

BOARD OF EDUCATION
TOWN OF HAMMONTON BOARD OF EDUCATION
COUNTY OF ATLANTIC
AUDITOR'S MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS-
FINANCIAL, COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016

TOWN OF HAMMONTON SCHOOL DISTRICT

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NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
www.colavita.net

November 17, 2016

AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE, AND PERFORMANCE

Honorable President and
Members of the Board of Education
Town of Hammonton School District
County of Atlantic
Hammonton, New Jersey 08037


We have audited, in accordance with generally accepted audit standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Town of Hammonton School District in the County of Atlantic for the year ended June 30, 2016, and have issued our report thereon dated November 17, 2016.

As part of our audit, we performed procedures required by the District of Administration and Finance, 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 issued in conjunction with the Comprehensive Annual Financial Report of the Board of Education of the Town of Hammonton for the fiscal year ending June 30, 2016 and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule, contained in the district's **CAFR**

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

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Barbara S. Prettyman	School Board Administrator/Board Secretary	\$ 25,000

Unemployment Compensation Insurance Trust Fund

The Board has adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The increase in the fund during the year under audit was planned and upon review of the fund, no exceptions were noted.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The board appeared to make a proper adjustment to the billings and invoices to sending districts for the decreases and increases in per pupil costs in accordance with N.J.A.C. 6A:23A-17.1(f)3.

District Internal Control Policies

District boards of education and administration are responsible for developing internal controls policies and procedures and maintaining a strong internal control environment. NJAC 6A:23A-6.4 requires that the district's internal control policies include specific requirements at NJAC 6A:23A-6.5 through 6.13.

All Internal Control Policies were found in accordance with NJAC 6A:23A-6.5 through 6.13. The facilities maintenance and repair scheduling and accounting work order system, as well as a financial and human resources management system, were maintained.

Examination of Claims

An examination of claims paid during the period under audit did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Financial Planning, Accounting and Reporting

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 Superintendent, as Chief School Administrator and were certified by the President of the Board and the School Business Administrator/Board Secretary.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

Employee Position Control Roster

An inquiry and subsequent review of the Position Control Roster did not find any discrepancies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

Certification of Income Tax Compliance

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (Superintendent and Business Administrator) to the N.J. Department of Treasury appeared to be filed by the March 15 due date.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, 2016 for goods not yet received or services not yet rendered. 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, 2016. As a result of our tests, no exceptions were noted and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 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 N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a 0.00% error rate was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

A. General Classification Findings - NONE

B. Administrative Classification Findings - NONE

Financial Planning, Accounting and Reporting (Continued)

Obligations of Federal Grant Awards and Requests for Reimbursement of Expenditures against those Federal Grants Awards

No exceptions were noted.

Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary were in satisfactory condition.

Acknowledgment of the Board's receipt of the Board Secretary's and monthly cash reconciliation financial reports were included in the minutes.

Monthly financial certifications of the Board Secretary and Board of Education for positive line item account status certifications (N.J.A.C. 6:2-2.13) were performed. Budgetary line item account transfers were approved monthly to cover any anticipated line item deficits.

Purchase orders were charged to the appropriate line item accounts in accordance with the State prescribed **Uniform Minimum Chart of Accounts (2R2) for New Jersey Public School.**

Treasurer's Records – Board Designee

The board designee prepared cash reconciliations for the general operating account, payroll account and payroll agency account per N.J.S.A.18A:17-9.

All cash receipts were promptly deposited.

The monthly cash reconciliations were in agreement with the records of the Board Secretary and were filed in a timely manner.

Elementary and Secondary Education Act (E.S.E.A/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001 (NCLB)

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the **CAFR**. This section of the **CAFR** documents the financial position pertaining to the projects under Title I, Title II, Title IV and Title V of the Elementary and Secondary School Improvement Act as amended and reauthorized.

The study of compliance for E.S.E.A. indicated no areas of noncompliance and/or questionable costs.

