

BOARD OF EDUCATION
ALEXANDRIA TOWNSHIP
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS, FINANCIAL, COMPLIANCE AND PERFORMANCE
For the Year Ended June 30, 2016

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Auditors Management Report on Administrative Findings - Financial, Compliance
and Performance

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Federal Identification Number 22-6001629



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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Alexandria Township School District in the County of Hunterdon for the year ended June 30, 2016, and have issued our report thereon dated October 12, 2016.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Alexandria Township Board of Education's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

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

A handwritten signature in black ink that reads "William Colantano".

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

October 12, 2016
Flemington, New Jersey

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 States:

- A. “Any purchase, contract or agreement for the performance of any work or the furnishing or hiring of materials or supplies, the cost or price of which, together with any other sums expended or foreseeably to be expended for the performance of any work or services in connection with the same project or the furnishing of similar materials or supplies during the same fiscal year paid with or out of school funds, does not exceed the total sum of \$7,500 or the amount determined pursuant to subsection B. of this section, in the fiscal year or, in the case of purchases that are not annually recurring, in a period of one year may be made, negotiated and awarded by a contracting agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore.”

- B. “Commencing January 1, 1983 and every two years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount set forth in subsection A. of this section in direct proportion to the rise or fall of the consumer price index for all urban consumers in the New York City and the Philadelphia area as reported by the United States Department of Labor. The Governor shall notify all Local school districts of the adjustment. The adjustment shall become effective on July 1, of the year in which it is reported.”

N.J.S.A. 18A:18A:-4 States:

“Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A:18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A:18A-3 except by contract or agreement.”

Effective April 17, 2000, N.J.S.A. 18A:18A (Public School Contracts Law) was revised by PL 1999 Ch. 440. The associated rules were drafted by the Department of Local Government Services of the State of New Jersey, with consultation from the Commissioner of Education of New Jersey.

Effective July 1, 2015 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3 (as amended) and 18A:39-3 is \$29,000 and \$18,800, respectively.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

In accordance with 18A:18A-3a and NJAC 5:34-5 et seq. the Board of Education has appointed a "Qualified Purchasing Agent" which allows the Board of Education to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Our examination of the minutes indicated that contracts were awarded for the following:

- Snow Plowing
- Waste Water Proposal
- Computer Tech Services
- Contracted Maintenance Services
- Food Service Management Service
- Child Study Team Related Services
- Fixed Asset Inventory Service

As the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Expenditures were reviewed, however, to determine whether any clear cut violations existed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory threshold where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Chapter 114, PL 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the following purchases were made through the use of state contracts:

- Copier Lease
- Computer Supplies
- Technology Equipment

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

School Purchasing Programs (continued)

Contracts and Agreements Requiring Advertisement for Bids (continued)

Purchases were also made through cooperative agreements for the following:

Fuel Oil	Transportation
Office Supplies	Paper Supplies
Custodial Supplies	Teaching Supplies
Electric Generation	Technology Services
Technology Equipment	Electric and HVAC Services
General Construction Repairs	Long Distance Telephone Service

Administrative Practices and Procedures

Insurance

Fire and other insurance coverage evidenced by policies were carried in the amounts as reflected in the Insurance Schedule included in the District's Comprehensive Annual Financial Report.

Adequacy of insurance coverage is the responsibility of the Board of Education.

Official Bonds (N.J.S.A. 18A:17-26,18A 17-32)

Surety bond coverage in force during the period was:

<u>Name of Employee</u>	<u>Position</u>	<u>Amount</u>
David Pawlowski	Secretary/Business Administrator	\$ 250,000
Ellen Kluber	Treasurer of School Monies	250,000
Employee Blanket Bond		500,000

The Treasurer of School Monies was bonded in a surety bond in accordance with provisions of Title 18A:17-32 within minimum limits of the schedule promulgated by the New Jersey State Board of Education.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review indicated nominal discrepancies with respect to signatures, certification or supporting documentation.

Finding: There were nominal instances where the District's purchasing procedures were not adhered to.

