

**SCHOOL DISTRICT**  
**OF THE**  
**CITY OF SOMERS POINT**

**Auditor's Management Report**  
**For the Fiscal Year Ended June 30, 2019**



**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS  
FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# FORD - SCOTT

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## REPORT OF INDEPENDENT AUDITORS

Honorable President and  
Members of the Board of Education  
City of Somers Point 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 City of Somers Point School District in the County of Atlantic for the year ended June 30, 2019, and have issued our report thereon dated November 25, 2019.

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

This report is intended for the information of the City of Somers Point 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.

*Ford, Scott & Associates, L.L.C.*  
**FORD, SCOTT & ASSOCIATES, L.L.C.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*

**Michael S. Garcia**  
**Certified Public Accountant**  
**Licensed Public School Accountant**  
**No. 2080**

**November 25, 2019**

## **ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE**

### **Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Superintendent, 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

The Somers Point School District is a member of the Atlantic and Cape May County School Business Officials Joint Insurance Fund.

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)

#### Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Susan Irons	Board Secretary	\$ 210,000.00

There is a Public Employees' Faithful Performance Position Blanket Bond with the Atlantic and Cape May County School Business Officials Joint Insurance Fund covering all other employees with multiple coverage of \$250,000 with a deductible of \$500.

### **Financial Planning, Accounting and Reporting**

#### 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 makes an adjustment to the billings to sending districts for the decrease in per pupil costs in accordance with *N.J.A.C. 6A:23-17.1(f) 3* as applicable.

#### 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 deductions 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 premium amounts withheld 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 found no inconsistencies between the payroll records, employee benefit records, the general ledger accounts to where wages are posted, and the Position Control Roster.

### 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. There were no exceptions noted.

### 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, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### Board Secretary's Records

Our review of the financial and accounting records maintained by the Board Secretary disclosed the following items:

- The Board Secretary's records were in satisfactory condition.
- Bids received were summarized in the minutes (*N.J.S.A. 18A:18A-21*).
- Acknowledgement of the Board's receipt of the Board Secretary's and the Treasurer's monthly financial reports were included in the minutes.
- Budget appropriations were not greater than realized revenues and Board authorized use of surplus.
- No budgetary line accounts were over-expended during the fiscal year end at June 30 (*N.J.A.C. 6A:23A-16.10*)
- Payments made to vendors were not made until the receipt of goods.
- Capital asset records were updated for the additions and disposals of capital assets made during the year.
- The district is maximizing its efforts under the Special Education Medicaid Initiative (SEMI) Program for obtaining federal funding for special education services.
- Budget transfers were approved by two-thirds affirmative vote of the authorized membership of the school board (*N.J.A.C. 6A:23A-13.3(f)*).
- Purchase orders were charged to the appropriate line accounts in accordance with State prescribed Uniform Minimum Chart of Accounts (Handbook 2R2), for New Jersey Public Schools.
- All required reconciliations were performed. Cash receipts were promptly deposited. (*N.J.A.C. 18A:17-34, 18A:17-9.1*)

## **Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)**

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

The study of compliance for E.S.E.A. revealed 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 revealed no instances of noncompliance.

## **TPAF 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**

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. Somers Point Board of Education has a Qualified Purchasing Agent therefore the bid threshold was \$40,000 for fiscal year 2019. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,000 for 2018-19.

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

Based on the results of my examination, I did not note any individual payments, contracts, or agreements were 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.



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

### **School Food Service**

The financial transactions and statistical records of the school food services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions noted.

Cash receipts and bank records were reviewed for timely deposits. No exceptions noted.

The District utilizes a food service management company and is depositing and expending program funds in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program bottom line on the operational report for the school year will be at break even. The operating provision has been met. All vendor discounts, rebates, and credits from vendors and/or the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursement records reflected expenditures for program related goods and services. Deposits and expenditures of program moneys are in accordance with *N.J.S.A. 18A:17-34* and 19-1 through 19-4.1. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. No exceptions noted.

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 Service employees authorized by the board of education. No exceptions 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 and certified in a timely manner. No exceptions noted.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days, on a school by school basis. The free and reduced price meal and free milk policy is uniformly administered throughout the school system. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions noted.

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

The 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.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Proprietary Funds, Section B.

### **Student Body Activities**

The records of the Student Activity Fund were in satisfactory condition.

### **Community Education and Recreation Program**

All disbursements are processed by the Board Business Office. All cash disbursements tested had proper supporting documentation.