T.P.A.F. 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 Teachers Pension and Annuity Fund. No exceptions were noted.

Financial Planning, Accounting and Reporting (Continued)

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 60 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

Other Special Federal and/or State Projects

The District's special projects were approved as listed on Schedule A and Schedule B located in the **CAFR**.

Our audit of the federal and state funds, 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 are contained within the Special Revenue Section of the **CAFR**. This section of the **CAFR** documents the financial position pertaining to the aforementioned special projects.

The study of compliance for special projects indicated no areas of noncompliance.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-1 et seq. (Public School Contracts Law), the associated rules and related information on the statute, and school contracts in general are available on the website: http://www.state.nj.us/dca/divisions/dlgs/.programs/ps_contracts.html.

The current statute is posted on the New Jersey Legislature website at: http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headingswithhits=on&infobase=statutes.nfo&softpage=TOC_Frame_pg42

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800 for 2015-16.

The District 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.

Inasmuch 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. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Based on the results of our examination, we did not note any individual payments, contracts, or agreements made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, amended.

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 Ch. 114, P.L. 1977; therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, purchases made through the use of School Supplies, Office Supplies and Toner, Bus Parts, Computers, Excess Copies and Classroom Furniture. The review of contracts and agreements did not disclose any areas of statutory noncompliance.

Although a particular contract is exempt from the formal requirements of public advertising and competitive bidding, N.J.S.A. 18A:18A-37 requires that quotations be obtained, whenever practical, for any contract less than the bid threshold but 15% or more of that amount, except for contracts for professional services. All contracts and agreements, which are subject to quotations, shall be awarded on the basis of the lowest responsible quotation received, which is most advantageous to the Board of Education, price and other factors considered.

School Food Service

The financial transactions and statistical records of the School Food Service were reviewed and found to be maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis and determined to be properly maintained. In addition no exception was noted for the following:

Cash receipts and bank records were reviewed for timely deposit.

Deposits were made within 48 hours and in agreement with reported cash receipts.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

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 operation. Net cash resources, as of June 30, 2016, were in excess of three months average expenditures.

School Food Service (Continued)

Finding 2016-1(CAFR Finding 2016-1)

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Recommendation

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all school food service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

The number of meals claimed agreed with meal count records with the exception of the following:

Finding 2016-2

There was an underclaim of 2,257 lunch meals resulting in a total under claim of \$5,093. This amount was submitted to the State for consideration of late reimbursement.

Recommendation

Procedures to analyze and check the edit check reports, to the submitted Snears reports, should be reviewed and revised, in order to provide accurate counts prior to submission.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file and/or to the list of directly certified students, times the number of operating days, on a school by school basis. The free and reduced price meal policy is uniformly administered throughout the school system. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review.

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

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually. No exceptions were noted.

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

Latchkey Program

The records of the Latchkey program were reviewed and found to be in satisfactory order.

Deposits were made within 48 hours and in agreement with reported cash receipts and improvement was noted in this area.

Purchases contained the proper approvals, certifications and supporting documentations. The Latchkey program is now being outsourced to AtlantiCare, as of March 1, 2016.

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

Student Body Activities

The Board has a policy, which clearly established the regulation of student activity funds.

Receipts were generally deposited in a timely manner.

A monthly report of student activity funds is being submitted to the Board.

Cash receipts and disbursements journals were maintained in satisfactory condition.

Student activity fund purchases were generally supported by appropriate vouchers, invoices and other documentation.

Athletic Fund

The Board has a policy, which clearly established the regulation of athletic funds.

Receipts were generally deposited in a timely manner.

A monthly report of athletic funds is being submitted to the Board.

Cash receipts and disbursements books were maintained in satisfactory condition.

Athletic fund purchases were generally supported by appropriate vouchers, invoices and other documentation.

Application for State School Aid (ASSA)

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

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

The District written procedures appear to be adequate for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2015-16 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS by the District was verified to the County DRTRS Eligibility Summary Report. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts.

