)
 Net position, beginning	68,304
 Net position, ending	\$ 66,161

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flow
For the Fiscal Year Ended June 30, 2018

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers (net)	\$ 95,337
Payments to Food Service Management Co.	(110,245)
Payments to vendors (net)	(2,415)
Net cash provided by (used for) operating activities	<u>(17,323)</u>
 Cash flows from non-capital financing activities	
State sources	1,205
Federal sources	19,879
Miscellaneous	319
Operating transfer	1,260
Net cash provided by (used for) non-capital financing activities	<u>22,663</u>
 Cash flows from investing activities	
Interest earned on investments	235
Net cash provided by (used for) investing activities	<u>235</u>
 Net increase (decrease) in cash and cash equivalents	5,575
 Cash and cash equivalents, beginning	<u>14,927</u>
 Cash and cash equivalents, ending	<u>\$ 20,502</u>
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (36,623)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	7,985
Federal food donation program	10,727
(Increase) decrease in inventory	(530)
Increase (decrease) in accounts payable	1,516
Increase (decrease) in unearned revenues	(398)
Net cash provided by (used for) operating activities	<u>\$ (17,323)</u>

See accompanying notes to financial statements.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2018

	<u>Unemployment Compensation Fund</u>	<u>Student Activity Agency Fund</u>	<u>Payroll Agency Fund</u>
Assets			
Cash and cash equivalents	\$ 39,421	\$ 61,048	\$ 12,694
Total assets	<u>\$ 39,421</u>	<u>\$ 61,048</u>	<u>\$ 12,694</u>
Liabilities			
Due to student groups	\$ -	\$ 61,048	\$ -
Payroll deductions and withholdings	<u>-</u>	<u>-</u>	<u>12,694</u>
Total liabilities	<u>-</u>	<u>\$ 61,048</u>	<u>\$ 12,694</u>
 Net position	 <u>\$ 39,421</u>		

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, 2018

	<u>Unemployment Compensation Fund</u>
Additions	
Employee contributions	\$ 9,314
Investment earnings - interest	<u>340</u>
Change in net position	9,654
Net position, beginning of the year	<u>29,767</u>
Net position, end of the year	<u><u>\$ 39,421</u></u>

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 Alexandria Township School District (the 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, 2018 of 459 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 Activities) 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 resource's 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
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Fiduciary Fund Types

Trust and Agency Funds - This fund is 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, 2018 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 2017-2018 and 2016-2017 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, 2018.

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. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

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 and cash in banks. As of June 30, 2018, 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.

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, 2018, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC		\$ 250,000
Insured by GUDPA		2,797,741
Total bank balances		\$ 3,047,741

Deposits at June 30, 2018 appear in the financial statements as summarized below:

Cash			\$ 2,910,639
	<u>Ref.</u>		
Unrestricted cash			
Governmental funds, Balance Sheet	B-1	\$	882,514
Enterprise funds, Statement of Net Position	B-4		20,502
Fiduciary funds, Statement of Net Position	B-7		113,163
Restricted cash			
Governmental funds, Balance Sheet	B-1		1,894,460
Total cash		\$	2,910,639

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 155,364	\$ -	\$ -	\$ 155,364
Construction in progress	48,702	141,336	55,854	134,184
Total	<u>204,066</u>	<u>141,336</u>	<u>55,854</u>	<u>289,548</u>
Capital assets, being depreciated				
Land improvements	818,584	64,460	-	883,044
Building & improvements	13,809,112	-	-	13,809,112
Furniture & equipment	734,973	104,792	101,288	738,477
Total	<u>15,362,669</u>	<u>169,252</u>	<u>101,288</u>	<u>15,430,633</u>
Accumulated depreciation				
Land improvements	702,323	19,512	-	721,835
Building & improvements	5,636,199	270,550	-	5,906,749
Furniture & equipment	601,852	33,460	101,288	534,024
Total	<u>6,940,374</u>	<u>323,522</u>	<u>101,288</u>	<u>7,162,608</u>
Total capital assets, being depreciated, net	<u>8,422,295</u>	<u>(154,270)</u>	<u>-</u>	<u>8,268,025</u>
Transfers	<u>-</u>	<u>(55,854)</u>	<u>(55,854)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 8,626,361</u>	<u>\$ (68,788)</u>	<u>\$ -</u>	<u>\$ 8,557,573</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Furniture & equipment	\$ 141,691	\$ -	\$ -	\$ 141,691
Less: accumulated depreciation	82,451	7,985	-	90,436
Business type activities capital assets, net	<u>\$ 59,240</u>	<u>\$ (7,985)</u>	<u>\$ -</u>	<u>\$ 51,255</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	\$ 152,872
Special education	53,941
Other special instruction	838
Other instruction	4,830
Support services	
Student & instruction	72,785
General & business administration	23,450
School administration	14,073
Plant maintenance	733
Total depreciation expense, governmental activities	\$ 323,522

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2018 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 455,000	\$ -	\$ 455,000	\$ -	\$ -
Compensated absences payable	166,760	54,432	27,011	194,181	10,765
PERS net pension liability	3,053,074	-	728,483	2,324,591	-
Unamortized bond premium	1,033	-	1,033	-	-
Total governmental activities long-term liabilities	\$ 3,675,867	\$ 54,432	\$ 1,211,527	\$ 2,518,772	\$ 10,765

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 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, 2018 is \$23,302,308. General obligation debt at June 30, 2018 is \$0, resulting in a legal debt margin of \$23,302,308.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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 TPAF 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 PERS and DCRP are considered cost sharing multiple-employer plans.

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.

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 1, 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)

A. Public employees' retirement systems (PERS)

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.

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2017.

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, 2017. 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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 year 2017, 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 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2017:

	2017
Total pension liability	\$ 4,478,976
Plan fiduciary net position	2,154,385
Net pension liability	\$ 2,324,591

Plan fiduciary net position as a percentage of the total pension liability	48.10%
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The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Components of net pension liability (continued)

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back two years for males and seven years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back one 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 three years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

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 (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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. State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (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, 2017, 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>2017</u>
At current discount rate (5.00%)	\$ 2,324,591
At a 1% lower rate (4.00%)	2,883,812
At a 1% higher rate (6.00%)	1,858,690

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,736	\$ -
Changes of assumptions	468,325	466,608
Net difference between projected and actual earnings on pension plan investments	15,829	-
Changes in proportion and differences between District contributions and proportionate share of contributions	129,349	57,468
District contributions subsequent to the measurement date	92,510	-
Total	\$ 760,749	\$ 524,076

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 ended June 30, 2018, the plan measurement date is June 30, 2017) of \$92,510 will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

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 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, 2017:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred outflows of resources				
Differences between expected and actual experience	\$ 55,002	\$ 16,974	\$ 17,240	\$ 54,736
Changes of Assumptions	612,652	-	144,327	468,325
Difference between projected and actual earnings on pension plan investments	112,775	(99,637)	(2,691)	15,829
Deferred inflows of resources				
Changes of Assumptions	-	(570,762)	(104,154)	(466,608)
Net of deferred outflows	<u>\$ 780,429</u>	<u>\$ (653,425)</u>	<u>\$ 54,722</u>	<u>\$ 72,282</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 Ended June 30,

2018	\$ 54,723
2019	82,579
2020	50,038
2021	(66,551)
2022	(48,507)
Total	<u>\$ 72,282</u>

Pension expense

For the year ended June 30, 2018, the District recognized net pension expense of \$205,683, which represents the District's proportionate share of allocable plan pension expense of \$167,669, plus the net amortization of deferred amounts from changes in proportion of \$38,945, less other adjustments to the net pension liability of \$931. 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 ended June 30, 2017 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	\$	108,426
Interest on total pension liability		196,752
Member contributions		(51,576)
Administrative expense		1,350
Expected investment return net of investment expense		(140,480)
Pension expense related to specific liabilities of individual employers		(1,525)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		40,174
Amortization of expected versus actual experience		17,240
Amortization of projected versus actual investment earnings on pension plan investments		(2,692)
Pension expense	\$	167,669

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.

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 1, 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.

Contributions

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 2017, 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 ended June 30, 2017, the State of New Jersey contributed \$561,733 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 1st 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 ended June 30, 2017 is as follows:

	2017
State's proportionate share of net pension liability	\$ 33,728,476
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	2,336,538
Non-employer contribution	561,733
Allocable proportionate percentage	.0500247286%

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ended June 30, 2017 are as follows:

Service cost	\$ 1,509,573
Interest on total pension liability	1,647,286
Member contributions	(394,148)
Administrative expense	5,943
Expected investment return net of investment expense	(800,942)
Pension expense related to specific liabilities of individual employers	(178)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	360,774
Amortization of expected versus actual experience	26,582
Amortization of projected versus actual investment earnings on pension plan investments	(18,352)
Pension expense	\$ 2,336,538

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, 2017 is as follows:

	2017
Total pension liability	\$ 45,220,227
Plan fiduciary net position	11,491,751
Net pension liability	\$ 33,728,476

Plan fiduciary net position as a percentage of the total pension liability	25.41%
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The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases (based on age)	
2012 - 2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

Preretirement, 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 (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 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>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%

Discount rate

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, 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 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 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, 2017, 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>2017</u>
At current discount rate (4.25%)	\$ 33,728,476
At a 1% lower rate (3.25%)	40,070,487
At a 1% higher rate (5.25%)	28,503,899

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 2018) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

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 ended 2018 was \$1,281.