### **Finding 2019-1 AMR:**

During our review of the Community Education and Recreation Program funds, the following was noted:

- Yard Sale receipts were collected and deposited into the district's bank account. There was no support on file for these receipts therefore we could not determine if the receipts were deposited timely.
- Receipts for Play advertisements were not turned over to the board office as they were received. One deposit was made for all monies collected therefore we could not determine if the receipts were deposited timely. In addition, fees for the advertisements were not approved by the board.
- Play gate receipts and concessions sold at the Play did not have proper support.
- We noted three instances in which Summer Camp fees were not charged in accordance with the fee rates approved.
- We noted eleven inconsistencies between CASTLE/SMILE cards purchased and attendance sign out sheets.

### **Recommendation 2019-1 AMR:**

District management should review the adequacy of internal controls related to the receipt of program funds. Controls over the safeguarding program fees should also be reviewed.

### **Application for State School Aid**

Our audit procedures included a test of information reported in the October 15, 2018 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 with no exceptions. 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 has adequate written procedures for the recording of student enrollment data.

### **Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2018-2019 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 include 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.

### **Facilities and Capital Assets**

Our procedures included a review of the SDA grant agreement 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, where applicable. No exceptions were noted.

### **Miscellaneous**

- The school district has complied with continuing disclosure agreements made in relation to prior year bond issuances. No exceptions noted.
- 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.

The school district did submit the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12(g).

### **Follow-Up on Prior Year 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.

*Ford, Scott & Associates, L.L.C.*  
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**No. 2080**

**November 25, 2019**

**SOMERS POINT BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	2018-2019 Application for State School Aid				Sample for Verification				Private Schools for Disabled			
	Reported on A.S.A. On Roll	Reported on Workpapers On Roll	Errors Full	Errors Shared	Reported on Workpapers Full	Reported on Workpapers Shared	Verified per Registers On Roll Full	Verified per Registers On Roll Shared	Reported on A.S.A. as Private Schools	Sample Verification	Sample Verified	Sample Errors
Half Day Preschool	55.00	55.00	-	-	14.00	14.00	14.00	-	-	-	-	-
Full Day Preschool - 4YR	73.00	73.00	-	-	20.00	20.00	20.00	-	-	-	-	-
Half Day Kindergarten	100.00	100.00	-	-	26.00	26.00	26.00	-	-	-	-	-
Full Day Kindergarten	76.00	76.00	-	-	20.00	20.00	20.00	-	-	-	-	-
One	87.00	87.00	-	-	23.00	23.00	23.00	-	-	-	-	-
Two	71.00	71.00	-	-	19.00	19.00	19.00	-	-	-	-	-
Three	74.00	74.00	-	-	19.00	19.00	19.00	-	-	-	-	-
Four	67.00	67.00	-	-	18.00	18.00	18.00	-	-	-	-	-
Five	64.00	64.00	-	-	17.00	17.00	17.00	-	-	-	-	-
Six	76.00	76.00	-	-	20.00	20.00	20.00	-	-	-	-	-
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14+CR.)												
Subtotal	743.00	743.00	-	-	196.00	196.00	196.00	-	-	-	-	-
Special Ed - Elementary	84.00	84.00	-	-	22.00	22.00	22.00	-	-	1.00	1.00	-
Special Ed - Middle School	54.00	54.00	-	-	14.00	14.00	14.00	-	-	-	-	-
Special Ed - High School												
Subtotal	138.00	138.00	-	-	36.00	36.00	36.00	-	-	1.00	1.00	-
Co. Voc. - Regular												
Co. Voc. - FT Post Sec.												
Totals	881.00	881.00	-	-	232.00	232.00	232.00	-	-	1.00	1.00	-
Percentage Error												