Suggestion: All employees should be made fully aware of and adhere to the District's purchasing policies.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

Other Special Federal and/or State Projects

Special Federal and State Projects of the District are reflected on schedules K-3 and K-4 included in the Comprehensive Annual Financial Report.

Our examination of the Special Projects, on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained within the CAFR represent a true statement of the financial position pertaining to the aforementioned special projects.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Chief School Administrator and were certified by the President of the Board and the Board Secretary/School Business Administrator.

Reserve for Encumbrances, Liability (Current) for Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.2. As a result of the procedures performed, a nominal transaction error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Treasurer's Records

The records of the Treasurer were maintained in good order.

Board Secretary's Accounting Records

The records of the Board Secretary were maintained in good order.

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund.

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

TPAF (Social Security) Reimbursement

Our audit procedures included a test of the biweekly reimbursement forms filed with the Department of Education for district employees who are members of the Teacher’s Pension and Annuity Fund. No exceptions were noted.

School Food Service

Food Service Fund

The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days. The free and reduced price meal policy is uniformly administered throughout the School system. The required verification procedures for free and reduced price applications were completed and available for review.

Expenditures were separately recorded as food, labor and other costs.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Cash receipts and bank records were reviewed for timely deposit.

The District utilizes a food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will break even. The operating results provision has been met.

Food Distribution Program commodities were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

Schedule of Meal Count Activity

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Under Claim</u>
National School						
Lunch	Paid	20,230	20,230	0	\$.330	\$ 0
	Reduced	548	548	0	2.725	0
	Free	3,060	3,060	0	3.125	0
HHFKA Aid		23,838	23,838	0	.06	0

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

Application for State School Aid

Our audit procedures included a test of the information reported in the October 15, 2015 Application for State School Aid (ASSA) Data Listing for on-roll, private schools for the handicapped, and transportation. We also performed a review of the district procedures related to its completion. The information on the data listing was compared to the district work papers without exception as noted in the audit. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained work papers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility summary report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.

Schedule of Findings of Noncompliance

There were no findings of noncompliance as a result of this audit pertaining to Federal and State financial assistance.

TPAF Reimbursement to the State for Federal Salary Expenditures

No reimbursement is due to the State to reimburse for the TPAF/FICA payments made by the State on-behalf of the District for those employees whose salaries are identified as being paid from federal funds was made prior to the 90 days required by N.J.S.A. 18A:66-90. Accordingly, the expenditure was made in accordance with State law (within 90 days).

Other Matters

Finding: Executive session meeting minutes were not maintained in a formal manner and not approved by the Board of Education prior to release.

Suggestion: Executive session meeting minutes are to be maintained in a formal manner and to be approved by the Board of Education prior to release.

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
Application for State School Aid Summary
Enrollment as of October 15, 2015

Schedule of Audited Enrollments

	2016 - 2017 Application for State School Aid						Sample for Verification						Private Schools for Disabled				
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported		Sample		
	ASSA		Workpapers				Selected from		Registers		Registers		on ASSA		for		
	on Roll		on Roll		Workpapers		on Roll		on Roll		as Private		Verifi-		Sample		
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Verified	Sample	Errors	
Half day preschool age 3																	
Full day preschool age 3	8		8					3		3							
Half day preschool age 4																	
Full day preschool age 4	9		9					5		5							
Half day kindergarten																	
Full day kindergarten	38		38					19		19							
One	30		30					15		15							
Two	46		47		(1)			23		23							
Three	49		49					25		25							
Four	37		37					18		18							
Five	50		50					25		25							
Six	42		42					21		21							
Seven	46		46					23		23							
Eight	40		40					20		20							
Nine																	
Ten																	
Eleven																	
Twelve																	
Post-graduate																	
Adult HS (15+CR)																	

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
Application for State School Aid Summary
Enrollment as of October 15, 2015