The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

Facilities and Capital Assets

Our procedures included a review of the SDA grant agreements, if any, for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

There were no new SDA grant agreements initiated during the year under audit.

The general fixed asset records were updated for the additions and disposals of general fixed assets made during the year.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. There were no findings in the prior year.

Acknowledgment

We received the complete cooperation of all the officials of the school district, and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

**HAMMONTON SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-FEDERAL
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
National School Lunch Severe Rate	Paid	116,220	116,220	116,961	741	\$ 0.31	\$ 229.71
National School Lunch Severe Rate	Reduced	26,129	26,129	26,303	174	2.69	468.06
National School Lunch Severe Rate	Free	175,671	175,671	177,013	1,342	3.09	4,146.78
	TOTAL	<u>318,020</u>	<u>318,020</u>	<u>320,277</u>	<u>2,257</u>		<u>\$ 4,845</u>

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>
School Breakfast Program Severe Rate	Paid	10,143	10,143	10,143		0.29	\$
School Breakfast Program Severe Rate	Reduced	5,177	5,177	5,177		1.69	
School Breakfast Program Severe Rate	Free	60,212	60,212	60,212		1.99	
	TOTAL	<u>75,532</u>	<u>75,532</u>	<u>75,532</u>			<u>\$</u>

<u>Program</u>	<u>Category</u>	<u>Claimed</u>	<u>Tested</u>	<u>Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Claim</u>
	Paid	116,220	116,220	116,961	741	0.06	\$ 44.46
	Reduced	26,129	26,129	26,303	174	0.06	10.44
HHFKA	Free	175,671	175,671	177,013	1,342	0.06	80.52
	TOTAL	<u>318,020</u>	<u>318,020</u>	<u>320,277</u>	<u>2,257</u>		<u>\$ 135</u>

TOTAL NET UNDERCLAIM \$ 4,980

HAMMONTON SCHOOL DISTRICT
FOOD SERVICE FUND
NUMBER OF MEALS/MILKS SERVED AND OVER/UNDERCLAIM-STATE
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>(Over)/Under Difference</u>	<u>Rate</u>	<u>(Over)/Under Claim</u>	
State Reimbursement - National School Lunch	Paid	116,220	116,220	116,961	741 \$	0.04 \$	29.64	
State Reimbursement - National School Lunch	Reduced	26,129	26,129	26,303	174	0.06	9.57	
State Reimbursement - National School Lunch	Free	175,671	175,671	177,013	1,342	0.06	73.81	
	TOTAL	<u>318,020</u>	<u>318,020</u>	<u>320,277</u>	<u>2,257</u>	\$	<u>113</u>	
TOTAL NET UNDERCLAIM							\$	<u>113</u>

NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures
Proprietary Funds - Food Service
FYE 2016
HAMMONTON

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 641,252
B-4		Due from Other Gov'ts	56,759
B-4		Accounts Receivable	1,133
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(32,828)
B-4		Less Accruals	(32,124)
B-4		Less Due to Other Funds	(71,008)
B-4		Less Deferred Revenue	<u>(16,010)</u>
		Net Cash Resources	<u>\$ 547,174</u> (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,575,856	
B-5	Less Depreciation	<u>(60,722)</u>	
	Adj. Tot. Oper. Exp.	<u>\$ 1,515,134</u>	(B)

Average Monthly Operating Expense:

B / 10 \$ 151,513 (C)

Three times monthly Average:

3 X C \$ 454,540 (D)

TOTAL IN BOX A	\$	547,174	
LESS TOTAL IN BOX D	\$	454,540	
NET	\$	<u>92,634</u>	
From above:			
A is greater than D, cash exceeds 3 X average monthly operating expenses.			
D is greater than A, cash does not exceed 3 X average monthly operating expenses.			

* Inventories are not to be included in total current assets.

