

**HAMILTON TOWNSHIP  
BOARD OF EDUCATION**

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

**June 30, 2014**



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

Table of Contents

|  | Page  |
|--|-------|
| Independent Auditors' Report   | 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  | 2     |
| Reserve for Encumbrances and Accounts Payable  | 2     |
| Classification of Expenditures   | 2-3   |
| Board Secretary's Records  | 3     |
| Chief School Administrator's Records   | 3     |
| Elementary and Secondary Education Act of 1965 (ESEA)/Improving<br>America's Schools Act (IASA) as reauthorized by the No Child<br>Left Behind Act of 2001 | 3     |
| Other Special Federal and/or State Projects  | 3     |
| T. P. A. F. Reimbursement  | 3     |
| School Purchasing Programs   |       |
| Contracts and Agreements Requiring Advertisement for Bids  | 4-5   |
| School Food Service  | 5     |
| Community Education Fund   | 6     |
| Student Body Activities  | 6     |
| Application for State School Aid   | 6     |
| Pupil Transportation   | 6     |
| Department of Education Consolidated Monitoring Report   | 6-7   |
| Follow-up on Prior Year Findings   | 7     |
| Acknowledgment   | 7     |
| Schedule of Meal Count Activity  | 8-9   |
| Net Cash Resource Schedule   | 10    |
| Schedule of Audited Enrollments  | 11-13 |
| Excess Surplus Calculation   | 14-15 |





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • PO BOX 538 • OCEAN CITY, NJ • 08226-0538  
PHONE 609.399.6333 • FAX 609.399.3710  
[www.ford-scott.com](http://www.ford-scott.com)

## 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, 2014, and have issued our report thereon dated October 22, 2014.

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**

**October 22, 2014**

{THIS PAGE IS INTENTIONALLY LEFT BLANK}

## 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)

| Name            | Position                      | Amount    |
|-----------------|-------------------------------|-----------|
| Daniel M. Smith | 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.

#### 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.

#### Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with NJAC 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to

randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with NJAC 6A:23A-8.2. As a result of the procedures performed, a 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, except for the following:

***Finding:***

NJAC allows unexpended balances to remain in the capital projects fund for six years after bonds are issued or sold. As of 6/30/14, there are unexpended capital project balances that relate to the July 2003 bond sale. This project is related to the construction of an addition and renovations at an elementary school. The District was involved in litigation with the contractor, the architect, and the construction manager regarding the completion of the project. A settlement agreement was approved by the Board of Education in June 2014. Under the agreement, the District was reimbursed \$25,000 by the contractor and any funds previously encumbered by the District have been cancelled. Based on this, no recommendation is warranted.

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 Exhibits K-3 and K-4 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.



## **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 NJSA 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, 2010 and thereafter the bid thresholds in accordance with NJSA 18A:18A-3 (as amended) and 18A:39-3 are \$26,000 and \$18,300 respectively.

The business administrator/board secretary of the school district has been appointed as the qualified purchasing agent and the board of education has adopted a resolution to establish a bid threshold of \$36,000.

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. My examination did reveal, however, that the following purchases were made through the use of State contracts:

Fuel Oil and Diesel Fuel  
Copy Machines

### **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.

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 15, 2013 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.

#### ***Finding:***

Minor differences were found between the low income counts reported on the District workpapers and the final ASSA report submitted by the District.

#### ***Recommendation:***

The final ASSA submission should be carefully reviewed to ensure that all information reported is in agreement with the District source documents.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2013-14 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. 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.

### **Department of Education Consolidated Monitoring Report**

#### ***Finding:***

The New Jersey Department of Education visited the District to monitor the District's use of federal funds and the related program plans for Title I, Title IIA, Title III, Title III Immigrant, IDEA (Basic and Preschool), and Race to the Top for the period of July 1, 2011 through April 16, 2013. The final report, which was issued in December 2013, included 7 findings related to the Title I program, 1 finding related to the Title III/Title III Immigrant program, 10 findings related to the IDEA program, and 3 administrative findings. None of the findings related to the financial aspect of the program funding. On February 18, 2014 the Board of Education adopted a corrective action plan addressing each of the findings noted in the Consolidated Monitoring Report. Based on this, a recommendation is not warranted.