Schedule of Audited Enrollments

	2016-2017 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on ASSA		Reported on Workpapers		Errors		Sample Selected from Workpapers		Verified per Registers		Errors per Registers		Reported on ASSA	Sample for	Sample	Sample
	On Roll		On Roll				On Roll		On Roll		On Roll		as Private	Verifi-	Verified	Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Verified	Errors
Adult HS (1-14CR)																
Subtotal	395	-	396	-	(1)	-	197	-	197	-	-	-	-	-	-	-
Special Education -Elementary	34		34				16		16							
Special education - Middle	29		29				15		15							
Special education - High school																
Subtotal	63	-	63	-	-	-	31	-	31	-	-	-	-	-	-	-
County vocational - Regular																
City vocational - Full time post sec.																
Totals	458	-	459	-	(1)	-	228	-	228	-	-	-	-	-	-	-
Percentage error					-0.22%	0.00%					0.00%	0.00%				0.00%

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
Applicaton for State School Aid Summary (continued)
Enrollment as of October 15, 2015

Schedule of Audited Enrollments

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Half day preschool age 3												
Full day preschool age 3												
Half day preschool age 4												
Full day preschool age 4												
Half day kindergarten												
Full day kindergarten		1	1	-	1	1						
One		2	2	-	2	2						
Two		1	1	-	1	1						
Three		4	4	-	4	4						
Four		4	4	-	4	4						
Five		1	1	-	1	1						
Six		1	1	-	1	1						
Seven		1	-	1		-						
Eight		3	3	-	3	3						
Nine												
Ten												
Eleven												
Twelve												
Post-graduate												
Adult HS (15+CR)												
Adult HS (1-14CR)												
Subtotal	<u>18</u>	<u>17</u>	<u>1</u>	<u>17</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special education - Elementary	1	1	-	1	1							
Special education - Middle	5	4	1	4	4							
Special education - High school												
Subtotal	<u>6</u>	<u>5</u>	<u>1</u>	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County vocational - Regular												
Cty vocational - F/T post sec.												
Totals	<u>24</u>	<u>22</u>	<u>2</u>	<u>22</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Percentage			<u>8.33%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

ALEXANDRIA TOWNSHIP BOARD OF EDUCATION
Application for State School Aid Summary (continued)
Enrollment as of October 15, 2015

Schedule of Audited Enrollments

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as Not Low Income	Reported on Workpapers as Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors
	-	-	-	-	-	-
Percentage			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Sample Errors
Regular - Public schools	280	280		139	139	
Regular - Special education	46	46		22	22	
Non-public school students	17	17		8	8	
All - Non-public	5	5		2	2	
Public school - With special needs	17	17		8	8	
Private school - With special needs	1	1		1	1	
	<u>366</u>	<u>366</u>	<u>-</u>	<u>180</u>	<u>180</u>	<u>-</u>
Percentage			<u>0.00%</u>			<u>0.00%</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Excess Surplus Calculation

Section 1

2% Calculation of excess surplus

2015 - 2016 Total General Fund expenditures per the CAFR, exhibit C-1	\$ 10,472,292	(B)	
Increased by:			
Transfer from capital outlay to Capital Projects Fund	-	(B1a)	
Transfer from capital reserve to Capital Projects Fund	-	(B1b)	
Transfer from General Fund to SRF for Pre K-Regular	-	(B1c)	
Transfer from General Fund to SRF for Pre K-Inclusion	-	(B1d)	
Transfer to Unemployment Compensation Fund	-	(B1e)	
Decreased by:			
On-behalf TPAF Pension & Social Security	1,234,057	(B2a)	
Assets acquired under capital leases	<u>-</u>	(B2b)	
Adjusted 2015 - 2016 General Fund expenditures [(B)+(B1s)-(B2s)]	<u>\$ 9,238,235</u>	(B3)	
2% of adjusted 2015 - 2016 General Fund expenditures [(B3) times .02]	\$ 184,765	(B4)	
Enter greater of (B4) or \$250,000	250,000	(B5)	
Increased by: Allowable adjustment	<u>189,103</u>	(K)	
Maximum unassigned/undesignated fund balance [(B5)+(K)]			<u>\$ 439,103 (M)</u>