**SOMERS POINT BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2018**

	Resident Low Income		Sample for Verification		Resident LEP Low Income		Sample for Verification	
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A as LEP Low Income	Reported on Workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Half Day Preschool	49.00	49.00	17.00	17.00	13.00	13.00	10.00	10.00
Full Day Kindergarten	69.00	69.00	23.00	23.00	5.00	5.00	4.00	4.00
Half Day Kindergarten	64.00	64.00	22.00	22.00	10.00	10.00	8.00	8.00
One	58.00	58.00	20.00	20.00	7.00	7.00	5.00	5.00
Two	45.00	45.00	15.00	15.00	8.00	8.00	6.00	6.00
Three	54.00	54.00	18.00	18.00	3.00	3.00	2.00	2.00
Four	44.00	44.00	15.00	15.00	3.00	3.00	2.00	2.00
Five	40.00	40.00	14.00	14.00	-	-	-	-
Six	44.00	44.00	15.00	15.00	-	-	-	-
Seven	44.00	44.00	15.00	15.00	-	-	-	-
Eight	467.00	467.00	159.00	159.00	49.00	49.00	37.00	37.00
Nine	69.00	69.00	23.00	23.00	5.00	5.00	4.00	4.00
Ten	44.00	44.00	15.00	15.00	3.00	3.00	2.00	2.00
Eleven	113.00	113.00	38.00	38.00	8.00	8.00	6.00	6.00
Twelve	580.00	580.00	197.00	197.00	57.00	57.00	43.00	43.00
Post-Graduate	69.00	69.00	23.00	23.00	5.00	5.00	4.00	4.00
Adult H.S. (15+CR.)	44.00	44.00	15.00	15.00	3.00	3.00	2.00	2.00
Adult H.S. (1-14+CR.)	113.00	113.00	38.00	38.00	8.00	8.00	6.00	6.00
Subtotal	580.00	580.00	197.00	197.00	57.00	57.00	43.00	43.00
Special Ed - Elementary	12.00	12.00	8.00	8.00	-	-	-	-
Special Ed - Middle School	19.00	19.00	13.00	13.00	-	-	-	-
Special Ed - High School	37.00	37.00	25.00	25.00	-	-	-	-
Subtotal	113.00	113.00	77.00	77.00	-	-	-	-
Co. Voc. - Regular	45.00	45.00	31.00	31.00	-	-	-	-
Co. Voc. - FT Post Sec.	12.00	12.00	8.00	8.00	-	-	-	-
Totals	580.00	580.00	197.00	197.00	57.00	57.00	43.00	43.00
Percentage Error	-	-	-	-	-	-	-	-
<b>Transportation</b>								
Reg. - Public Schools, col. 1	45.00	45.00	31.00	31.00	-	-	-	-
Reg. - Sp Ed, col. 4	12.00	12.00	8.00	8.00	-	-	-	-
Transported - Non-Public, col. 3	19.00	19.00	13.00	13.00	-	-	-	-
AIL Non-Public Schools	37.00	37.00	25.00	25.00	-	-	-	-
Special Ed Spec, col. 6	113.00	113.00	77.00	77.00	-	-	-	-
Totals	236.00	236.00	154.00	154.00	-	-	-	-
Percentage Error	-	-	-	-	-	-	-	-

**Reported**  
2.9  
2.9  
4.2

**Recalculated**  
2.9  
2.9  
4.2

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

**SOMERS POINT BOARD OF EDUCATION  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2018**

	<b>Resident LEP NOT Low Income</b>		<b>Sample for Verification</b>			
	Reported on A.S.A as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten	1.00	1.00	-	1.00	1.00	-
Full Day Kindergarten						
One			-			-
Two			-			-
Three			-			-
Four	1.00	1.00	-	1.00	1.00	-
Five			-			-
Six			-			-
Seven			-			-
Eight			-			-
Nine			-			-
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14+CR.)						
Subtotal	2.00	2.00	-	2.00	2.00	-
Special Ed - Elementary						
Special Ed - Middle School						
Special Ed - High School						
Subtotal	-	-		-	-	-
Co. Voc. - Regular						
Co. Voc. - FT Post Sec.						
Totals	2.00	2.00	-	2.00	2.00	-
Percentage Error						

**SOMERS POINT SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2019**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2018-19 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>18,287,209.85</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 G/F to SRF for Preschool - Regular	\$	<u>                    </u>	(B1c)
Transfer from G/F to SRF for Preschool - Inclusion	\$	<u>                    </u>	(B1c)
Decreased By:			
On-Behalf Contributions	\$	<u>2,625,951.18</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    -</u>	(B2b)
Adjusted 2018-19 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u>15,661,258.67</u>	(B3)
2% of Adjusted 2018-19 General Fund Expenditures [(B3) times .02]	\$	<u>313,225.17</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>313,225.17</u>	(B5)
Increased by: Allowable Adjustment*	\$	<u>86,085.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u>399,310.17</u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 06/30/19 (Per CAFR Budgetary Comparison schedule/statement C-1)	\$	<u>2,164,547.23</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>168,761.89</u>	(C1)
Legally Restricted-Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted-Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>466,857.00</u>	(C3)
Other Restricted Fund Balances ****	\$	<u>774,409.17</u>	(C4)
Assigned Fund Balance-Unreserved Designated for Subsequent Year's Expenditures	\$	<u>5,209.00</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u>749,310.17</u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$	<u>350,000.00</u>	(E)
<b><u>Recapitulation of Excess Surplus as of June 30, 2019:</u></b>			
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>466,857.00</u>	(C3)
Reserved Excess Surplus ***	\$	<u>350,000.00</u>	(E)
Total [(C3) + (E)]	\$	<u>816,857.00</u>	(D)

**SOMERS POINT SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2019**

\* 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, Additional Nonpublic School Transportation Aid and Unbudgeted TPAF Wage Freeze Grant Funding. (Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion Extraordinary Aid and Additional Nonpublic School Transportation Aid.)