### **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.

SCHEDULE OF MEAL COUNT ACTIVITY

**TOWNSHIP OF HAMILTON SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

| PROGRAM                                 | MEAL<br>CATEGORY | MEALS<br>CLAIMED | MEALS<br>TESTED | MEALS<br>VERIFIED | DIFFERENCE | RATE     | (OVER)<br>UNDER<br>CLAIM |          |
|---|------------------|------------------|-----------------|-------------------|------------|----------|--------------------------|----------|
| National School Lunch<br>(Regular Rate) | Paid             | 116,020          | 116,020         | 116,020           | -          | 0.340 \$ | -                        |          |
|   | Reduced          | 33,909           | 33,909          | 33,909            | -          | 2.530    | -                        |          |
|   | Free             | 205,616          | 205,616         | 205,616           | -          | 2.930    | -                        |          |
|   | <b>TOTAL</b>     | <b>355,545</b>   | <b>355,545</b>  | <b>355,545</b>    | <b>-</b>   |          | <b>-</b>                 |          |
| School Breakfast<br>(Severe Needs Rate) | Paid             | 28,232           | 28,232          | 28,232            | -          | 0.280    | -                        |          |
|   | Reduced          | 12,100           | 12,100          | 12,100            | -          | 1.590    | -                        |          |
|   | Free             | 107,538          | 107,538         | 107,538           | -          | 1.890    | -                        |          |
|   | <b>TOTAL</b>     | <b>147,870</b>   | <b>147,870</b>  | <b>147,870</b>    | <b>-</b>   |          | <b>-</b>                 |          |
| <b>TOTAL NET (OVER)/UNDER CLAIM</b>     |                  |                  |                 |                   |            |          | <b>\$</b>                | <b>-</b> |

SCHEDULE OF MEAL COUNT ACTIVITY

**TOWNSHIP OF HAMILTON SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE**  
**ENTERPRISE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

| PROGRAM  | MEAL<br>CATEGORY | MEALS<br>CLAIMED | MEALS<br>TESTED | MEALS<br>VERIFIED | DIFFERENCE | RATE     | (OVER)<br>UNDER<br>CLAIM |
|--|------------------|------------------|-----------------|-------------------|------------|----------|--------------------------|
| State Reimbursement -<br>National School Lunch<br>(Regular Rate) | Paid             | 116,020          | 116,020         | 116,020           | -          | 0.040 \$ | -                        |
|  | Reduced          | 33,909           | 33,909          | 33,909            | -          | 0.055    | -                        |
|  | Free             | 205,616          | 205,616         | 205,616           | -          | 0.055    | -                        |
|  | <b>TOTAL</b>     | <b>355,545</b>   | <b>355,545</b>  | <b>355,545</b>    | <b>-</b>   |          |                          |
| <b>TOTAL NET (OVER)/UNDER CLAIM</b>                              |                  |                  |                 |                   |            |          | <b>\$ -</b>              |

**NET CASH RESOURCE SCHEDULE**

**Net cash resources did not exceed three months of expenditures  
Proprietary Funds - Food Service  
FYE 2014**

| <u>Net Cash Resources:</u> |   | <b>Food<br/>Service<br/>B - 4/5</b> |                              |
|----------------------------|---|-------------------------------------|------------------------------|
| <b>CAFR</b>                | * | <b>Current Assets</b>               |                              |
| B-4                        |   | Cash & Cash Equiv.                  | \$ 78,445                    |
| B-4                        |   | Due from Other Gov'ts               | 84,897                       |
| B-4                        |   | Accounts Receivable                 | 18,637                       |
| B-4                        |   | Investments                         |                              |
| <b>CAFR</b>                |   | <b>Current Liabilities</b>          |                              |
| B-4                        |   | Less Accounts Payable               | (13,501)                     |
| B-4                        |   | Less Accruals                       |                              |
| B-4                        |   | Less Due to Other Funds             | (209)                        |
| B-4                        |   | Less Deferred Revenue               | <u>(2,881)</u>               |
|                            |   | <b>Net Cash Resources</b>           | <b><u>\$ 165,387</u></b> (A) |

Net Adj. Total Operating Expense

|     |                      |                            |     |
|-----|----------------------|----------------------------|-----|
| B-5 | Tot. Operating Exp.  | 1,672,589                  |     |
| B-5 | Less Depreciation    | <u>(20,172)</u>            |     |
|     | Adj. Tot. Oper. Exp. | <b><u>\$ 1,652,417</u></b> | (B) |

Average Monthly Operating Expense

|        |                             |     |
|--------|-----------------------------|-----|
| B / 10 | <b><u>\$ 165,241.70</u></b> | (C) |
|--------|-----------------------------|-----|

Three times monthly Average

|       |                          |     |
|-------|--------------------------|-----|
| 3 X C | <b><u>\$ 495,725</u></b> | (D) |
|-------|--------------------------|-----|

|                     |                            |
|---------------------|----------------------------|
| TOTAL IN BOX A      | \$ 165,387                 |
| LESS TOTAL IN BOX D | \$ (495,725)               |
| <b>NET</b>          | <b><u>\$ (330,338)</u></b> |