Section 2

Total General Fund - Fund balances at June 30, 2016 (Per CAFR budgetary comparison schedule C-1)	\$ 1,569,875	(C)	
Decreased by			
Year-end encumbrances	52,555	(C1)	
Legally restricted - Designated for subsequent year's expenditures	-	(C2)	
Restricted excess surplus - Designated for subsequent year's Expenditures	-	(C3)	
Other restricted fund balances	1,003,319	(C4)	
Assigned fund balance - Designated for subsequent year's Expenditures	<u>-</u>	(C5)	
Total unassigned fund balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			<u>\$ 514,001 (U)</u>

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Excess Surplus Calculation (continued)

Section 3

Restricted fund balance - Excess surplus [(U)-(M)] if negative enter -0-	\$ 74,898	(E)
<hr/>		
Recapitulation of excess surplus as of June 30, 2016		
Reserve excess surplus - Designated for subsequent year's expenditures	\$ -	(C3)
Reserve excess surplus (E)	\$ 74,898	(E)
<hr/>		
Total excess surplus [(C3) + (E)]	\$ 74,898	(D)

Detail of allowable adjustments

Impact aid	\$ -	(H)
Sale and lease back	-	(I)
Extraordinary aid	181,922	(J1)
Additional nonpublic transportation aid	<u>7,181</u>	(J2)
Total adjustments	<u>\$ 189,103</u>	(K)

Detail of other reserved fund balance

Statutory restrictions		
Approved unspent separate proposal	\$ -	
Sale/lease - Back reserve	-	
Capital reserve	501,159	
Maintenance reserve	502,160	
Emergency reserve	-	
Waiver offset reserve - Designated for subsequent year	-	
Tuition reserve	-	
Other State/Government mandated reserve	-	
Other restricted fund balance not noted above	<u>-</u>	
Total other restricted fund balance	<u>\$ 1,003,319</u>	(C4)

Bedard, Kurowicki & Co.

BEDARD, KUROWICKI & CO., CPA'S, PC

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
June 30, 2016

Suggestions

1. Executive session minutes are to be maintained in a formal manner and approved by the Board of Education prior to release.
2. All employees should be made fully aware of and adhere to the District' purchasing policies.

Recommendations

No recommendations have been developed as a result of this audit.

Status of Prior Year's Audit Findings/Recommendations

There were no prior year audit recommendations.


* * * * *

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements, and this report of such conditions does not modify our report dated October 12, 2016.

Should any questions arise as to our comments, please do not hesitate to call us.

We desire to express our appreciation for the assistance and courtesies rendered by the school officials and employees during the course of the examination.

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


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

**BOARD OF EDUCATION
ALEXANDRIA TOWNSHIP
COUNTY OF HUNTERDON
SYNOPSIS OF AUDIT
JULY 1, 2015 TO JUNE 30, 2016**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ALEXANDRIA TOWNSHIP SCHOOL DISTRICT
Synopsis of Audit

Recommendations

No recommendations have been developed as a result of this audit.

Status of Prior Year's Audit Findings/Recommendations

There were no prior year audit recommendations.

**STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
2016 CAFR INFORMATION SCHEDULE/CHECKLIST**

1 Name of District Alexandria Township

2 County Hunterdon

3 Tax ID Number 22-6001629

4 Accounting Firm BEDARD, KUROWICKI & CO., CPA'S, PC

5 Contact of CPA Firm

Name William Colantano

Phone 908-782-7900 X105

Email wmc@bkc-cpa.com

Audit Submission to the Department

Non-Abbott	Enclosed	Abbott	Enclosed
2 Copies of CAFR	X	5 Copies of CAFR	
2 Electronic Copies of CAFR	X	2 Electronic Copies of CAFR	
1 Electronic Copy of CAFR (OFAC)	X	1 Electronic Copy of CAFR (OFAC)	
2 Copies of AMR	X	5 Copies of AMR	
1 Copy of Peer Review	X	1 Copy of Peer Review	
1 Copy of Data Collection Form	N/A	1 Copy of Data Collection Form	
1 Copy of Single Audit Summary	X	3 Copies of Audit Questionnaire	



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

October 18, 2016

NJ Department of Education
Division of Finance
100 Riverview Plaza
P.O. Box 500
Trenton, NJ 08625-0500

Gentlemen:

Enclosed please find a package containing:

- 1) The Comprehensive Annual Financial Report (CAFR) for the School District of Alexandria Township for the fiscal year ended June 30, 2016 dated October 12, 2016.
- 2) The accompanying Auditor's Management Report on Administrative Findings, Financial, Compliance and Performance also for the fiscal year ended June 30, 2016 dated October 12, 2016.