SOURCE - USDA resource management comprehensive review form

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF HAMMONTON BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015**

	2016-2017 APPLICATION FOR STATE SCHOOL AID (10/15/15 DATA)						SAMPLE FOR VERIFICATION						PRIVATE SCHOOLS FOR DISABLED					
	Reported On A.S.S.A. On Roll		Reported On Workpapers On Roll		Errors		Sample Selected From Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported On A.S.S.A. as Private Schools		Sample for Verification	Sample Verified	Sample Errors	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared						
Half Day Preschool 4 Years Old	114		114		0			9		9								
Full Day Kindergarten	165		165		0			14		14								
One	176		176		0			14		14								
Two	157		157		0			13		13								
Three	179		179		0			15		15								
Four	171		171		0			14		14								
Five	181		181		0			15		15								
Six	203		203		0			17		17								
Seven	310		310		0			26		26								
Eight	285		285		0			23		23								
Nine	325		325		0			27		27								
Ten	270		270		0			22		22								
Eleven	287		287		0			24		24								
Twelve	298		298		0			25		25								
Post-Graduate Adult H.S. (15+CR.) Adult H.S. (1-14 CR.)																		
Subtotal	3,121	0	3,121	0	0	0	0	258	0	258	0	0	0	0	0	0	0	0
Special Ed - Elementary	152		152		0			13		13			5	1	1			
Special Ed - Middle	118		118		0			10		10			2					
Special Ed - High	243		243		0			20		20			6	1	1			
Subtotal	513	0	513	0	0	0	0	43	0	43	0	0	13	2	2	0	0	0
Totals	3,634	0	3,634	0	0	0	0	301	0	301	0	0	13	2	2	0	0	0
Percentage Error					<u>0.00%</u>	<u>0.00%</u>				<u>0.00%</u>	<u>0.00%</u>					<u>0.00%</u>		

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF HAMMONTON BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported On A.S.S.A. as Low Income	Reported On Workpapers as Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Kindergarten												
One	90	90		19	19		33	33		22	22	
Two	92	92		19	19		39	39		27	27	
Three	81	81		17	17		23	23		16	16	
Four	88	88		18	18		15	15		10	10	
Five	83	83		17	17		1	1		1	1	
Six	81	81		17	17		3	3		2	2	
Seven	99	99		20	20		2	2		1	1	
Eight	78	78		16	16		2	2		1	1	
Nine	80	80		17	17		3	3		2	2	
Ten	76	76		16	16		3	3		2	2	
Eleven	69	69		14	14		2	2		1	1	
Twelve	66	66		14	14		3	3		2	2	
Post Graduate	59	59		12	12		2	2		1	1	
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1,042	1,042	0	216	216	0	131	131	0	88	88	0
Special Ed - Elementary	110	110		23	23							
Special Ed - Middle	51	51		11	11		2	2		1	1	
Special Ed - High	75	75		15	15							
Subtotal	236	236	0	49	49	0	2	2	0	1	1	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,278	1,278	0	265	265	0	133	133	0	89	89	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

TRANSPORTATION

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	Avg. Mileage - Regular Including Grade PK students	Avg. Mileage - Regular Excluding Grade PK students	Avg. Mileage - Special Ed with Special Needs
Reg. - Public Schools	772.0	772.0		202.0	202.0				
Reg. - Special Ed.	75.0	75.0		20.0	20.0				
Transported - Non-Public	9.0	9.0		2.0	2.0				
AIL- Non-Public	32.0	32.0		8.0	8.0				
Special Needs - Public	82.0	82.0		21.0	21.0				
Totals	970.0	970.0	0.0	253.0	253.0	0.0			
Percentage Error			<u>0.00</u>			<u>0.00%</u>			

SCHEDULE OF AUDITED ENROLLMENTS

TOWN OF HAMMONTON BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Report On A.S.S.A. as NOT Low Income</u>	<u>Report On Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Kindergarten	3	3		2	2	
One	1	1				
Two	2	2		1	1	
Three	1	1		1	1	
Four						
Five						
Six						
Seven						
Eight						
Nine	2	2		1	1	
Ten						
Eleven						
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	9	9	0	5	5	0
Special Ed - Elementary						
Special Ed - Middle						
Special Ed - High						
Subtotal	0	0	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	9	9	0	5	5	0
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