From above:

**A is greater than D, cash exceeds 3 X average monthly operating expense:  
D is greater than A, cash does not exceed 3 X average monthly operating expense:**

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

SOURCE - USDA resource management comprehensive review form

TOWNSHIP OF HAMILTON SCHOOL DISTRICT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 14, 2013

|                          | 2014-2015 Application for State School Aid (10/15/14 data) |                                |        | Sample for Verification         |                                |                              |
|--------------------------|--|--------------------------------|--------|---------------------------------|--------------------------------|------------------------------|
|                          | 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 |
|                          | Full   | Shared                         | Full   | Full                            | Shared                         | Full                         |
| Pre-K Half Day           | 145  |                                |        | 14                              |                                |                              |
| Half Day Kindergarten    |  |                                |        |                                 |                                |                              |
| Full Day Kindergarten    |  |                                |        |                                 |                                |                              |
| One                      | 274  |                                |        | 26                              |                                |                              |
| Two                      | 304  |                                |        | 29                              |                                |                              |
| Three                    | 271  |                                |        | 26                              |                                |                              |
| Four                     | 278  |                                |        | 26                              |                                |                              |
| Five                     | 299  |                                |        | 28                              |                                |                              |
| Six                      | 271  |                                |        | 26                              |                                |                              |
| Seven                    | 263  |                                |        | 25                              |                                |                              |
| Eight                    | 279  |                                |        | 26                              |                                |                              |
| Subtotal                 | 2,649  | 0                              | 0      | 251                             | 0                              | 0                            |
| Special Ed Elementary    | 283  |                                |        | 27                              |                                |                              |
| Special Ed Middle School | 179  |                                |        | 17                              |                                |                              |
| Subtotal                 | 462  | 0                              | 0      | 44                              | 0                              | 0                            |
| Totals                   | 3,111  | 0                              | 0      | 295                             | 0                              | 0                            |
| Percentage               |  |                                | 0.00%  |                                 |                                | 0.00%                        |



TOWNSHIP OF HAMILTON SCHOOL DISTRICT  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 14, 2013

|                          | Private Schools for Disabled                 |                               |                    | Resident Low Income |   |   | Sample for Verification |  |   | Resident LEP Low Income |   |   |        |
|--------------------------|--|-------------------------------|--------------------|---------------------|---|---|-------------------------|--|---|-------------------------|---|---|--------|
|                          | Reported on<br>ASSA as<br>Private<br>Schools | Sample<br>for<br>Verification | Sample<br>Verified | Sample<br>Errors    | Reported<br>on ASSA<br>as Low<br>Income | Reported on<br>Workpapers<br>as Low<br>Income | Errors                  | Sample<br>Selected<br>from<br>Workpapers | Verified to<br>Application<br>and<br>Register | Sample<br>Errors        | Reported<br>on ASSA<br>as LEP<br>Low Income | Reported on<br>Workpapers<br>as LEP<br>Low Income | Errors |
| Pre-K Half Day           |  |                               |                    |                     |   |   |                         |  |   |                         |   |   |        |
| Half Day Kindergarten    |  |                               |                    |                     |   |   |                         |  |   |                         |   |   |        |
| Full Day Kindergarten    |  |                               |                    |                     |   |   |                         |  |   |                         |   |   |        |
| One                      |  |                               |                    |                     | 128                                     | 123   | 5                       | 27                                       | 27  |                         | 7   | 7   |        |
| Two                      |  |                               |                    |                     | 127                                     | 128   | (1)                     | 28                                       | 28  |                         | 5   | 6   | 1      |
| Three                    |  |                               |                    |                     | 128                                     | 121   | 7                       | 26                                       | 26  |                         | 8   | 8   |        |
| Four                     |  |                               |                    |                     | 114                                     | 115   | (1)                     | 25                                       | 25  |                         | 5   | 5   |        |
| Five                     |  |                               |                    |                     | 114                                     | 113   | 1                       | 24                                       | 24  |                         | 6   | 6   |        |
| Six                      |  |                               |                    |                     | 135                                     | 125   | 10                      | 27                                       | 27  |                         | 1   | 2   | 1      |
| Seven                    |  |                               |                    |                     | 111                                     | 108   | 3                       | 23                                       | 23  |                         | 3   | 4   | 1      |
| Eight                    |  |                               |                    |                     | 105                                     | 101   | 4                       | 22                                       | 22  |                         | 4   | 4   |        |
| Subtotal                 | 0  | 0                             | 0                  | 0                   | 99                                      | 99  |                         | 21                                       | 21  |                         | 2   | 2   | 3      |
|                          |  |                               |                    |                     | 1,061                                   | 1,033   | 28                      | 223                                      | 223   |                         | 41  | 44  |        |
| Special Ed Elementary    | 3  | 3                             | 3                  |                     | 172                                     | 133   | 39                      | 31                                       | 31  |                         | 1   | 1   |        |
| Special Ed Middle School | 3  | 3                             | 3                  |                     | 97                                      | 96  | 1                       | 23                                       | 23  |                         |   |   |        |
| Subtotal                 | 6  | 6                             | 6                  | 0                   | 269                                     | 229   | 40                      | 54                                       | 54  |                         | 1   | 1   | 0      |
| Co. Voc. - Regular       | 6  | 6                             | 6                  | 0                   | 1,330                                   | 1,262   | 68                      | 277                                      | 277   |                         | 42  | 45  | 3      |
| Totals                   |  |                               |                    |                     |   |   |                         |  |   |                         |   |   |        |
| Percentage Error         |  |                               |                    | 0.00%               |   |   | 5.11%                   |  |   |                         |   |   | 0.00%  |

