

**HAMILTON TOWNSHIP
BOARD OF EDUCATION**

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

June 30, 2017

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

Table of Contents

	Page
Report of Independent Auditors	1
Scope of Audit	2
Administrative Practices and Procedures	
Insurance	2
Official Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting	
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	2
Classification of Expenditures	3
General Classifications	3
Administrative Classifications	3
Board Secretary's Records	3
Chief School Administrator's Records	3
Elementary and Secondary Education Act of 1965 (ESEA)/Improving America's Schools Act (IASA) as reauthorized by the No Child Left Behind Act of 2001	3
Other Special Federal and/or State Projects	3
T. P. A. F. Reimbursement	3
T. P. A. F. Reimbursement to the State for Federal Salary Expenditures	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service	5-6
Community Education Fund	6
Student Body Activities	6
Application for State School Aid	6
Pupil Transportation	6
Testing for Lead of All Drinking Water in Educational Facilities	6
Follow-up on Prior Year Findings	6
Acknowledgment	6
Schedule of Meal County Activity	7-8
Net Cash Resource Schedule	9
Schedule of Audited Enrollments	10-12
Excess Surplus Calculation	13-14

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Report of Independent Auditors

Honorable President and
Members of the Board of Education
Hamilton Township School District
County of Atlantic, New Jersey

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 Hamilton Township School District in the County of Atlantic for the year ended June 30, 2017, and have issued our report thereon dated November 3, 2017.

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 solely for the information and use of the Hamilton 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.

Very truly yours,

Ford, Scott & Associates, L.L.C.

FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Leon P. Costello

Leon P. Costello
Certified Public Accountant
Licensed Public School Accountant
No. 767

November 3, 2017

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ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE AND PERFORMANCE

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Chief School 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 Bonds (N.J.S.A. 18A:17-26, 18A:17-32; 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Anne-Marie Fala	School Business Administrator	\$275,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were less than estimated costs. The Board made a proper adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with NJAC 6A:23A-17.1(f) 3.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

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

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings 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

No inconsistencies were noted between the Position Control Roster and the payroll records, employee benefit records, and the general ledger accounts to where wages are posted.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. No differences were noted.

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-8.3. As a result of the procedures performed, a transaction error rate of 0.00% 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

Board Secretary's Records

The records of the Board Secretary were in satisfactory condition.

Chief School Administrator's Records

The records of the Chief School Administrator were in satisfactory condition.

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

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 Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

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

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 Federal and/or State Projects indicated no areas of noncompliance and/or questionable costs.

T.P.A.F. Reimbursement

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

TPAF Reimbursement to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Report 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 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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

a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefore, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b (pending C40A:11-9) the board of education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to the section.

b. Commencing in the fifth year after the year in which P.L. 1999, c.440 took effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in NJS 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of sub section a. of NJS 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months.

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other.

The board of education may, by resolution approved by a majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had prior negative experience with the bidder.

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 are \$29,000 and \$18,800 respectively. As permitted by NJS 18A:18A-3a, the Board of Education has appointed a Qualified Purchasing Agent and increased the bid threshold to \$40,000.

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.

Based on the results of my examination, I did not note 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 provision 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.

School Food Service

The financial transactions and statistical records of the school food service fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

Expenditures should be 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 nonprofit status of the school food service.

Net cash resources did not exceed three months average expenditures.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services 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.

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 and/or to the list of directly certified students on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy was reviewed for uniform administration 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 (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

The school district did provide the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Proprietary Funds, Exhibits B-4 through B-6 of the CAFR.

Community Education Fund

The Community Education funds are maintained in a satisfactory manner.

Student Body Activities

The activities funds are maintained in a satisfactory manner.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 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 Enrollments.

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 2016-17 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.

Testing for Lead of All Drinking Water in Educational Facilities

The school district adhered to all the requirements of N.J.A.C. 26-1.2 and 12/4 related to the testing for lead of all drinking water in educational facilities.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings.