D. Other pension plan information

During the year ended June 30, 2018, the State of New Jersey contributed \$467,406 to the TPAF for post-retirement medical benefits, \$17,146 for non-contributory insurance premiums, \$892 for long-term disability insurance, and \$706,530 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 \$338,344 during the year ended June 30, 2018 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 Chapter 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. Chapter 103 of PL 2007 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, 2017, there were 112,966 statewide retirees eligible for post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62 of PL 1994. Funding of post-retirement medical premiums are on a pay-as-you-go basis.

The State is also responsible for the cost attributable to Chapter 126 of PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a School District or County College with 25-years of service. In fiscal year 2017, the State paid \$238.9 million toward Chapter 126 of PL 1992 benefits for 20,913 eligible retired members.

GASB Statement No. 75 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 participates in the State Health Benefits Program (SHBP), a 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 employees, 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 or by visiting their website at (www.nj.gov/treasury/pensions).

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

Funding Policy - Post-retirement medical benefits under the plan have been funded on a pay-as-you-go 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.

Total OPEB liability - Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

Total OPEB liability

For purposes of reporting required GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2017 is as follows:

	2017
State's proportionate share of the OPEB liability	\$ 53,639,841,858
District's proportionate share of the State's OPEB liability	22,795,301
Employer pension expense and related revenue	1,317,689
Allocable proportionate percentage	.042496958%

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB liability at June 30, 2016	\$ 24,595,872
Service cost	912,928
Interest cost	719,805
Change of benefit terms	-
Differences between expected and actual experiences	-
Changes of assumptions	(2,924,758)
Member contributions	19,442
Gross benefit payments	(527,988)
Total OPEB liability at June 30, 2017	\$ 22,795,301

There were no changes of the benefit terms from June 30, 2016 to June 30, 2017.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

Total OPEB liability (continued)

The total non-employer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total non-employer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate		2.50%
	TPAF	PERS
	(based on years of service)	(based on age)
Salary increases		
Through 2026	1.55% - 4.55%	2.15% - 4.15%
Thereafter	2.00% - 5.45%	3.15% - 5.15%

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Health care trend assumptions

For pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount rate

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2017, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>Total OPEB Liability (school retirees)</u>	2017
At current discount rate (3.58%)	\$ 22,795,301
At a 1% lower rate (2.58%)	27,059,667
At a 1% higher rate (4.58%)	19,412,765

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

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

<u>Total OPEB Liability (school retirees)</u>	2017
Healthcare cost trend rate	\$ 22,795,301
At a 1% lower rate (1% decrease)	18,746,931
At a 1% higher rate (1% increase)	28,171,488

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the year ended June 30, 2017, the District recognized OPEB expense of \$1,317,689 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

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:

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - Deferred compensation (continued)
 Metropolitan Life
 Equitable Life Assurance
 Waddell and Reed Financial Services

Note 9 - Inventory
 Inventory in the food service fund as of June 30, 2018 consisted of the following:

Food	\$	2,767
Supplies		910
Total	<u>\$</u>	<u>3,677</u>

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.

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.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Risk management (continued)

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
2017 - 2018	\$ -	\$ 340	\$ 9,314	\$ -	\$ 39,421
2016 - 2017	-	145	8,750	17,097	29,767
2015 - 2016	(50,000)	130	9,210	5,318	37,969

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 anytime exceed the local support costs of uncompleted capital projects in its approved LRFP.

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 \$265,400 to their capital reserve account and \$43,000 to their maintenance reserve account by Board Resolution in June 2018 as summarized in the following schedule. The following schedule is a summarization of the legal reserve accounts for the current year:

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Legal reserve accounts

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 741,893	\$ 265,400	\$ 6,602	\$ -	\$ -	\$ 1,013,895
Maintenance	631,528	43,000	-	-	43,963	630,565
Emergency	250,000	-	-	-	-	250,000
Total	<u>\$ 1,623,421</u>	<u>\$ 308,400</u>	<u>\$ 6,602</u>	<u>\$ -</u>	<u>\$ 43,963</u>	<u>\$ 1,894,460</u>

Note 13 - Fund balances

As described in Note 1 (N), Fund Balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2018 is as follows:

	2018
Restricted	
Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 22,225
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.	161,158
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	1,013,895
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).	630,565
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.	248,114
Assigned	
Designated for subsequent year's expenditures	177,775
Additional assigned fund balance unreserved - designated for subsequent year's expenditures July 1, 2018 - August 1, 2018.	165,181
Unassigned	
Undesignated - Represents fund balance which has not been restricted or designated.	275,608
Total fund balance - Budgetary basis (exhibit C-1)	2,944,521
Last state aid payments not recognized on GAAP basis	(162,483)
Total fund balance - GAAP basis (Exhibit B-2)	<u>\$ 2,782,038</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, 2018 is \$161,158.

Note 15 - Recent accounting pronouncements not yet effective

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

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 not expected to have a material impact on the District's financial reporting.

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2018 of \$(1,394,521) 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.

Note 17 - Subsequent events

The District has evaluated subsequent events through February 25, 2019, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 8,225,490	\$ -	\$ 8,225,490	\$ 8,225,490	\$ -
Tuition from individuals	35,290	-	35,290	136,525	101,235
Rents and royalties	-	-	-	3,620	3,620
Unrestricted miscellaneous revenues	-	-	-	50,042	50,042
Interest earned on capital reserve funds	-	-	-	6,602	6,602
Total	8,260,780	-	8,260,780	8,422,279	161,499
State sources					
School choice aid	331,292	-	331,292	331,292	-
Categorical transportation aid	253,247	-	253,247	253,247	-
Extraordinary aid	-	-	-	20,940	20,940
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	(16,472)	25,484	25,484	-
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	-
Lead testing for drinking water	-	-	-	1,355	1,355
Other state aid	-	-	-	4,668	4,668
TPAF pension (on-behalf)	-	-	-	723,676	723,676
TPAF social security (reimbursed)	-	-	-	338,344	338,344
TPAF post retirement benefits	-	-	-	467,406	467,406
TPAF long-term disability insurance	-	-	-	892	892
Total	1,663,317	(16,472)	1,646,845	3,204,126	1,557,281
Total revenues	\$ 9,924,097	\$ (16,472)	\$ 9,907,625	\$ 11,626,405	\$ 1,718,780
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Kindergarten	\$ 160,746	\$ 1,392	\$ 162,138	\$ 161,531	\$ 607
Grades 1-5	1,432,569	69,206	1,501,775	1,501,775	-
Grades 6-8	1,220,461	(148,682)	1,071,779	1,065,795	5,984
Home instruction					
Salaries of teacher	3,800	(2,000)	1,800	508	1,292
Other objects	-	4,650	4,650	2,660	1,990
Regular programs - undistributed instruction					
Purchased technical services	5,000	(5,000)	-	-	-
Other purchased services	106,300	(5,309)	100,991	80,204	20,787
General supplies	280,808	(65,682)	215,126	204,991	10,135
Textbooks	44,883	(4,494)	40,389	34,190	6,199
Other objects	7,500	-	7,500	981	6,519
Total	3,262,067	(155,919)	3,106,148	3,052,635	53,513