TOWNSHIP OF HAMILTON SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 14, 2013

|                          | Sample for Verification         |                                     | Resident LEP Not Low Income        |  | Sample for Verification         |                                      |               |
|--------------------------|---------------------------------|-------------------------------------|------------------------------------|--|---------------------------------|--------------------------------------|---------------|
|                          | Sample Selected from Workpapers | Verified to Test Score and Register | Reported on ASSA as LEP Low Income | Reported on Workpapers as LEP Low Income | Sample Selected from Workpapers | Verified to Application and Register | Sample Errors |
| Pre-K Half Day           |                                 |                                     |                                    |  |                                 |                                      |               |
| Half Day Kindergarten    |                                 |                                     |                                    |  |                                 |                                      |               |
| Full Day Kindergarten    |                                 |                                     |                                    |  |                                 |                                      |               |
| One                      | 6                               | 6                                   | 5                                  | 5  | 4                               | 4                                    |               |
| Two                      | 4                               | 4                                   | 3                                  | 2  | 3                               | 3                                    |               |
| Three                    | 7                               | 7                                   | 1                                  | 1  | 1                               | 1                                    |               |
| Four                     | 4                               | 4                                   | 1                                  | 1  | 1                               | 1                                    |               |
| Five                     | 5                               | 5                                   | 2                                  | 2  | 2                               | 2                                    |               |
| Six                      | 1                               | 1                                   | 2                                  | 1  | 2                               | 2                                    |               |
| Seven                    | 3                               | 3                                   | 1                                  | 1  | 1                               | 1                                    |               |
| Eight                    | 3                               | 3                                   | 1                                  | 1  | 1                               | 1                                    |               |
| Subtotal                 | 2                               | 2                                   |                                    |  |                                 |                                      | 0             |
|                          | 35                              | 35                                  | 16                                 | 14                                       | 15                              | 15                                   |               |
| Special Ed Elementary    | 1                               | 1                                   |                                    |  |                                 |                                      |               |
| Special Ed Middle School | 0                               | 0                                   |                                    |  |                                 |                                      |               |
| Subtotal                 | 1                               | 1                                   | 0                                  | 0  | 0                               | 0                                    |               |
| Totals                   | 36                              | 36                                  | 16                                 | 14                                       | 15                              | 15                                   | 0             |
| Percentage Error         |                                 |                                     |                                    |  |                                 |                                      | 0.00%         |

|                                  | Transportation                  |        | Reported on DRTRS by District | Tested | Verified | Errors |
|----------------------------------|---------------------------------|--------|-------------------------------|--------|----------|--------|
|                                  | Reported on DRTRS by DOE/county | Errors |                               |        |          |        |
| Reg.-Public Schools col. 1       | 2,300                           | 2,300  | 249                           | 249    |          |        |
| Reg.-SpEduc, col. 4              | 192                             | 192    | 21                            | 21     |          |        |
| Transported - Non-Public, col. 3 | 92                              | 92     | 10                            | 10     |          |        |
| Special Needs, col. 6            | 104                             | 104    | 11                            | 11     |          |        |
| Totals                           | 2,688                           | 2,688  | 291                           | 291    | 0        | 0      |
| Percentage Error                 |                                 |        |                               |        |          | 0.00%  |

|  | Reported | Re-Calculated |
|--|----------|---------------|
| Avg. Mileage-Regular including Grade PK students | 5.1      | 5.1           |
| Avg. Mileage-Regular excluding Grade PK students | 5.1      | 5.1           |
| Avg. Mileage-Special Ed with Special Needs       | 5.4      | 5.4           |

