

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, 2020

TOWN OF HAMMONTON SCHOOL DISTRICT

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REPORT OF INDEPENDENT AUDITORS

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, 2020, and have issued our report thereon dated December 21, 2020.

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, 2020 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
December 21, 2020

**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:17-32,18A:13-13)

<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.

Financial Planning, Accounting and Reporting

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 (Continued)

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, 2020 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, 2020. 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.) as amended by the Every Student Succeeds Act (E.S.S.A.)

The E.S.E.A. 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, II-A, III, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

Our audit of the E.S.E.A. 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 study of compliance for E.S.E.A. indicated that all E.S.E.A. programs were in compliance.

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 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.

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 \$19,000 for 2019-20.

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.

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 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.

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 by state contract were as follows: Chrome Books, Wifi Access Points, Stage Curtains, Security Equipment, and School Buses. 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

COVID – 19 EMERGENCY

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter, Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures.

Therefore, SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A.18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of Free and Reduced Price meal eligible students.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all free and reduced price meal eligible students during the emergency.

School Food Service (Continued)

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. 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.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

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

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 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, 2019 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. 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 2019-20 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.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all the requirements of NJAC 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

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 prior year findings.

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

SCHEDULE OF AUDITED ENROLLMENTS

**TOWN OF HAMMONTON BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019**

	2020-2021 APPLICATION FOR STATE SCHOOL AID (10/15/19 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 3 Years Old																	
Half Day Preschool 4 Years Old	123		123					11		11							
Full Day Kindergarten	164		164					14		14							
One	139		139					12		12							
Two	173		173					15		15							
Three	151		151					13		13							
Four	161		161					14		14							
Five	187		187					16		16							
Six	177		177					15		15							
Seven	287		287					25		25							
Eight	280		280					24		24							
Nine	298		298					26		26							
Ten	300		300					26		26							
Eleven	294		294					25		25							
Twelve	295		295					25		25							
Post-Graduate Adult H.S. (15+CR.) Adult H.S. (1-14 CR.)																	
Subtotal	3,029	0	3,029	0	0	0	0	261	0	261	0	0	0	0	0	0	0
Special Ed - Elementary	125		125					11		11				3	1	1	
Special Ed - Middle	128		128					11		11				7	1	1	
Special Ed - High	212		212					18		18				8	1	1	
Subtotal	465	0	465	0	0	0	0	40	0	40	0	0	0	18	3	3	0
Totals	3,494	0	3,494	0	0	0	0	301	0	301	0	0	0	18	3	3	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, 2019

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported On A.S.S.A. as Low Income</u>	<u>Reported On Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP Low Income</u>	<u>Reported on Workpapers as LEP Low Income</u>	<u>Errors</u>	<u>Sample Selected From Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Kindergarten	75	75		15	15		41	41		5	5	
One	64	64		13	13		23	23		2	2	
Two	85	85		18	18		33	33		4	4	
Three	80	80		16	16		23	23		2	2	
Four	80	80		16	16		19	19		2	2	
Five	92	92		19	19		12	12		2	2	
Six	79	79		16	16		5	5		1	1	
Seven	85	85		18	18		8	8		2	2	
Eight	88	88		18	18		9	9		2	2	
Nine	76	76		16	16		9	9		1	1	
Ten	85	85		18	18		11	11		1	1	
Eleven	69	69		14	14		3	3		1	1	
Twelve	59	59		12	12		1	1		1	1	
Post Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	1,017	1,017	0	209	209	0	197	197	0	26	26	0
Special Ed - Elementary	84	84		17	17		11	11		2	2	
Special Ed - Middle	61	61		13	13							
Special Ed - High	71	71		15	15		1	1		1	1	
Subtotal	216	216	0	45	45	0	12	12	0	3	3	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	1,233	1,233	0	254	254	0	209	209	0	29	29	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

TRANSPORTATION

	<u>Reported on DRTRS by DOE/County</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>		
							<u>Reported</u>	<u>Re-Calculated</u>
Reg. - Public Schools	787.0	787.0		193.0	193.0			
Reg. - Special Ed.	39.0	39.0		10.0	10.0			
Transported - Non-Public	7.0	7.0		2.0	2.0			
AIL- Non-Public	49.0	49.0		12.0	12.0			
Special Needs - Public	156.0	156.0		38.0	38.0			
Totals	1,038.0	1,038.0	0.0	255.0	255.0	0.0		
Percentage Error			0.00			0.00%		
							Avg. Mileage - Regular Including Grade PK students	4.1
							Avg. Mileage - Regular Excluding Grade PK students	4.2
							Avg. Mileage - Special Ed with Special Needs	7.3