Acknowledgment

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

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

HAMILTON TOWNSHIP SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -Federal

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
National School Lunch (High Rate)	Paid	88,077	88,077	88,077	0	0.32	0.00
National School Lunch (High Rate)	Reduced	30,289	30,289	30,289	0	2.78	0.00
National School Lunch (High Rate)	Free	196,812	196,812	196,812	0	3.18	0.00
	TOTAL	315,178	315,178	315,178			0.00
National School Lunch	HHFKA - PB Lunch Only	315,178	315,178	315,178	0	0.06	0.00
School Breakfast (Severe Rate)	Paid	14,885	14,885	14,885	0	0.29	0.00
	Reduced	8,609	8,609	8,609	0	1.74	0.00
	Free	77,559	77,559	77,559	0	2.04	0.00
	TOTAL	101,053	101,053	101,053			0.00
Special Milk	Paid	1,654	1,654	1,654	0	0.1975	0.00
	Free	536	536	536	0	0.23338	0.00
		2,190	2,190	2,190			0.00
After School Snacks	Paid	0	0	0	0	0.07	0.00
	Reduced	0	0	0	0	0.43	0.00
	Free (Area Eligible)	-	-	-	0	0.86	0.00
	TOTAL	0	0	0			0.00
CACFP (d) - Food	Free	0	0	0	0	3.07	0.00
CACFP (d) - Cash-in-lieu of USDA Foods	Free	0	0	0	0	0.2375	0.00
	Total Net Overclaim						0.00

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.17 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) If underclaims are identified and total \$100.00 or more by program, please contact the DOA for requirements to request reimbursement from USDA. Underclaim requests may or may not be approved by USDA for reimbursement. (d) Child and Adult Care Food Program-(CACFP)-At-Risk Dinners

School Food Service

SCHEDULE OF MEAL COUNT ACTIVITY

HAMILTON TOWNSHIP SCHOOL DISTRICT

FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM -STATE

ENTERPRISE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE (a)	(OVER) UNDER CLAIM (b)
State Reimbursement - National School Lunch (Regular Rate)	Paid	88,077	88,077	88,077	0	0.040	0.00
State Reimbursement - National School Lunch (Regular Rate)	Reduced	30,289	30,289	30,289	0	0.055	0.00
State Reimbursement - National School Lunch (Regular Rate)	Free	196,812	196,812	196,812	0	0.055	0.00
	TOTAL	<u>315,178</u>	<u>315,178</u>	<u>315,178</u>			

Total Net Overclaim

0.00

Auditor Notation:

(a) Reimbursement rates are subject to annual change. Rates indicated in this sample schedule are for illustrative purposes only. Refer to the detailed schedule of reimbursement rates presented on page II-60.17 of this Audit Program. (b) Overclaims or underclaims must be reflected by program on the Schedule of Findings and Questioned Costs (where applicable) and in the AMR. (c) State underclaims identified are not eligible for reimbursement.

NET CASH RESOURCE SCHEDULE

Net cash resources did/did not exceed three months of expenditures Proprietary Funds - Food Service FYE 2017

<u>Net Cash Resources:</u>		Food Service B - 4/5	
CAFR	*	Current Assets	
B-4		Cash & Cash Equiv.	\$ 20,941.42
B-4		Due from Other Gov'ts	
B-4		Accounts Receivable	68,139.29
B-4		Investments	
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(47,459.79)
B-4		Less Accruals	
B-4		Less Due to Other Funds	(88.53)
B-4		Less Deferred Revenue	
		Net Cash Resources	\$ 41,532.39 (A)

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	1,562,057.22	
B-5	Less Depreciation	(20,487.33)	
	Adj. Tot. Oper. Exp.	\$ 1,541,569.89	(B)

Average Monthly Operating Expense:

B / 10	\$ 154,156.99	(C)
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Three times monthly Average:

3 X C	\$ 462,470.97	(D)
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TOTAL IN BOX A	\$ 41,532.39
LESS TOTAL IN BOX D	\$ 462,470.97
NET	\$ (420,938.58)