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Special education					
Resource room/resource center					
Salaries of teachers	\$ 674,441	\$ 85,516	\$ 759,957	\$ 759,455	\$ 502
General supplies	4,685	-	4,685	1,670	3,015
Total	<u>679,126</u>	<u>85,516</u>	<u>764,642</u>	<u>761,125</u>	<u>3,517</u>
Preschool disabilities - full-time					
Salaries of teachers	144,426	-	144,426	142,399	2,027
Other salaries for instruction	66,301	65,945	132,246	87,340	44,906
Total	<u>210,727</u>	<u>65,945</u>	<u>276,672</u>	<u>229,739</u>	<u>46,933</u>
Home instruction					
Salaries of teachers	1,500	-	1,500	1,015	485
Other purchased services	2,340	(2,340)	-	-	-
Total	<u>3,840</u>	<u>(2,340)</u>	<u>1,500</u>	<u>1,015</u>	<u>485</u>
Total special education	<u>893,693</u>	<u>149,121</u>	<u>1,042,814</u>	<u>991,879</u>	<u>50,935</u>
Basic skills/remedial					
Salaries of teachers	14,000	3,000	17,000	16,520	480
General supplies	2,000	-	2,000	1,000	1,000
Total	<u>16,000</u>	<u>3,000</u>	<u>19,000</u>	<u>17,520</u>	<u>1,480</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	49,572	8,197	57,769	57,769	-
Supplies and materials	5,400	(3,656)	1,744	1,744	-
Other objects	1,625	(255)	1,370	1,370	-
Total	<u>56,597</u>	<u>4,286</u>	<u>60,883</u>	<u>60,883</u>	<u>-</u>
School-sponsored athletics - instruction					
Salaries	29,317	-	29,317	26,868	2,449
Purchased services	6,500	2,500	9,000	7,966	1,034
Supplies and materials	5,000	(500)	4,500	4,422	78
Other objects	1,900	-	1,900	788	1,112
Total	<u>42,717</u>	<u>2,000</u>	<u>44,717</u>	<u>40,044</u>	<u>4,673</u>
Total instruction regular	<u>\$ 4,271,074</u>	<u>\$ 2,488</u>	<u>\$ 4,273,562</u>	<u>\$ 4,162,961</u>	<u>\$ 110,601</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to priv. school for the disabled w/i state	\$ 200,000	\$ 11,602	\$ 211,602	\$ 110,707	\$ 100,895
Total	<u>200,000</u>	<u>11,602</u>	<u>211,602</u>	<u>110,707</u>	<u>100,895</u>
Undistributed expenditures - health services					
Salaries	168,380	4,046	172,426	171,899	527
Purchased professional and technical services	6,500	(260)	6,240	4,707	1,533
Other purchased services	2,000	(888)	1,112	595	517
Supplies and materials	4,015	(780)	3,235	2,359	876
Total	<u>180,895</u>	<u>2,118</u>	<u>183,013</u>	<u>179,560</u>	<u>3,453</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 190,035	\$ -	\$ 190,035	\$ 189,100	\$ 935
Purchased professional - educational services	38,500	(3,157)	35,343	32,586	2,757
Supplies and materials	1,900	-	1,900	1,795	105
Other objects	300	-	300	178	122
Total	230,735	(3,157)	227,578	223,659	3,919
Undistributed expenditures - guidance					
Salaries of other professional staff	63,906	1,213	65,119	65,119	-
Other purchased services	2,550	-	2,550	1,693	857
Supplies and materials	600	-	600	195	405
Total	67,056	1,213	68,269	67,007	1,262
Undistributed expenditures - child study teams					
Salaries of other professional staff	262,970	(1,630)	261,340	257,501	3,839
Salaries of secretarial and clerical assistants	39,941	417	40,358	39,013	1,345
Other purchased professional and technical services	4,000	1,754	5,754	5,208	546
Miscellaneous purchased service	16,800	(169)	16,631	16,160	471
Supplies and materials	2,000	169	2,169	2,010	159
Other objects	1,300	-	1,300	1,189	111
Total	327,011	541	327,552	321,081	6,471
Undistributed expenditures - improvement of inst. service					
Salaries of supervisor of instruction	140,990	-	140,990	140,989	1
Salaries of other professional staff	24,000	145	24,145	24,145	-
Salaries of facilitators, math and literacy coaches	126,932	(28,838)	98,094	72,419	25,675
Other purchased services	2,500	(986)	1,514	579	935
Supplies and materials	-	9,970	9,970	2,986	6,984
Total	294,422	(19,709)	274,713	241,118	33,595
Undistributed expenditures - edu. media service/sch. library					
Salaries	133,272	4,125	137,397	137,397	-
Salaries of technology coordinators	100,989	792	101,781	99,723	2,058
Purchased professional and technical services	130,000	(3,250)	126,750	126,370	380
Other purchased services	8,700	(714)	7,986	7,986	-
Supplies and materials	11,749	1,610	13,359	13,359	-
Other objects	800	(454)	346	149	197
Total	385,510	2,109	387,619	384,984	2,635
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	3,430	7,173	10,603	7,202	3,401
Other purchased services	10,000	1,668	11,668	7,785	3,883
Supplies and materials	3,000	(2,792)	208	208	-
Total	16,430	6,049	22,479	15,195	7,284

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expend. - support service - general admin.					
Salaries	\$ 142,164	\$ 33,449	\$ 175,613	\$ 172,044	\$ 3,569
Legal services	6,000	4,967	10,967	7,758	3,209
Audit fees	18,500	(1,000)	17,500	17,500	-
Other purchased professional services	5,000	(4,958)	42	42	-
Purchased technical services	10,000	(260)	9,740	9,740	-
Communications/telephone	15,000	(1,132)	13,868	8,409	5,459
BOE other purchased services	13,096	(6,316)	6,780	5,428	1,352
Misc purch services	22,500	8,394	30,894	30,894	-
General supplies	10,000	(3,100)	6,900	6,818	82
BOE in-house training/meeting supplies	600	(591)	9	9	-
Judgments against the school district	-	5,008	5,008	5,008	-
Miscellaneous expenditures	3,000	19	3,019	2,720	299
BOE membership dues and fees	5,500	(263)	5,237	5,237	-
Total	251,360	34,217	285,577	271,607	13,970
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	134,366	3,584	137,950	136,024	1,926
Salaries of secretarial and clerical assistants	134,167	877	135,044	135,044	-
Purchased professional and technical services	-	8,332	8,332	8,332	-
Other purchased services	7,345	(2,327)	5,018	4,814	204
Supplies and materials	3,608	986	4,594	4,588	6
Other objects	6,000	(206)	5,794	5,255	539
Total	285,486	11,246	296,732	294,057	2,675
Undistributed expenditures - central services					
Salaries	193,236	(94,097)	99,139	96,729	2,410
Unused vacation payment to terminated/retired staff	-	14,636	14,636	14,636	-
Purchased professional services	5,500	74,562	80,062	79,900	162
Purchased technical services	26,569	-	26,569	23,585	2,984
Miscellaneous purchased services	6,000	(5,008)	992	552	440
Supplies and materials	3,000	-	3,000	2,847	153
Other objects	1,600	(475)	1,125	125	1,000
Total	235,905	(10,382)	225,523	218,374	7,149
Undistributed expend. - required maint. for school facilities					
Cleaning, repair, and maintenance services	139,485	133,237	272,722	92,224	180,498
General supplies	10,000	1,931	11,931	9,697	2,234
Other objects	1,000	(565)	435	435	-
Total	150,485	134,603	285,088	102,356	182,732

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 122,632	\$ (25,532)	\$ 97,100	\$ 94,167	\$ 2,933
Purchased professional and technical services	206,521	(2,242)	204,279	154,538	49,741
Cleaning, repair, and maintenance service	19,000	(12,525)	6,475	6,460	15
Other purchased property services	1,500	160	1,660	1,660	-
Insurance	47,000	-	47,000	47,000	-
Miscellaneous purchased services	600	1,759	2,359	2,309	50
General supplies	47,809	(33,507)	14,302	14,302	-
Energy (electricity)	130,000	(48,508)	81,492	77,855	3,637
Energy (oil)	150,000	(51,225)	98,775	98,775	-
Energy (gasoline)	2,300	(1,049)	1,251	1,251	-
Other objects	2,000	1,464	3,464	3,464	-
Total	729,362	(171,205)	558,157	501,781	56,376
Undistributed expenditures - care and upkeep of grounds					
Salaries	8,000	(3,000)	5,000	3,936	1,064
Purchased professional and technical services	15,000	(1,788)	13,212	13,212	-
General supplies	-	5,282	5,282	4,989	293
Total	23,000	494	23,494	22,137	1,357
Undistributed expenditures - security					
Purchased professional and technical services	8,500	9,316	17,816	17,316	500
General supplies	2,000	(116)	1,884	1,884	-
Total	10,500	9,200	19,700	19,200	500
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home and school) - reg.	59,716	(39,322)	20,394	19,728	666
Management fee - esc & ctsa trans. program	500	-	500	-	500
Contract serv-aid in lieu pymts - non-public schools	-	16,716	16,716	16,716	-
Contract serv-aid in lieu pymts-choice school students	-	3,000	3,000	3,000	-
Contract serv (oth. than between home and school) - vend	11,000	7,747	18,747	12,364	6,383
Contract serv (between home & school) - joint agreements	303,546	-	303,546	292,740	10,806
Contract service (sp ed stds) - joint agreements	150,500	1,715	152,215	79,385	72,830
Total	525,262	(10,144)	515,118	423,933	91,185
Unallocated benefits - employee benefits					
Social security contributions	95,000	(9,265)	85,735	85,735	-
Other retirement contributions - PERS	85,000	9,226	94,226	94,109	117
Other retirement contributions - regular	-	1,239	1,239	1,239	-
Workmen's compensation	56,024	(20,000)	36,024	36,024	-
Health benefits	1,551,182	9,415	1,560,597	1,347,758	212,839
Tuition reimbursement	20,000	-	20,000	20,000	-
Other employee benefits	82,000	(48,429)	33,571	31,618	1,953
Unused sick payment to terminated/retired staff	8,000	2,455	10,455	10,455	-
Total	1,897,206	(55,359)	1,841,847	1,626,938	214,909