**EXCESS SURPLUS CALCULATION**

**SECTION 1**

**Calculation A: 2 Percent Excess Surplus**

|  |              |       |                             |
|--|--------------|-------|-----------------------------|
| 2013-2014 Total General Fund Expenditures per the CAFR, Ex. C-1        | \$45,104,068 | (B)   |                             |
| Increased by Applicable Operating Transfers                            |              |       |                             |
| 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                     | 115,253      | (B1c) |                             |
| Transfer from General Fund to SRF for PreK-Inclusion                   |              | (B1d) |                             |
| Decreased by:  |              |       |                             |
| On-Behalf TPAF Pension & Social Security                               | (3,485,302)  | (B2a) |                             |
| Assets Acquired Under Capital Leases:                                  | <u>0</u>     | (B2b) |                             |
| Adjusted General Fund Expenditures [(B)+(B1s)-(B2s)]                   |              |       | 41,734,019 (B3)             |
| 2% of Adjusted 2013-2014 General Fund Expenditures<br>[(B3) times .02] |              |       | <u>834,680 (B4)</u>         |
| Enter greater of (B4) or \$250,000                                     |              |       | 834,680 (B5)                |
| Increased by: Allowable Adjustment *                                   |              |       | <u>122,032 (K)</u>          |
| Maximum Unreserved/Undesignated Fund Balance [(B-5)+(K)]               |              |       | <u><u>\$956,712 (M)</u></u> |

**SECTION 2**

|  |                 |      |                                |
|--|-----------------|------|--------------------------------|
| Total General Fund - Fund Balances @ 6-30-2014<br>(Per CAFR Budgetary Comparison Schedule C-1) | 5,418,466       | C    |                                |
| Decreased by:  |                 |      |                                |
| Year-End Encumbrances  | (385,545)       | (C1) |                                |
| Legally Restricted - Designated for Subsequent Year's Expenditures                             | 0               | (C2) |                                |
| Legally Restricted - Excess Surplus - Designated for Subsequent Year's<br>Expenditures **      | (1,574,496)     | (C3) |                                |
| Other Restricted Fund Balances ****  | (1,660,056)     | (C4) |                                |
| Assigned Fund Balance - Unreserved - Designated for Subsequent<br>Year's Expenditures          | <u>(70,254)</u> | (C5) |                                |
| Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]                                   |                 |      | <u><u>\$1,728,115 (U1)</u></u> |

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$771,403 (E)

**Recapitulation of Excess Surplus as of June 30, 2014**

|  |                    |      |
|--|--------------------|------|
| Reserved Excess Surplus - Designated for Subsequent Year's Expenditures ** | 1,574,496          | (C3) |
| Reserved Excess Surplus ***  | <u>771,403</u>     | (E)  |
| Total Excess Surplus [(C3) + (E)]  | <u>\$2,345,899</u> | (D)  |

\* This adjustment line (as detailed below) is to be utilized when applicable for: Impact Aid, Sale and Lease-back, Extraordinary Aid, Additional Nonpublic School Transportation Aid, and recognized current year School Bus Advertising Revenues.

**Detail of Allowable Adjustments**

|  |                  |             |
|--|------------------|-------------|
| Impact Aid                                     |                  | (H)         |
| Sale & Lease-back                              |                  | (I)         |
| Extraordinary Aid                              | 111,552          | (J1)        |
| Additional Nonpublic School Transportation Aid | 10,480           | (J2)        |
| Unbudgeted TPAF Wage Freeze Grant Funding      |                  | <u>(J3)</u> |
| Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]     | <u>\$122,032</u> | (K)         |

\*\* This amount represents the June 30, 2014 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2014 CAFR and the sum of the two lines must agree to Audit Summary Worksheet Line 90030.

\*\*\*\* Amount for Other Restricted 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   | \$860,056          |                             |
| Maintenance reserve   | \$800,000          |                             |
| Tuition reserve   |                    |                             |
| Emergency reserve   |                    |                             |
| School Bus Advertising 50% Fuel Offset Reserve-current year |                    |                             |
| School Bus Advertising 50% Fuel Offset Reserve-prior year   |                    |                             |
| Other state/government mandated reserve                     |                    |                             |
| [Other Restricted Fund Balance not noted above] ****        |                    | <u>                    </u> |
| Total Other Restricted Fund Balance                         | <u>\$1,660,056</u> | (C4)                        |