TOWNSHIP OF HAMMONTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2015-16 Total General Fund Expenditures per the CAFR		\$	<u>47,637,649</u> (B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund			<u> </u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund			<u> </u> (B1b)
Transfer from General Fund to SRF for PreK-Regular			<u> </u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion			<u> </u> (B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security			<u>4,926,729</u> (B2a)
Assets Acquired Under Capital Leases			<u> </u> (B2b)
 Adjusted 15-16 General Fund Expenditures [(B)+(B1s)-(B2s)]			 <u>42,710,920</u> (B3)
 2% of Adjusted 2015-16 General Fund Expenditures [(B3) times .02]			 <u>854,218</u> (B4)
Enter Greater of (B4) or \$250,000			<u>854,218</u> (B5)
Increased by: Allowable Adjustment*			<u>5,568</u> (K)
 Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]			 \$ <u>859,786</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-16 (Per CAFR Budgetary Comparison Schedule C-1)		\$	<u>9,264,570</u> (C)
Decreased by:			
Year-end Encumbrances			<u>86,444</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures			<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**			<u> </u> (C3)
Other Restricted Fund Balances****			<u>8,278,946</u> (C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's Expenditures			<u>332,306</u> (C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]			 \$ <u>566,874</u> (U1)

SECTION 3

Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0- \$ - (E)

Recapitulation of Excess Surplus as of June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures**			- (C3)
Reserved Excess Surplus ***[(E)]			- (E)
			<u> </u>
 Total Excess Surplus [(C3) + (E)]			 \$ <u>-</u> (D)

TOWNSHIP OF HAMMONTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

Footnotes:

- * Allowable adjustment to expenditures on line K must be detailed as follows. This adjustment line (as detailed below) is to be utilized when applicable for:
 - (H) Federal Impact Aid. The passage of P.L. 2016, c.46 amended N.J.S.A. 18A:7F-41 to permit a board of education to appropriate federal impact aid funds to establish or supplement a federal impact aid legal reserve in the general fund. Accordingly, effective for the year ending June 30, 2016 the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve-General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);
 - (I) Sale & Lease-Back (Refer to the Audit Program Section II, Chapter 10);
 - (J1) Extraordinary Aid;
 - (J2) Additional Nonpublic School Transportation Aid;
 - (J3) Recognized current year School Bus Advertising Revenue; and
 - (J4) Family Crisis Transportation Aid.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

Detail of Allowable Adjustments

Impact Aid	\$		(H)
Sale & Lease-Back			(I)
Extraordinary Aid			(J1)
Additional Nonpublic School Transportation Aid		5,568	(J2)
Current Year School Bus Advertising Revenue Recognized			(J3)
Family Crisis Transportation Aid			(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$	5,568	(K)

** This amount represents the June 30, 2016 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2016 CAFR and must agree to Audit Summary Worksheet Line 90030.

**** Amount for Other Reserved Fund Balances must be detailed for each source. Use in the excess surplus calculation of any legal reserve that is not state mandated or that is not legally imposed by an other type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Finance and Regulatory Compliance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:			
Approved unspent separate proposal	\$		
Sale/lease-back reserve			
Capital reserve		3,974,688	
Maintenance reserve		2,387,007	
Emergency Reserve		317,251	
Tuition reserve		1,600,000	
School Bus Advertising 50% Fuel Offset Reserve - Current Year			
School Bus Advertising 50% Fuel Offset Reserve - Prior Year			
Impact Aid General Fund Reserve (Sections 8007 and 8008)			
Impact Aid General Fund Reserve (Sections 8002 and 8003)			
Other state/government mandated reserve			
[Other Restricted Fund Balance not noted above] ****			
Total Other Restricted Fund Balance	\$	8,278,946	(C4)