SCHEDULE OF AUDITED ENROLLMENTS

TOWN OF HAMMONTON BOARD OF EDUCATION
APPLICATION OR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

	<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	1	1				
One	2	2		1	1	
Two	9	9		1	1	
Three	2	2		1	1	
Four	1	1		1	1	
Five	1	1				
Six	2	2				
Seven						
Eight	1	1				
Nine	2	2		1	1	
Ten	3	3		1	1	
Eleven	1	1				
Twelve						
Post Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	25	25	0	6	6	0
Special Ed - Elementary	1	1				
Special Ed - Middle						
Special Ed - High						
Subtotal	1	1	0	0	0	0
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	26	26	0	6	6	0

Percentage Error

0.00%

0.00%

TOWN OF HAMMONTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION

SECTION 1

A. 2% Calculation of Excess Surplus

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1		\$	<u>53,752,713</u>		(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 PreK-Regular			_____		(B1c)
Transfer from General Fund to SRF for PreK-Inclusion			_____		(B1d)
Decreased by:					
On-Behalf TPAF Pension & Social Security			<u>7,409,577</u>		(B2a)
Assets Acquired Under Capital Leases			_____		(B2b)
Adjusted 2018-19 General Fund Expenditures [(B)+(B1s)-(B2s)]			<u>46,343,136</u>		(B3)
2% of Adjusted 2018-19 General Fund Expenditures					
[(B3) times .02]			<u>926,863</u>		(B4)
Enter Greater of (B4) or \$250,000			<u>926,863</u>		(B5)
Increased by: Allowable Adjustment*			<u>167,579</u>		(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance[(B5)+(K)]					\$ <u>1,094,442</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6-30-19		\$	<u>8,848,854</u>		(C)
(Per CAFR Budgetary Comparison Schedule C-1)					
Decreased by:					
Year-end Encumbrances			<u>279,416</u>		(C1)
Legally Restricted - Designated for Subsequent Year's					
Expenditures (Capital Reserve, Maintenance Reserve, Tuition Reserve			<u>1,746,436</u>		(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's					
Expenditures**			_____		(C3)
Other Restricted Fund Balances****			<u>4,652,080</u>		(C4)
Assigned Fund balance Unreserved - Designated for Subsequent Year's					
Expenditures			<u>1,270,000</u>		(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]					\$ <u>900,922</u> (U1)

SECTION 3

Section 1		\$	<u> -</u>		(E)
Restricted Fund Balance- Excess Surplus*** [(U1)-(M)] IF NEGATIVE ENTER -0-					

Recapitulation of Excess Surplus as of June 30, 2019

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

TOWN 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, 2019, 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		154,529	(J1)
Additional Nonpublic School Transportation Aid		13,050	(J2)
Current Year School Bus Advertising Revenue Recognized		_____	(J3)
Family Crisis Transportation Aid		_____	(J4)
Total Adjustments [(H) + (I) + (J1) + (J2) + (J3) + (J4)]	\$	167,579	(K)

** This amount represents the June 30, 2018 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2018 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 another type of government, such as the judicial branch of government, must have Departmental approval. District requests should be submitted to the Division of Administration and Finance prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:			
Approved unspent separate proposal	\$	_____	
Sale/lease-back reserve		_____	
Capital reserve		2,319,555	
Maintenance reserve		2,012,725	
Emergency Reserve		319,800	
Tuition reserve		_____	
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	\$	4,652,080	(C4)



AUDIT RECOMMENDATIONS SUMMARY

**For the Fiscal Year Ended June 30, 2020
Town of Hammonton School District**

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

None

5. Student Body Activities

None

6. Application for State School Aid

None

7. Charter School Enrollment System(CHE) (Applicable to audits of charter schools)

None

8. Pupil Transportation

None

9. Facilities and Capital Assets

None

10. Miscellaneous

None

11. Status of Prior Year Audit Findings/Recommendations

A review was performed on the prior year recommendations. There were no prior year recommendations.