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF pension contribution	\$ -	\$ -	\$ -	\$ 723,676	\$ (723,676)
On-behalf TPAF post retirement medical benefits	-	-	-	467,406	(467,406)
On-behalf TPAF long-term disability insurance	-	-	-	892	(892)
Reimbursed TPAF social security contribution	-	-	-	338,344	(338,344)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,530,318</u>	<u>(1,530,318)</u>
Total undistributed expenditures	<u>\$ 5,810,625</u>	<u>\$ (56,564)</u>	<u>\$ 5,754,061</u>	<u>\$ 6,554,012</u>	<u>\$ (799,951)</u>
Total current	<u>\$ 10,081,699</u>	<u>\$ (54,076)</u>	<u>\$ 10,027,623</u>	<u>\$ 10,716,973</u>	<u>\$ (689,350)</u>
Capital outlay					
Equipment					
Grades 6-8	\$ -	\$ 9,053	\$ 9,053	\$ -	\$ 9,053
Undistributed					
Undistributed expenditures - instruction	27,927	-	27,927	27,927	-
Undistributed expenditures - admin. info. technology	-	6,010	6,010	-	6,010
Undistributed expend. - required maint. for school facilities	-	111,652	111,652	79,691	31,961
Total equipment	<u>27,927</u>	<u>126,715</u>	<u>154,642</u>	<u>107,618</u>	<u>47,024</u>
Facilities acquisition and construction service					
Legal services	2,200	(2,200)	-	-	-
Architectural/engineering services	21,991	26,695	48,686	32,302	16,384
Other purchased professional and technology services	-	20,497	20,497	20,497	-
Construction services	-	88,307	88,307	88,307	-
Assessment for debt service on SDA funding	21,988	-	21,988	21,988	-
Total facilities acquisition and construction service	<u>46,179</u>	<u>133,299</u>	<u>179,478</u>	<u>163,094</u>	<u>16,384</u>
Total capital outlay	<u>\$ 74,106</u>	<u>\$ 260,014</u>	<u>\$ 334,120</u>	<u>\$ 270,712</u>	<u>\$ 63,408</u>
Total expenditures	<u>\$ 10,155,805</u>	<u>\$ 205,938</u>	<u>\$ 10,361,743</u>	<u>\$ 10,987,685</u>	<u>\$ (625,942)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (231,708)</u>	<u>\$ (222,410)</u>	<u>\$ (454,118)</u>	<u>\$ 638,720</u>	<u>\$ 1,092,838</u>
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	-	(1,260)	(1,260)	(1,260)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,260)</u>	<u>(1,260)</u>	<u>(1,260)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(231,708)	(223,670)	(455,378)	637,460	1,092,838
Fund balances, July 1	2,307,061	-	2,307,061	2,307,061	-
Fund balances, June 30	<u>\$ 2,075,353</u>	<u>\$ (223,670)</u>	<u>\$ 1,851,683</u>	<u>\$ 2,944,521</u>	<u>\$ 1,092,838</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (156,810)	\$ -	\$ (156,810)	\$ (156,810)	\$ -
Increase in capital reserve	-	265,400	265,400	265,400	-
Interest deposit to capital reserve	-	-	-	6,602	6,602
Increase in maintenance reserve	-	43,000	43,000	43,000	-
Withdrawal from maintenance reserve	-	(43,963)	(43,963)	(43,963)	-
Budgeted fund balance	(74,898)	(488,107)	(563,005)	523,231	1,086,236
Total	<u>\$ (231,708)</u>	<u>\$ (223,670)</u>	<u>\$ (455,378)</u>	<u>\$ 637,460</u>	<u>\$ 1,092,838</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 22,225	
Excess surplus - current year				161,158	
Capital reserve				1,013,895	
Emergency reserve				250,000	
Maintenance reserve				630,565	
Committed fund balance					
Year-end encumbrances				248,114	
Assigned fund balance					
Designated for subsequent year's expenditures				177,775	
Additional assigned fund balance - unreserved - designated for subsequent year's expenditures July 1, 2018 - August 1, 2018				165,181	
Unassigned fund balance				<u>275,608</u>	
Fund balance per budgetary basis				2,944,521	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(162,483)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 2,782,038</u>	

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 16,750	\$ -	\$ 16,750	\$ 7,202	\$ (9,548)
Federal sources	189,317	-	189,317	189,317	-
Total revenues	<u>\$ 206,067</u>	<u>\$ -</u>	<u>\$ 206,067</u>	<u>\$ 196,519</u>	<u>\$ (9,548)</u>
Expenditures					
Instruction					
Other salaries for instruction	\$ 111,725	\$ -	\$ 111,725	\$ 111,725	\$ -
Totals	<u>111,725</u>	<u>-</u>	<u>111,725</u>	<u>111,725</u>	<u>-</u>
Support services					
Employee benefits	16,750	-	16,750	7,202	9,548
Purchased professional and technical services	47,139	-	47,139	47,139	-
General supplies	30,453	-	30,453	30,453	-
Total	<u>94,342</u>	<u>-</u>	<u>94,342</u>	<u>84,794</u>	<u>9,548</u>
Total expenditures	<u>\$ 206,067</u>	<u>\$ -</u>	<u>\$ 206,067</u>	<u>\$ 196,519</u>	<u>\$ 9,548</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

	General Fund	Special Revenue Fund
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 11,626,405	\$ 196,519
Differences - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances prior year	-	10,648
Insurance proceeds for the replacement of capital assets are not recognized for budgetary purposes but treated as an additional revenue for GAAP purposes	6,010	-
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	164,141	-
State aid receivable current year	(162,483)	-
Total revenues (GAAP basis)	<u>\$ 11,634,073</u>	<u>\$ 207,167</u>

See independent auditors' report.

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

Uses/Outflows of Resources

Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,987,685	\$ 196,519
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances prior year	-	10,648
Insurance proceeds for the replacement of capital assets are not recognized for budgetary purposes but treated as an additional revenue for GAAP purposes	6,010	-
Total expenditures (GAAP basis)	\$ 10,993,695	\$ 207,167

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset) - percentage	N/A	0.0099860405%	0.0103084728%	0.0102379602%	0.0102186407%	0.0085807236%	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 2,324,591	\$ 3,053,074	\$ 2,298,217	\$ 1,913,209	\$ 1,639,947	N/A	N/A	N/A	N/A
District's covered employee payroll	\$ 594,013	566,121	718,616	674,582	696,348	734,072	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	410.62%	424.85%	340.69%	274.75%	223.40%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	48.1%	40.14%	47.93%	52.08%	48.72%	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's Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 92,510	\$ 92,285	\$ 88,019	\$ 84,241	\$ 64,654	\$ 72,043	\$ 75,138	\$ 71,123	\$ 68,863	\$ 63,033
Contributions in relation to the contractually required contribution	(92,510)	(92,285)	(88,019)	(84,241)	(64,654)	(72,043)	(75,138)	(71,123)	(68,863)	(63,033)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 594,013	\$ 566,121	\$ 718,616	\$ 674,582	\$ 696,348	\$ 734,072	\$ 573,175	\$ 627,166	\$ 646,193	\$ 643,877
Contributions as a percentage of covered employee payroll	15.57%	16.30%	12.25%	12.49%	9.28%	9.81%	13.11%	11.34%	10.66%	9.79%

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset) - percentage	N/A	N/A	0.00%	0.00%	0.00%	0.00%	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	\$ -	\$ 33,728,476	\$ 39,402,577	\$ 32,194,819	\$ 27,224,093	\$ 26,394,040	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 33,728,476	\$ 39,402,577	\$ 32,194,819	\$ 27,224,093	\$ 26,394,040	\$ -	\$ -	\$ -	\$ -
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%	0.00%	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	25.41%	22.33%	28.71%	33.64%	33.76%	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's Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 723,676	\$ 562,679	\$ 401,026	\$ 275,388	\$ 215,483	\$ 337,453	\$ 163,593	\$ 15,194	\$ 16,051	\$ 15,989
Contributions in relation to the contractually required contribution	(723,676)	(562,679)	(401,026)	(275,388)	(215,483)	(337,453)	(163,593)	(15,194)	(16,051)	(15,989)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 4,769,332	\$ 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
Contributions as a percentage of covered employee payroll	15.17%	11.60%	8.00%	5.49%	4.26%	6.74%	3.32%	0.31%	0.31%	0.33%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75) (UNAUDITED)**

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportionate share of the other post employment employee benefits liability (asset) - percentage	N/A	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the other post employment employee benefits liability (asset) - value	N/A	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the other post employment employee benefits liability (asset) associated with the District	N/A	\$ 22,795,301	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 22,795,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 5,414,834	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

NOTE: N/A = Information Not Available

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2018

- Note 1 - Special funding situation - TPAF and other post-retirement benefits
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 and other post-retirement benefits (OPEB) 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 and OPEB 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 and for OPEB 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 increased from 3.22% in State fiscal year 2016 to 4.25% in State fiscal year 2017. The inflation rate was 2.50% for State fiscal years 2016 and 2.25% in State fiscal year 2017.
- Note 3 - Changes in assumptions - PERS
The discount rate increased from 3.98% in State fiscal year 2016 to 5.00% in State fiscal year 2017. The inflation rate decreased from 3.08% for State fiscal year 2016 to 2.25% for State fiscal year 2017.
- Note 4 - Changes in assumptions - other post-retirement employee benefits
The other post-retirement employee benefits discount rate increased from 2.85% in State fiscal year 2016 to 3.58% in State fiscal year 2017. The inflation rate was not available for State fiscal year 2016 and for State fiscal year 2017 was 2.50%.
- Note 5 - Changes in healthcare trend assumptions - other post-retirement employee benefits
For pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.
- Note 6 - Changes in benefit term assumptions - other post-retirement employee benefits
There were no changes of the benefit terms from June 30, 2016 to June 30, 2017.

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, 2018

	ESSA Title IA	ESSA Title IIA	ESSA Title IV	IDEA Basic	IDEA Preschool	Small, Rural School Achievement	Local Grants	Total
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,202	\$ 7,202
Federal sources	15,794	6,492	10,000	106,720	5,005	45,306	-	189,317
Total revenues	<u>\$ 15,794</u>	<u>\$ 6,492</u>	<u>\$ 10,000</u>	<u>\$ 106,720</u>	<u>\$ 5,005</u>	<u>\$ 45,306</u>	<u>\$ 7,202</u>	<u>\$ 196,519</u>
Expenditures								
Instruction								
Other salaries for instruction	\$ -	\$ -	\$ -	\$ 106,720	\$ 5,005	\$ -	\$ -	\$ 111,725
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,720</u>	<u>5,005</u>	<u>-</u>	<u>-</u>	<u>111,725</u>
Support services								
Employee benefits	-	-	-	-	-	-	7,202	7,202
Purchased professional and technical services	15,794	6,492	10,000	-	-	14,853	-	47,139
General supplies	-	-	-	-	-	30,453	-	30,453
Total	<u>15,794</u>	<u>6,492</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>45,306</u>	<u>7,202</u>	<u>84,794</u>
Total expenditures	<u>\$ 15,794</u>	<u>\$ 6,492</u>	<u>\$ 10,000</u>	<u>\$ 106,720</u>	<u>\$ 5,005</u>	<u>\$ 45,306</u>	<u>\$ 7,202</u>	<u>\$ 196,519</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.