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

HAMILTON SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification						Private Schools for Disabled					
	Reported on A.S.S.A. 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		Errors		Sample for Disabled	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	66	-	-	-	6	-	-	6	-	-	-	-	-	-	-	-	-	-
Full Day Preschool	82	-	-	-	8	-	-	8	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	251	-	-	-	25	-	-	25	-	-	-	-	-	-	-	-	-	-
One	272	-	-	-	26	-	-	26	-	-	-	-	-	-	-	-	-	-
Two	247	-	-	-	24	-	-	24	-	-	-	-	-	-	-	-	-	-
Three	286	-	-	-	28	-	-	28	-	-	-	-	-	-	-	-	-	-
Four	272	-	-	-	26	-	-	26	-	-	-	-	-	-	-	-	-	-
Five	276	-	-	-	27	-	-	27	-	-	-	-	-	-	-	-	-	-
Six	298	-	-	-	29	-	-	29	-	-	-	-	-	-	-	-	-	-
Seven	272	-	-	-	26	-	-	26	-	-	-	-	-	-	-	-	-	-
Eight	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Eleven	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Twelve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,569	-	-	-	250	-	-	250	-	-	-	-	-	-	-	-	-	-
Special Ed - Elementary	279	-	-	-	27	-	-	27	-	-	5	-	-	5	-	-	-	-
Special Ed - Middle School	187	-	-	-	18	-	-	18	-	-	-	-	-	-	-	-	-	-
Special Ed - High School	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	466	-	-	-	45	-	-	45	-	-	5	-	-	5	-	-	-	-
Co. Voc. - Regular	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	3,035	-	-	-	295	-	-	295	-	-	5	-	-	5	-	-	-	-
Percentage Error	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%	

**HAMILTON SCHOOL DISTRICT
SCHEDULE OF ADMITTED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016**

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification										
	Reported on A.S.S.A as Low Income	Reported on Workshops as Low Income	Shared	Full Errors	Shared Errors	Sample Selected from Worksheets	Verified to Application and Registrar	Sample Shared	Full Errors	Sample Shared	Errors	Reported on A.S.S.A as Low Income	Reported on Workshops as Low Income	Shared	Full Errors	Sample Selected from Worksheets	Verified to Application and Registrar	Sample Shared	Errors	
Full Day Preschool - 3 Years																				
Full Day Preschool - 4 Years																				
Half Day Kindergarten																				
Full Day Kindergarten																				
One	127	127				24	24									4	4			
Two	126	126				23	23									8	8			
Three	141	141				26	26									10	10			
Four	137	137				25	25									4	4			
Five	127	127				24	24									1	1			
Six	130	130				24	24									5	5			
Seven	133	133				25	25									1	1			
Eight	127	127				24	24									3	3			
Nine	124	124				23	23													
Ten																				
Eleven																				
Twelve																				
Post-Graduate																				
Adult H.S. (15+CR)																				
Adult H.S. (1-14+CR)																				
Subtotal	1,172	1,172				218	218									37	37			31
Special Ed - Elementary	144	144				27	27									2	2			2
Special Ed - Middle School	103	103				19	19									1	1			1
Special Ed - High School																				
Subtotal	247	247				46	46									3	3			3
Co. Voc. - Regular																				
Co. Voc. - FT Post Sec.																				
Totals	1,419	1,419				264	264									40	40			34
Percentage Error																				0.00%

	Transportation		
	Reported on DRTS by DOE/County	Reported on DRTS by District	Percentage Error
Reg. - Public Schools, col. 1	2,226	2,226	
Reg - Sp Ed, col. 4	185	185	
AIL NONPUBLIC	56	56	
Transported - Non-Public, col. 3	83	83	
Special Ed Spec, col. 6	170	170	
Totals	2,720	2,720	0.00%

Reg Avg. (Mileage) = Regular Including Grade PK Students (Part A)
 Reg Avg. (Mileage) = Regular Excluding Grade PK Students (Part B)
 Spec Avg. = Special Ed with Special Needs

Reported Recalculated
 5.1 5.1
 5.1 5.1
 4.8 4.8

HAMILTON SCHOOL DISTRICT
 SCHEDULE OF AUDITED ENROLLMENTS
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 ENROLLMENT AS OF OCTOBER 14, 2016