The CAFR includes an Introductory Section, Financial Section containing the general purpose and combining and individual fund and account group financial statements and schedules, Statistical section and Single audit section which includes the Schedule of Noncompliance and Questioned Costs. The separate Management Report includes audit comments and specific recommendations, including each item identified in the Schedule of Noncompliance and Questioned Costs.

Copies of the reports have been filed with the Business Administrator and the County Superintendent of Schools. These two reports will be presented to the Alexandria Township Board of Education at the next regular meeting. The audit synopsis will be based upon the comments and recommendations in the Auditor's Management Report.

Very truly yours,

BEDARD, KUROWICKI & CO., CPA'S, PC

A handwritten signature in black ink, appearing to read "William Colantano", with a horizontal line extending to the right.

William M. Colantano, Jr., CPA, RMA
Principal



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

October 18, 2016

**Alexandria Township Board of Education
Year Ended June 30, 2016**

Enclosed with the CAFR of your school district are the following items:

1. Auditor's Management Report on Administrative Findings, Financial, Compliance and Performance - copies are provided for Board Members and the Administration.
2. Synopsis of Audit - to be sent to the County Board of Education with a copy of the minutes of the Board when the audit was discussed and accepted (N.J.S.A. 18A:23-3).

Corrective Action Plan - if necessary, to be completed and acted upon by the Board when the CAFR is reviewed. The plan is to be submitted to the County Board of Education with the Synopsis of Audit and Board minutes.

The State Department of Education and County Board of Education have been supplied with copies of the CAFR and Auditor's Management Report.

If there are any questions please do not hesitate in contacting this office.

Very truly yours,
BEDARD, KUROWICKI & CO., CPA'S, PC

William M. Colantano, Jr., CPA, RMA
Principal



System Review Report

Bedard, Kurowicki & Co
Certified Public Accountants, P.C.
and the Peer Review Committee of the New Jersey State Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Bedard, Kurowicki & Co., CPAs, P.C. (the "Firm") in effect for the year ended June 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Bedard, Kurowicki & Co., CPAs, P.C. in effect for the year ended June 30, 2015, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Bedard, Kurowicki & Co., CPAs, P.C. has received a peer review rating of *pass*.

WILKIN & GUTTENPLAN, P.C.
Certified Public Accountants

East Brunswick, New Jersey

November 6, 2015

Single Audit Summary

For Fiscal Year Ended June 30, 2016

A. GENERAL INFORMATION

District/Charter School/Renaissance School Project Name: Alexandria Township School District
 District/Charter School/Renaissance School Project Code: 0020
 County: Hunterdon EIN: 22-6001629
 Audit Firm: Bedard, Kurowicki and Company

B. AUDIT ITEMS SUBMITTED

Items 2 through 6 are hard copies mailed to the NJDOE and electronically submitted

1. The School District is required to use a school-based budget	Yes <u> </u>	N/A <u> x </u>	
2. Comprehensive Annual Financial Report (2 bound copies) - (3 copies when a school-based budget is required)			Copies <u> 2 </u>
3. Auditor's Management Report			<u> 2 </u>
4. Cover Letter			<u> 2 </u>
5. Current Peer Review			<u> 1 </u>
6. Single Audit Summary			<u> 1 </u>
7. Audit performed and signed and dated by a CPA/PSA/RMA	Yes <u> x </u>		
8. Type of Auditor's Report: Financial Statements			<u>Unmodified</u>