**Detail of Allowable Adjustment**

Impact Aid	\$ _____ (H)
Sale & Lease-back	\$ _____ (I)
Extraordinary Aid	\$ <u>80,575.00</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>5,510.00</u> (J2)
 Total Adjustments [(H)+(I)+(J1) + (J2)]	 \$ <u>86,085.00</u> (K)

\*\* This amount represents the June 30, 2019 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2019 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	\$ _____
Capital outlay for a district with a capital outlay cap waiver	\$ _____
Sale/lease-back reserve	\$ _____
Capital reserve	\$ <u>100.00</u>
Maintenance reserve	\$ <u>774,309.17</u>
Emergency reserve	\$ _____
Waiver offset reserve	\$ _____
Tuition reserve	\$ _____
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ <u>774,409.17</u> (C4)



**SCHEDULE OF MEAL COUNT ACTIVITY  
CITY OF SOMERS POINT SCHOOL DISTRICT  
FOOD SERVICE FUND  
NUMBER FOR MEALS SERVED AND (OVER) UNDERCLAIM  
ENTERPRISE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Program	Meal Category	Meals Claimed	Meals Verified	Diff.	Rate	(Over) Under Claim
National School Lunch (High Rate)	Paid	9,398	9,398	-	0.38	\$ -
	Reduced	8,484	8,484	-	2.99	-
	Free	67,256	67,256	-	3.39	-
Total		<u>85,138</u>	<u>85,138</u>	<u>-</u>		<u>-</u>
School Breakfast (Severe Rate)	Paid	1,736	1,736	-	0.31	-
	Reduced	1,801	1,801	-	1.84	-
	Free	27,860	27,860	-	2.14	-
Total		<u>31,397</u>	<u>31,397</u>	<u>-</u>		<u>-</u>
After School Snack		<u>19,423</u>	<u>19,423</u>	<u>-</u>	0.91	<u>-</u>
<b>TOTAL NET UNDERCLAIM</b>						<b>\$ <u>-</u></b>

**NET CASH RESOURCE SCHEDULE  
CITY OF SOMERS POINT SCHOOL DISTRICT  
ENTERPRISE FUND – FOOD SERVICE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Net cash resources did not exceed three months of expenditures.

<u>Net Cash Resources:</u>		<b>Food Service B - 4/5</b>	
<b>CAFR</b>	*	<b>Current Assets</b>	
B-4		Cash & Cash Equiv.	\$ 2,296.20
B-4		Less Due from Other Funds	
B-4		Due from Other Gov'ts	22,981.05
B-4		Accounts Receivable	6,022.07
<b>CAFR</b>		<b>Current Liabilities</b>	
B-4		Less Accounts Payable	
B-4		Less Due to Other Funds	
B-4		Less Unearned Revenue	
		<b>Net Cash Resources</b>	<b>\$ 31,299.32 (A)</b>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	431,000.19	
B-5	Less Depreciation	(3,436.53)	
		<b>Adj. Tot. Oper. Exp.</b>	<b>\$ 427,563.66 (B)</b>

Average Monthly Operating Expense:

B / 10	<b>\$ 42,756.37</b>	<b>(C)</b>
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Three times monthly Average:

3 X C	<b>\$ 128,269.10</b>	<b>(D)</b>
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TOTAL IN BOX A	\$	31,299.32	
LESS TOTAL IN BOX D	\$	128,269.10	
NET	\$	<b>159,568.42</b>	
From above:			
<b>A is greater than D, cash exceeds 3 X average monthly operating expenses.</b>			
<b>D is greater than A, cash does not exceed 3 X average monthly operating expenses.</b>			

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

**AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2019  
SOMERS POINT BOARD OF EDUCATION**

**RECOMMENDATIONS:**

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Community Education and Recreation Program

Recommendation 2019-001 AMR:

District management should review the adequacy of internal controls related to the receipt of program funds. Controls over the safeguarding program fees should also be reviewed.

6. Student Body Activities

None

7. Application for State School Aid

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 and corrective action was taken on all prior year findings.

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