(NOTE APPLICABLE TO THIS REPORT)

PROPRIETARY FUND

DETAIL STATEMENTS

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Food Service Enterprise Fund
Statement of Net Position
June 30, 2018

Assets	
Current assets	
Cash and cash equivalents	\$ 20,502
Receivables from other governments	
State	113
Federal	1,994
Inventory	3,677
Total current assets	26,286
Noncurrent assets	
Capital assets	141,691
Less: accumulated depreciation	90,436
Total noncurrent assets	51,255
Total assets	77,541
Liabilities	
Current liabilities	
Accounts payable	6,671
Unearned revenues - commodities	1,276
Unearned revenues - prepaid sales	3,433
Total liabilities	11,380
Net position	
Net investment in capital assets	51,255
Unrestricted	14,906
Total net position	\$ 66,161

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, 2018

Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 61,313
Daily sales - non-reimbursable programs	33,514
Total operating revenues	<u>94,827</u>
Operating expenses	
Cost of sales - reimbursable programs	37,152
Cost of sales - non-reimbursable programs	17,018
Commodity food costs	10,727
Salaries	36,451
Employee benefits	7,727
Purchased property services	2,118
Insurance	940
Management fee	7,678
Other purchased services	3,358
Supplies and materials	296
Depreciation	7,985
Total operating expenses	<u>131,450</u>
Operating income (loss)	<u>(36,623)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,250
Federal sources	
National school lunch program	
Cash assistance	20,689
Non-cash assistance (commodities)	10,727
Interest earned on investments	235
Miscellaneous	319
Total non-operating revenues (expenses)	<u>33,220</u>
Other financing sources (uses)	
Operating transfer in (out)	<u>1,260</u>
Change in net position	(2,143)
Net position, beginning	<u>68,304</u>
Net position, ending	<u><u>\$ 66,161</u></u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Food Service Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Cash flows from operating activities	
Receipts from customers (net)	\$ 95,337
Payments to Food Service Management Company	(110,245)
Payments to vendors (net)	<u>(2,415)</u>
Net cash provided by (used for) operating activities	<u>(17,323)</u>
Cash flows from noncapital financing activities	
State sources	1,205
Federal sources	19,879
Miscellaneous	319
General fund interfund activity	<u>1,260</u>
Net cash provided by (used for) noncapital financing activities	<u>22,663</u>
Cash flows from investing activities	
Interest earned on investments	<u>235</u>
Net cash provided by (used for) investing activities	<u>235</u>
Net increase (decrease) in cash and cash equivalents	5,575
Cash and cash equivalents, beginning	<u>14,927</u>
Cash and cash equivalents, ending	<u><u>\$ 20,502</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (36,623)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	7,985
Federal Food Donation Program	10,727
(Increase) decrease in inventory	(530)
Increase (decrease) in accounts payable	1,516
Increase (decrease) in unearned revenues	<u>(398)</u>
Net cash provided by (used for) operating activities	<u><u>\$ (17,323)</u></u>

See independent auditors' report.

FIDUCIARY FUNDS

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, 2018

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 39,421	\$ 61,048	\$ 12,694	\$ 113,163
Total assets	<u>\$ 39,421</u>	<u>\$ 61,048</u>	<u>\$ 12,694</u>	<u>\$ 113,163</u>
Liabilities				
Due to students groups	\$ -	\$ 61,048	\$ -	\$ 61,048
Payroll deductions and withholdings	<u>-</u>	<u>-</u>	<u>12,694</u>	<u>12,694</u>
Total liabilities	<u>-</u>	<u>61,048</u>	<u>12,694</u>	<u>73,742</u>
Net position				
Held in trust for unemployment claims and other purposes	<u>\$ 39,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,421</u>

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Unemployment Compensation Fund Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2018

	Unemployment Compensation Fund
Additions	
Employee contributions	\$ 9,314
Investment earnings - interest	340
Change in net position	9,654
 Net position - beginning of the year	 29,767
 Net position - end of the year	 \$ 39,421

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, 2018

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Assets				
Cash and cash equivalents	\$ 50,513	\$ 105,388	\$ 94,853	\$ 61,048
Total assets	\$ 50,513	\$ 105,388	\$ 94,853	\$ 61,048
Liabilities				
Due to student groups				
Alexandria Middle School	\$ 42,925	\$ 92,288	\$ 84,580	\$ 50,633
Lester D Wilson School	7,588	13,100	10,273	10,415
Total liabilities	\$ 50,513	\$ 105,388	\$ 94,853	\$ 61,048

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund Statement of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2018

	Balance 07/01/17	Additions	Deletions	Balance 06/30/18
Assets				
Cash and cash equivalents	\$ 11,330	\$ 6,417,262	\$ 6,415,898	\$ 12,694
Total assets	<u>\$ 11,330</u>	<u>\$ 6,417,262</u>	<u>\$ 6,415,898</u>	<u>\$ 12,694</u>
Liabilities				
Due to other funds	\$ -	\$ 9,314	\$ 9,314	\$ -
Payroll deductions and withholdings	11,103	3,019,598	3,019,407	11,294
Net payroll	227	3,388,350	3,387,177	1,400
Total liabilities	<u>\$ 11,330</u>	<u>\$ 6,417,262</u>	<u>\$ 6,415,898</u>	<u>\$ 12,694</u>

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, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/17	Issued	Retired	Balance 06/30/18
			Date	Amount					
Refunding School Bonds of 2011	03/15/11	\$ 2,450,000	N/A	N/A	N/A	\$ 455,000	\$ -	\$ 455,000	\$ -
						<u>\$ 455,000</u>	<u>\$ -</u>	<u>\$ 455,000</u>	<u>\$ -</u>

See independent auditor's report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 464,100	\$ -	\$ 464,100	\$ 464,100	\$ -
Total revenues	<u>464,100</u>	<u>-</u>	<u>464,100</u>	<u>464,100</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	455,000	-	455,000	455,000	-
Interest	<u>9,100</u>	<u>-</u>	<u>9,100</u>	<u>9,100</u>	<u>-</u>
Total expenditures	<u>464,100</u>	<u>-</u>	<u>464,100</u>	<u>464,100</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.