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.A as LEP Not Low Income	Reported on Workpapers	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Full Day Preschool - 3 Years	-	-	-	-	-	-
Full Day Preschool - 4 Years	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	-	-	-	-	-	-
One	4	4	-	3	3	-
Two	4	4	-	3	3	-
Three	3	3	-	3	3	-
Four	-	-	-	-	-	-
Five	2	2	-	2	2	-
Six	-	-	-	-	-	-
Seven	1	1	-	1	1	-
Eight	-	-	-	-	-	-
Nine	1	1	-	1	1	-
Ten	-	-	-	-	-	-
Eleven	-	-	-	-	-	-
Twelve	-	-	-	-	-	-
Post-Graduate	-	-	-	-	-	-
Adult H.S. (15+CR.)	-	-	-	-	-	-
Adult H.S. (1-14+CR.)	-	-	-	-	-	-
Subtotal	15	15	-	13	13	-
Special Ed - Elementary	-	-	-	-	-	-
Special Ed - Middle School	2	2	-	2	2	-
Special Ed - High School	-	-	-	-	-	-
Subtotal	2	2	-	2	2	-
Co. Voc. - Regular	-	-	-	-	-	-
Co. Voc. - FT Post Sec.	-	-	-	-	-	-
Totals	17	17	-	15	15	-
Percentage Error			0.00%			0.00%

**HAMILTON TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2017**

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2016-17 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>46,212,841.39</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>5,277,094.25</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>-</u>	(B2b)
Adjusted 2016-17 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u><u>40,935,747.14</u></u>	(B3)
2% of Adjusted 2016-17 General Fund Expenditures [(B3) times .02]	\$ <u>818,714.94</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>818,714.94</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>160,041.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u><u>978,755.94</u></u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/17 (Per CAFR Budgetary Comparison Schedule C-1)	\$ <u>5,353,526.30</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>91,290.27</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ <u>74,514.00</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,608,984.00</u>	(C3)
Other Restricted Fund Balances ****	\$ <u>721,706.52</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$ <u>-</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u><u>2,857,031.51</u></u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ <u>1,878,275.57</u>	(E)
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Recapitulation of Excess Surplus as of June 30, 2017:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>1,608,984.00</u>	(C3)
Reserved Excess Surplus ***	\$ <u>1,878,275.57</u>	(E)
Total Excess Surplus [(C3) + (E)]	\$ <u><u>3,487,259.57</u></u>	(D)

**HAMILTON TOWNSHIP SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2017**

* This adjustment line (as detailed below) is to be utilized for Impact Aid (when applicable), Sale and Lease-back (Refer to the Audit Program Section II, Chapter 10), and Extraordinary Aid, and Additional Nonpublic School Transportation Aid if applicable (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid and Additional Nonpublic School Transportation Aid).

Detail of Allowable Adjustments

Impact Aid	\$	-	(H)
Sale & Lease-back	\$	-	(I)
Extraordinary Aid	\$	142,883.00	(J1)
Additional Nonpublic School Transportation Aid	\$	17,158.00	(J2)
Current Year School Bus Advertising Revenue	\$		(J3)
Family Crisis Transportation Aid	\$		(J4)
 Total Adjustments [(H)+(I)+(J1) + (J2)]	 \$	 160,041.00	 (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, 2017 CAFR and the sum of the two lines 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 prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:			
Approved unspent separate proposal	\$		
Sale/lease-back reserve	\$		
Capital reserve	\$	171,706.52	
Maintenance reserve	\$	550,000.00	
Emergency Reserve	\$		
Tuition reserve	\$		
School Bus Advertising 50% Fuel Offset Reserve - CY	\$		
School Bus Advertising 50% Fuel Offset Reserve - PY	\$		
Impact Aid General Fund Reserve (Sec. 8002 and 8003)	\$		
Impact Aid General Fund Reserve (Sec. 8007 and 8008)	\$		
Other state/government mandated reserve	\$		
[Other Restricted Fund Balance not noted above] ****	\$		
 Total Other Restricted Fund Balance	 \$	 721,706.52	 (C4)