C. SINGLE AUDIT SECTION

9. Single Audits required according to the Federal and State Expenditures

	Federal <u> </u>	State <u> X </u>	N/A <u> X </u>
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K-1 Independent Auditor's Report in Accordance with GAS

10. Material weaknesses and/or significant deficiencies noted

	Yes <u> </u>		N/A <u> x </u>
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K-2 Independent Auditor's Report of Federal and State Programs

11. Material weaknesses and/or significant deficiencies noted

	Yes <u> </u>		N/A <u> x </u>
12. Type of Auditor's Report: Federal			<u>N/A</u>
13. Type of Auditor's Report: State			<u>Unmodified</u>

K-3 Schedule of Expenditures of Federal Awards

14. Total Federal Expenditures	<u>\$225,120.00</u>		
15. Type A/B Threshold	\$750,000.00		
16. DOE Calculated Threshold	N/A		
17. Difference	N/A		
			As of June 30, 2015
		18. Due to Grantor	<u>\$0.00</u>
		19. Less: Adjustment	
		20. Refund Amount	<u>\$0.00</u>
		21. Repayment	
		22. Remaining Balance Due	<u>\$0.00</u>

Single Audit Summary

For Fiscal Year Ended June 30, 2016

C. SINGLE AUDIT SECTION (contd)

District/Charter School/Renaissance School Name: Alexandria Township School District **County:** Hunterdon

K-4 Schedule of Expenditures of State Financial Assistance

23. Total State Expenditures	\$3,029,531.00		
23A State Expenditures less On-behalf	\$2,150,995.00	As of June 30, 2015	
24. Type A/B Threshold	\$750,000.00		27. Due to Grantor \$0.00
25. DOE Calculated Threshold	\$750,000.00		28. Less: Adjustment
26. Difference	\$0.00		29. Refund Amount \$0.00
			30. Repayment
			31. Remaining Balance Due \$0.00

K-5 Notes to the Schedule of Expenditures of Awards and Financial Assistance

32. Notes included Yes _____ N/A _____

**K-7 Schedule of Findings and Questioned Costs
Financial Statements**

33. Audit Findings contain the required reporting elements Yes (number of findings) _____ N/A _____

Federal Awards

34. List all Federal Programs or clusters exceeding the Type A Threshold and all Type B Programs determined to be major programs and audited in the current year.
Include the applicable CFDA Numbers, classify the Programs as Type A or B and denote the last period(s) audited with an "X" in the specific column(s).

CFDA Number	Name of Federal Major Program or Cluster	Type A or B	Year 3 - 2016	Year 2 - 2015	Year 1 - 2014
	N/A				

35. K-6 agrees with Data Collection Form Yes _____ N/A _____

36. Audit Findings contain the required reporting elements Yes (number of findings) _____ N/A _____
 37. Questioned Costs Yes (amount) _____ N/A _____

Single Audit Summary

For Fiscal Year Ended June 30, 2016

C. SINGLE AUDIT SECTION (contd)

District/Charter School/Renaissance School Name: Alexandria Township School District County: Hunterdon

State Awards

38. List all State Programs or clusters exceeding the Type A Threshold and all Type B Programs determined to be major programs and audited in the current year. Include the applicable GMIS Numbers, classify the Programs as Type A or B and denote the last period(s) audited with an "X" in the specific column(s).

GMIS Number	Name of State Program	Type A or B	Year 3 - 2016	Year 2 - 2015	Year 1 - 2014
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>	<u>A</u>	<u>X</u>		

39. Audit Findings contain the required reporting elements Yes (number of findings) N/A X
 40. Questioned Costs Yes (amount) N/A X

K-8 Schedule of Prior Year Findings and Questioned Costs

41. Prior Period Findings N/A Number
 Fully Corrected Number
 Not Corrected Number
 Partially Corrected Number

D. Comments (optional)

E. Preparer's Information

Print Name: Joseph R. Stout CPA
Bedard, Kurowicki and Company

Signature: _____ Date: _____

Email Address: jrs@bkc-cpa.com

F. Audit Firm Information

Address: 114 Broad Street
Flemington, NJ 08822

Phone Number: 908-782-7900