STATISTICAL SECTION

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

Contents	Page
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
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 Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Government activities										
Net investment in capital assets	\$ 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	\$ 8,557,573
Restricted	90,609	(49)	216,654	238,091	399,981	454,913	561,672	1,037,049	1,623,421	1,894,460
Unrestricted	(48,510)	(60,029)	46,270	39,044	(63,916)	(1,551,742)	(1,628,755)	(1,607,964)	(1,630,675)	(1,394,521)
Total governmental activities net assets	<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>	<u>\$ 9,057,512</u>
Business-type activities										
Net investment in capital assets	\$ 7,188	\$ 5,879	\$ 47,827	\$ 51,611	\$ 68,991	\$ 61,723	\$ 54,457	\$ 67,225	\$ 59,240	\$ 51,255
Unrestricted	1,185	904	4,207	573	1,374	3,546	18,630	5,192	9,064	14,906
Total business-type activities	<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>	<u>\$ 66,161</u>
District-wide										
Net investment in capital assets	\$ 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	\$ 8,608,828
Restricted	90,609	(49)	216,654	238,091	399,981	454,913	561,672	1,037,049	1,623,421	1,894,460
Unrestricted	(47,325)	(59,125)	50,477	39,617	(62,542)	(1,548,196)	(1,610,125)	(1,602,772)	(1,621,611)	(1,379,615)
Total district-wide	<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>	<u>\$ 9,123,673</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities										
Instruction										
Regular	\$ 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	\$ 6,602,259
Special education	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	2,446,656
Other special education	98,714	71,827	48,627	253,603	215,178	51,003	38,431	30,549	5,504	68,666
Other instruction	75,589	72,989	51,285	59,418	69,916	110,865	90,308	140,512	156,690	229,714
Support services										
Tuition	94,794	89,070	16,400	48,400	16,810	54,240	15,910	111,171	209,736	110,707
Student and instruction related services	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	2,960,806
General and business administrative services	696,074	675,936	724,906	730,177	694,724	700,417	1,056,653	818,149	940,786	933,841
School administration	411,842	418,987	418,778	432,326	446,206	452,038	453,372	458,964	556,560	556,388
Plant operations and maintenance	891,761	883,064	826,757	900,618	916,043	893,769	952,788	998,447	808,156	720,483
Pupil transportation	590,391	483,088	428,720	453,349	438,223	410,871	431,754	467,777	500,275	438,335
Interest on long-term debt	176,716	153,579	127,760	89,603	69,122	90,269	49,849	58,080	40,905	21,713
Total governmental activities expenses	<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>	<u>15,089,568</u>
Business-type activities										
Food services	157,756	155,533	147,046	139,171	134,197	126,623	114,333	124,081	121,913	131,450
Total business-type activities	<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>	<u>131,450</u>
Total district expenses	<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>	<u>\$ 15,221,018</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ -	\$ -	\$ 85,100	\$ 93,109	\$ 207,069	\$ 162,224	\$ 91,559	\$ 114,956	\$ 142,533	\$ 146,360
Other instruction	-	-	1,505	-	1,980	-	-	-	1,470	-
Student and instruction related services	-	-	-	-	2,625	-	-	-	-	-
General and business administration	-	-	-	-	-	-	-	-	65,000	10,833
Plant operations and maintenance	15,508	6,878	7,240	-	13,040	-	5,245	5,440	4,140	7,618
Pupil transportation services	-	-	-	-	-	8,983	-	-	-	-
Operating grants and contributions	161,578	183,078	223,490	226,555	239,130	200,688	188,093	195,567	179,042	207,167
Capital grants and contributions	-	43,520	-	-	-	-	-	(2,535)	-	-
Total governmental activities program revenues	<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>	<u>371,978</u>
Business-type activities										
Charges for services										
Food service	147,347	145,405	134,212	104,486	102,113	96,083	93,145	92,775	88,511	94,827
Operating grants and contributions	-	-	-	25,734	27,918	25,066	28,952	30,590	28,893	32,666
Total business-type activities program revenues	<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>	<u>127,493</u>
Total district-program revenues	<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>	<u>\$ 499,471</u>
Net (expense) revenues										
Governmental activities	\$ (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)	\$ (14,717,590)
Business-type activities	(10,409)	(10,128)	(12,834)	(8,951)	(4,166)	(5,474)	7,764	(716)	(4,509)	(3,957)
Total district-wide net expenses	<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>	<u>\$ (14,721,547)</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 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	\$ 8,225,490
Taxes levied for debt service	555,492	564,723	598,987	386,289	484,379	427,242	454,900	458,700	456,800	464,100
Unrestricted grants and contributions	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	6,860,011
Tuition received	49,348	-	-	-	-	-	-	-	-	-
Investment earnings	36,691	16,174	8,945	12,302	6,389	6,534	9,821	9,106	14,227	40,246
Miscellaneous income	4,711	10,082	245	26,007	3,676	31,783	3,225	143,638	43,176	22,408
Special item - payment to refunding bond agent	-	-	(52,183)	-	-	-	-	-	-	-
Operating transfers	(5,000)	(7,000)	(58,044)	(9,030)	(22,308)	-	-	-	-	(1,260)
Total governmental activities	<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>	<u>15,610,995</u>
Business-type activities										
Investment earnings	68	46	41	71	39	40	54	46	70	235
Miscellaneous income	-	1,492	-	-	-	338	-	-	326	319
Operating transfers	5,000	7,000	58,044	9,030	22,308	-	-	-	-	1,260
Total business-type activities	<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>	<u>1,814</u>
Total district-wide	<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>	<u>\$ 15,612,809</u>
Change in net position										
Governmental activities	\$ 1,459	\$ 115,585	\$ 506,066	\$ 94,456	\$ 146,544	\$ 166,221	\$ 142,532	\$ 635,994	\$ 794,744	\$ 893,405
Business-type activities	(5,341)	(1,590)	45,251	150	18,181	(5,096)	7,818	(670)	(4,113)	(2,143)
Total district	<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>	<u>\$ 891,262</u>

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Restricted	\$ 519,203	\$ 397,940	\$ 266,664	\$ 290,778	\$ 426,251	\$ 419,442	\$ 525,234	\$ 1,078,217	\$ 1,720,544	\$ 2,077,843
Committed	63,384	54,152	125,614	153,965	58,575	108,093	55,102	52,555	156,810	248,114
Assigned	-	-	-	-	-	-	-	-	-	342,956
Unassigned	105,513	108,055	214,023	244,741	149,658	200,315	230,946	280,514	265,566	113,125
Total general fund	<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>	<u>\$ 2,782,038</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ (394,688)	\$ (357,000)	\$ -	\$ -	\$ -	\$ 53,305	\$ 59,365	\$ 33,730	\$ -	\$ -
Assigned, reporting in										
Debt service fund	19,385	3,636	533	4	31,333	-	-	-	-	-
Total all other governmental funds	<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>	<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 Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 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	\$ 8,689,590
Tuition charges	52,348	-	85,100	93,109	207,069	154,083	91,559	108,292	134,133	136,525
Interest earnings	36,691	16,174	8,945	12,302	6,389	6,534	9,821	9,106	14,227	40,246
Miscellaneous	20,219	16,960	8,990	26,007	21,321	16,230	8,470	124,281	23,469	33,230
State sources	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	3,205,784
Federal sources	161,578	421,756	223,490	288,877	239,130	200,688	188,093	195,567	179,042	199,965
Total revenues	10,179,631	10,306,675	10,495,286	10,796,088	11,121,314	10,990,882	11,221,634	11,724,028	12,065,078	12,305,340
Expenditures										
Instruction										
Regular instruction	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	3,052,635
Special education instruction	845,228	969,669	813,377	901,669	886,396	900,132	914,083	981,643	906,565	991,879
Other special instruction	58,234	27,457	27,423	113,691	88,514	38,353	23,033	20,034	3,923	17,520
Other instruction	71,812	69,598	48,688	56,471	66,367	80,839	86,174	96,745	92,078	100,927
Support services										
Tuition	6,399	670	16,400	29,848	16,810	54,240	15,910	111,171	209,736	110,707
Student and inst. related services	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	1,432,604
General administration	323,364	310,792	306,956	287,883	298,952	294,669	576,672	251,801	284,913	271,607
School administration services	303,621	316,708	302,032	305,820	304,325	310,525	285,720	268,026	286,013	294,057
Central services	216,463	223,387	233,626	225,458	234,512	207,538	244,829	238,911	213,084	218,374
Plant operations and maintenance	785,507	779,710	719,174	781,234	809,261	756,490	803,188	823,872	727,982	645,474
Pupil transportation	590,391	483,088	428,676	447,956	433,250	410,871	421,475	467,777	486,191	423,933
Employee benefits	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	1,626,938
On-behalf TPAF pension and social security contribution	680,124	700,513	709,047	861,470	1,088,409	934,817	1,069,504	1,234,057	1,375,371	1,530,318
Capital outlay	36,823	41,711	35,707	57,245	85,932	14,479	921	-	93,546	254,734
Capital projects fund	629,518	116,312	-	-	-	35	44,063	23,100	-	-
Special revenue funds	161,578	226,598	223,490	226,555	239,130	200,688	188,093	195,567	179,042	207,167
Debt service										
Principal	474,000	594,000	807,000	370,000	370,000	385,000	395,000	415,000	430,000	455,000
Interest and other charges	181,863	165,459	137,955	79,230	97,310	95,563	81,888	65,688	48,788	31,088
Total expenditures	10,869,740	10,644,689	10,264,191	10,704,404	11,122,677	10,875,544	11,167,702	11,149,659	11,367,174	11,664,962

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 Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Excess (deficiency) of revenues over (under) expenditures	\$ (690,109)	\$ (338,014)	\$ 231,095	\$ 91,684	\$ (1,363)	\$ 115,338	\$ 53,932	\$ 574,369	\$ 697,904	\$ 640,378
Other financing sources (uses)										
Temporary notes paid in debt service fund	154,000	259,000	357,000	-	-	-	-	-	-	-
Transfers out - unemployment Compensation fund	(78,229)	(20,000)	(130,000)	-	-	-	-	-	-	-
Transfers out - food Service fund	(5,000)	(7,000)	(58,044)	(9,030)	(22,308)	-	-	-	-	(1,260)
Total other financing sources (uses)	70,771	232,000	168,956	(9,030)	(22,308)	-	-	-	-	(1,260)
Net change in fund balances	<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>	<u>\$ 639,118</u>
Debt service as a percentage of non-capital expenditures	6.87%	7.81%	10.18%	4.41%	4.42%	4.63%	4.48%	4.52%	4.44%	4.45%

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 Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Interest income	\$ 36,691	\$ 14,048	\$ 8,945	\$ 12,302	\$ 6,389	\$ 6,534	\$ 9,821	\$ 9,106	\$ 14,227	\$ 40,246
Tuition	52,348	-	85,100	93,109	207,069	154,083	91,559	108,292	134,133	136,525
Book fines	-	87	-	39	-	-	-	-	-	-
Prior year accounts payable cancelled	1,280	5,039	-	-	1,402	1,176	1,725	57,166	3,169	20
Miscellaneous refunds	-	-	-	-	-	-	-	-	9,095	2,789
Prior year refunds	3,046	78	129	3,711	159	4,149	-	54,816	1,288	10,334
Miscellaneous	385	114	46	-	38	273	105	1,494	2,850	400
Donations	-	-	70	-	-	-	-	-	415	-
Outstanding checks voided	-	-	-	5,973	2,077	229	-	-	562	-
Safety grant	-	2,475	-	-	-	-	-	-	1,000	-
Sale of surplus equipment	-	2,164	-	-	-	-	-	-	-	770
Building use fees	15,508	6,878	7,240	7,240	7,240	8,983	5,245	5,440	3,620	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	2,085
Insurance proceeds	-	-	-	-	-	-	-	-	-	6,010
Annual totals	\$ 109,258	\$ 30,883	\$ 103,035	\$ 129,696	\$ 234,779	\$ 176,847	\$ 109,850	\$ 241,679	\$ 171,829	\$ 202,799

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 Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Vacant land	\$ 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	\$ 6,531,200
Residential	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	578,309,600
Farm regular	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	106,986,600
Qualified farm	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	4,268,903
Commercial	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	18,783,800
Industrial	2,534,800	2,534,800	2,534,800	2,534,800	1,034,800	836,200	836,200	836,200	836,200	836,200
Apartment	418,900	418,900	418,900	418,900	418,900	230,400	230,400	230,400	230,400	228,100
Total assessed value	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	715,944,403
Public utilities (a)	1,515,311	1,960,839	2,175,745	2,293,602	2,109,187	178,774	165,764	168,946	168,184	169,385
Net valuation taxable	\$ 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	\$ 716,113,788
Estimated actual county equalized value	\$ 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	\$ 777,286,213
Percentage of net valuation to estimated actual county equalized value	91.83%	94.07%	97.95%	103.28%	105.38%	92.29%	90.07%	91.99%	91.50%	92.13%
Total direct school tax rate (b)	\$ 0.91	\$ 0.95	\$ 0.93	\$ 0.96	\$ 0.97	\$ 1.14	\$ 1.16	\$ 1.19	\$ 1.21	\$ 1.20

*

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)			Municipality	County	
			Total Direct School Tax Rate					
2009	\$ 0.84	\$ 0.07	\$ 0.91	\$ 0.57	\$ 0.21	\$ 0.38	\$ 2.07	
2010	0.88	0.07	0.95	0.53	0.21	0.36	2.05	
2011	0.88	0.05	0.93	0.52	0.21	0.35	2.01	
2012	0.90	0.06	0.96	0.57	0.21	0.34	2.08	
2013	0.92	0.05	0.97	0.59	0.21	0.34	2.11	
2014	* 1.08	0.06	1.14	0.70	0.24	0.40	2.48	
2015	1.10	0.06	1.16	0.75	0.24	0.41	2.56	
2016	1.13	0.06	1.19	0.71	0.26	0.40	2.56	
2017	1.15	0.06	1.21	0.68	0.26	0.41	2.57	
2018	1.20	-	1.20	0.67	0.29	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

	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Individual Property Owner	\$ 4,373,600	1	0.61%	\$ 6,993,300	1	0.85%
Sky Manor Airport Partners LLC	3,441,900	2	0.48%	3,543,100	2	0.43%
Columbia Gas Transmission	2,427,300	3	0.34%	2,571,488	3	0.31%
Individual Property Owner	1,981,300	4	0.28%	1,686,300	5	0.20%
Individual Property Owner	1,830,100	5	0.26%	-	-	-
Frenchtown Care Home Inc	1,797,800	6	0.25%	-	-	-
Individual Property Owner	1,712,900	7	0.24%	-	-	-
Alexandria Airpark LLC	1,589,053	8	0.22%	-	-	-
Individual Property Owner	1,557,400	9	0.22%	-	-	-
Individual Property Owner	1,545,300	10	0.22%	-	-	-
CP Assignment LTD c/o Burkhardt	-	-	-	1,993,500	4	0.24%
Manchada Shapiro Rauch LLC	-	-	-	1,541,000	6	0.19%
Saphire Inc. c/o Riverside Jeans	-	-	-	1,486,900	7	0.18%
Individual Property Owner	-	-	-	1,409,000	8	0.17%
Individual Property Owner	-	-	-	1,373,900	9	0.17%
Individual Property Owner	-	-	-	1,359,200	10	0.16%
	<u>\$22,256,653</u>		<u>3.11%</u>	<u>\$23,957,688</u>		<u>2.90%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ended June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2009	\$ 7,414,414	\$ 7,414,414	100.00%
2010	7,552,384	7,552,384	100.00%
2011	7,869,032	7,869,032	100.00%
2012	7,760,088	7,760,088	100.00%
2013	7,944,964	7,944,964	100.00%
2014	7,924,026	7,924,026	100.00%
2015	8,101,555	8,101,555	100.00%
2016	8,258,288	8,258,288	100.00%
2017	8,501,364	8,501,364	100.00%
2018	8,689,590	8,689,590	100.00%

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 Ended June 30,	Governmental Activities				Business-Type	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Activities Capital Leases			
2009	\$ 3,650,000	\$ -	\$ -	\$ 616,000	\$ -	\$ 4,266,000	1.16%	\$ 829
2010	3,315,000	-	-	357,000	-	3,672,000	1.00%	714
2011	2,820,000	-	-	-	-	2,820,000	0.81%	576
2012	2,450,000	-	-	-	-	2,450,000	0.69%	502
2013	2,080,000	-	-	-	-	2,080,000	0.57%	428
2014	1,695,000	-	-	-	-	1,695,000	0.46%	350
2015	1,300,000	-	-	-	-	1,300,000	0.34%	269
2016	885,000	-	-	-	-	885,000	0.23%	183
2017	455,000	-	-	-	-	455,000	0.12%	95
2018	-	-	-	-	-	-	-	-

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

The District had no bonded debt as of June 30, 2018.

(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.

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 Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2009	\$ 4,266,000	\$ -	\$ 4,266,000	0.52%	\$ 829
2010	3,672,000	-	3,672,000	0.44%	714
2011	2,820,000	-	2,820,000	0.34%	576
2012	2,450,000	-	2,450,000	0.30%	502
2013	2,080,000	-	2,080,000	0.25%	428
2014	1,695,000	-	1,695,000	0.24%	350
2015	1,300,000	-	1,300,000	0.18%	269
2016	885,000	-	885,000	0.12%	183
2017	455,000	-	455,000	0.06%	95
2018	-	-	-	-	-

NOTES: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

The District had no bonded debt as of June 30, 2018.

(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, 2017

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 5,501,829	100.00%	\$ 5,501,829
Regional High School	1,065,000	33.26%	354,257
County general obligation debt	85,249,037	3.65%	3,108,602
Subtotal, overlapping debt			8,964,688
School district direct debt			-
Total direct and overlapping debt			\$ 8,964,688

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 2018

		Equalized Valuation Basis
	2017	\$ 777,426,006
	2016	780,897,682
	2015	771,907,141
		\$ 2,330,230,829
Average equalized valuation of taxable property		\$ 776,743,610
Debt limit (3.0% of average equalization value)	(a)	23,302,308
Total net debt applicable to limit		-
Legal debt margin		\$ 23,302,308

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 23,625,892	\$ 23,429,382	\$ 23,358,495	\$ 23,422,899	\$ 23,302,308
Total net debt applicable	1,695,000	1,300,000	885,000	455,000	-
Legal debt margin	\$ 21,930,892	\$ 22,129,382	\$ 22,473,495	\$ 22,967,899	\$ 23,302,308
Total net debt applicable to the limit as a percentage of debt limit	7.17%	5.55%	3.79%	1.94%	0.00%

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit	\$ 26,753,797	\$ 27,051,970	\$ 26,408,904	\$ 25,339,953	\$ 24,406,356
Total net debt applicable	4,266,000	3,672,000	2,820,000	2,450,000	2,080,000
Legal debt margin	\$ 22,487,797	\$ 23,379,970	\$ 23,588,904	\$ 22,889,953	\$ 22,326,356
Total net debt applicable to the limit as a percentage of debt limit	15.95%	13.57%	10.68%	9.67%	8.52%

Source: Equalized valuation basis 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)
2009	5,145	\$ 368,011,560	\$ 71,528	11.4%
2010	4,895	348,773,645	71,251	11.7%
2011	4,883	355,545,879	72,813	11.5%
2012	4,860	367,659,000	75,650	11.8%
2013	4,849	365,537,016	75,384	8.0%
2014	4,838	378,820,238	78,301	4.5%
2015	4,825	389,015,625	80,625	4.1%
2016	4,801	394,205,309	82,109	3.5%
2017	4,805	N/A	N/A	3.8%
2018	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

2018

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

2009

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>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>	<u>2018</u>
Function/Program										
Instruction										
Regular	46.1	46.8	45.5	41.7	40.0	44.0	44.0	39.0	37.0	36.0
Special education	19.0	19.0	16.5	16.3	18.0	17.4	19.0	21.0	18.0	19.0
Other instruction	0.4	0.2	0.2	1.0	1.0	3.0	3.0	3.0	2.0	1.0
Support services										
Student and instruction related services	11.6	14.7	14.0	16.6	16.3	16.6	11.0	14.0	15.0	15.0
General administration	2.0	2.0	2.0	1.8	1.8	2.0	2.0	2.0	2.0	2.0
School administration services	6.0	6.0	6.0	5.8	5.8	4.0	4.0	5.0	5.0	5.0
Central services	3.0	3.0	3.0	2.7	2.8	3.0	3.0	3.0	3.0	3.0
Plant operations and maintenance	6.5	6.4	5.8	5.2	5.7	6.0	5.0	5.0	2.0	2.0
Total	<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>	<u>83.0</u>

Source: District Personnel Records

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2018	459	10,924,140	23,800	1.20%	63.0	1:7.30	493.2	471.2	1.83%	95.56%

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	377	373	367	352	326	303	291	257	259	285
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	247	243	222	211	241	222	202	201	195	207
Number of Schools at June 30, 2018										
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 Ended</u>	<u>Alexandria Middle School</u>	<u>Lester D. Wilson School</u>	<u>Total</u>
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
2018	65,638	36,718	102,356
 Total school facilities	 <u>\$ 822,990</u>	 <u>\$ 383,586</u>	 <u>\$ 1,206,576</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, 2018
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - New Jersey Schools Insurance Group (NJSIG)		
Property - Blanket Building and Contents (Fund Limit)	\$ 500,000,000	\$ 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	250,000
Excess Liability - NJUEP		
Fund Limit	24,000,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION



**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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2019.

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.



BKC, CPAs, PC



Michael Holk, CPA, PSA

February 25, 2019
Flemington, New Jersey



**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
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 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, 2018. The 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 state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' 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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08. Those standards, and the 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 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 year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered 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 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 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael Holk, CPA, PSA

February 25, 2019
Flemington, New Jersey

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2018

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period From To	Balance 06/30/17	Carryover Amount	Cash Received	Budgetary Expenditure	Adjust- ment	Repayment of Prior Year Balance	Balance June 30, 2018			
												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	S010S170030	ESSA-002018	\$ 15,794	07/01/17-06/30/18	\$ -	\$ -	\$ 15,794	\$ 15,794	\$ -	\$ -	\$ -	\$ -	\$ -	
Title II A	84.367A	S367A170029	ESSA-002018	6,492	07/01/17-06/30/18	-	-	6,492	6,492	-	-	-	-	-	
Title IV	84.424A	S424A170031	ESSA-002018	10,000	07/01/17-06/30/18	-	-	10,000	10,000	-	-	-	-	-	
Small, rural school achievement program	84.358A	S358B170030	S358A17-7757	45,306	07/01/17-06/30/18	-	-	30,453	45,306	-	-	(14,853)	-	-	
Small, rural school achievement program	84.358A	S358B170030	S358A16-7757	51,758	07/01/16-06/30/17	(8,897)	-	8,897	-	-	-	-	-	-	
IDEA Basic	84.027	H027A170100	IDEA-002018	106,720	07/01/17-06/30/18	-	-	106,720	106,720	-	-	-	-	-	
IDEA Preschool	84.173	H173S170114	IDEA-002018	5,005	07/01/17-06/30/18	-	-	5,005	5,005	-	-	-	-	-	
Total special revenue fund						(8,897)	-	183,361	189,317	-	-	(14,853)	-	-	
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	171NJ304N1099	N/A	10,053	10/01/16-09/30/17	2,183	-	-	2,183	-	-	-	-	-	
National school lunch program non-cash assistance (commodities)	10.555	181NJ304N1099	N/A	9,820	10/01/17-09/30/18	-	-	9,820	8,544	-	-	-	1,276	-	
National school lunch program cash assistance	10.555	171NJ304N1099	N/A	16,751	10/01/16-09/30/17	(1,184)	-	1,184	-	-	-	-	-	-	
National school lunch program cash assistance	10.555	181NJ304N1099	N/A	20,689	10/01/17-09/30/18	-	-	18,695	20,689	-	-	(1,994)	-	-	
Total enterprise fund						999	-	29,699	31,416	-	-	(1,994)	1,276	-	
Total federal financial assistance						\$ (7,898)	\$ -	\$ 213,060	\$ 220,733	\$ -	\$ -	\$ (16,847)	\$ 1,276	\$ -	

See independent auditors' report.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2018

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2017			Budgetary Expenditure	Adjustments	Balance June 30, 2018			Memo	
				Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education													
General fund													
Special education categorical aid	18-495-034-5120-089	\$ 335,552	07/01/17-06/30/18	\$ -	\$ -	\$ 302,445	\$ 335,552	\$ -	\$ -	\$ -	\$ -	\$ 33,107	\$ 335,552
Equalization aid	18-495-034-5120-078	644,612	07/01/17-06/30/18	-	-	581,013	644,612	-	-	-	-	63,599	644,612
Security aid	18-495-034-5120-084	42,678	07/01/17-06/30/18	-	-	38,467	42,678	-	-	-	-	4,211	42,678
Adjustment aid	18-495-034-5120-085	25,484	07/01/17-06/30/18	-	-	22,970	25,484	-	-	-	-	2,514	25,484
Transportation aid	18-495-034-5120-014	253,234	07/01/17-06/30/18	-	-	228,261	253,247	-	-	-	-	24,986	253,234
PARCC readiness aid	18-495-034-5120-098	4,750	07/01/17-06/30/18	-	-	4,281	4,750	-	-	-	-	469	4,750
Per pupil growth aid	18-495-034-5120-097	4,750	07/01/17-06/30/18	-	-	4,281	4,750	-	-	-	-	469	4,750
Professional learning community aid	18-495-034-5120-101	4,480	07/01/17-06/30/18	-	-	4,038	4,480	-	-	-	-	442	4,480
School choice aid	18-495-034-5120-068	331,292	07/01/17-06/30/18	-	-	298,606	331,292	-	-	-	-	32,686	331,292
Extraordinary aid	17-495-034-5120-044	175,960	07/01/16-06/30/17	(175,960)	-	175,960	-	-	-	-	-	-	175,960
Extraordinary aid	18-495-034-5120-044	20,940	07/01/17-06/30/18	-	-	-	20,940	-	(20,940)	-	-	-	20,940
Non-public transportation aid	17-495-034-5120-014	3,747	07/01/16-06/30/17	(3,747)	-	3,747	-	-	-	-	-	-	3,747
Non-public transportation aid	18-495-034-5120-014	4,668	07/01/17-06/30/18	-	-	-	4,668	-	(4,668)	-	-	-	4,668
Lead testing for schools aid	18-495-034-5120-014	1,355	07/01/17-06/30/18	-	-	1,355	1,355	-	-	-	-	-	1,355
On-behalf TPAF pension contribution - teacher's pension & annuity fund	18-495-034-5094-002	706,530	07/01/17-06/30/18	-	-	706,530	706,530	-	-	-	-	-	706,530
On-behalf TPAF pension contribution - non-contributory insurance	18-495-034-5094-004	17,146	07/01/17-06/30/18	-	-	17,146	17,146	-	-	-	-	-	17,146
On-behalf TPAF pension contribution - long-term disability insurance	18-495-034-5094-004	892	07/01/17-06/30/18	-	-	892	892	-	-	-	-	-	892
On-behalf TPAF pension contribution - post retirement medical	18-495-034-5094-001	467,406	07/01/17-06/30/18	-	-	467,406	467,406	-	-	-	-	-	467,406
Reimbursed TPAF social security contribution	17-495-034-5094-003	342,547	07/01/16-06/30/17	(17,056)	-	17,056	-	-	-	-	-	-	342,547
Reimbursed TPAF social security contribution	18-495-034-5094-003	338,344	07/01/17-06/30/18	-	-	338,344	338,344	-	-	-	-	-	338,344
Total general fund				<u>(196,763)</u>	<u>-</u>	<u>3,212,798</u>	<u>3,204,126</u>	<u>-</u>	<u>(25,608)</u>	<u>-</u>	<u>-</u>	<u>162,483</u>	<u>3,726,367</u>
State Department of Agriculture													
Enterprise fund													
National school lunch program (state share)	17-100-010-3350-023	958	07/01/16-06/30/17	(68)	-	68	-	-	-	-	-	-	958
National school lunch program (state share)	18-100-010-3350-023	1,250	07/01/17-06/30/18	-	-	1,137	1,250	-	(113)	-	-	-	1,250
Total enterprise fund				<u>(68)</u>	<u>-</u>	<u>1,205</u>	<u>1,250</u>	<u>-</u>	<u>(113)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,208</u>
Total state financial assistance				<u>\$ (196,831)</u>	<u>\$ -</u>	<u>\$ 3,214,003</u>	<u>3,205,376</u>	<u>\$ -</u>	<u>\$ (25,721)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,483</u>	<u>\$ 3,728,575</u>
Less: On-behalf TPAF pension system contributions							<u>(1,191,974)</u>						
Total for state financial assistance - major program determination							<u>\$ 2,013,402</u>						

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, 2018

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Alexandria Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

The Basic 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 budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,658 for the general fund and \$10,648 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 3,205,784	\$ 3,205,784
Special revenue fund	199,965	-	199,965
Food project fund	31,416	1,250	32,666
Total awards and financial assistance	\$ 231,381	\$ 3,207,034	\$ 3,438,415

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, 2018. 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, 2018.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2018

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 No
None reported
2. Were significant deficiencies identified? Yes reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
None reported
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 (continued)
For the Fiscal Year Ended June 30, 2018

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:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>18-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>18-495-034-5120-078</i>	<i>Equalization Aid</i>
<i>18-495-034-5120-084</i>	<i>Security Aid</i>
<i>18-495-034-5120-068</i>	<i>School Choice Aid</i>
<i>18-495-034-5120-097</i>	<i>Per Pupil Growth Aid</i>
<i>18-495-034-5120-098</i>	<i>PARCC Readiness Aid</i>
<i>18-495-034-5120-101</i>	<i>Professional Learning Community Aid</i>
<i>18-495-034-5120-085</i>	<i>Additional Adjustment Aid</i>
<i>18-495-034-5120-085</i>	<i>Reimbursed TPAF Social Security Contribution Aid</i>

**ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Findings and Questioned Costs - Section II and II
For the Fiscal Year Ended June 30, 2018**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2018.

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, 2018.

**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, 2018**

Status of Prior Year Findings

There were no prior year findings or questioned costs.