

**CHERRY HILL TOWNSHIP SCHOOL DISTRICT**

Cherry Hill, New Jersey  
County of Camden

**Auditor's Management Report on Administrative Findings -  
Financial, Compliance and Performance  
for The Year Ended June 30, 2020**



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

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Certified Public Accountants & Advisors

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

Honorable President and Members  
of the Board of Education  
Cherry Hill Township School District  
County of Camden  
Cherry Hill, 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 Cherry Hill Township School District in the County of Camden for the year ended June 30, 2020, and have issued our report thereon dated January 12, 2021.

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 Cherry Hill Township 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,

HOLT MCNALLY & ASSOCIATES, INC.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
January 12, 2021

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**HOLT MCNALLY & ASSOCIATES**

Certified Public Accountants & Advisors

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

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and 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 School District's CAFR.

**Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Lynn Shugars	Board Secretary/School Business Administrator	\$700,000
Debra DiMattia	Treasurer	\$250,000

There is a Public Employee's Faithful Performance Blanket Position Bond with the New Jersey School Board Association Insurance Group covering all other employees with multiple coverage of \$500,000 each person/\$50,000 per loss.

**Tuition Charges**

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

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

The net salaries of sampled employees of the board were deposited in the Payroll Account. Employee's payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

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## **Financial Planning, Accounting and Reporting (continued)**

### **Payroll Account (continued)**

All payrolls were approved by the Superintendent 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 premium amounts withheld due to the general fund.

Payrolls were delivered to the School Business Administrator/Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

### **Employee Position Control Roster**

A sample inquiry and subsequent review of the Position Control Roster found no inconsistencies between the payroll records, employee benefit records (e.g. pension reports and health benefit coverage reports), the general ledger accounts to where wages are posted (administrative versus instruction), and the Position Control Roster.

### **Reserve for Encumbrances and Accounts Payable**

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

### **Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with *N.J.A.C. 6A:23 A-16.2(f)* as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of a sample of 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 transaction error rate of 0% percent overall was 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 were found to be in satisfactory condition.

### **Treasurer's Records**

Our review of the financial and accounting records maintained by the Treasurer of School Monies were found to be in satisfactory condition.

### **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



**Financial Planning, Accounting and Reporting (continued)**

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

I and IV 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 School 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 sample 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.

**T.P.A.F. Reimbursement**

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

**T.P.A.F. 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.

**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 is available on the website: <http://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

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&headigswithhits=on&infobase=statutes.nfo&softpage=TOC\\_Frame\\_Pg42](http://lis.njleg.state.nj.us/cgi-bin/om_isapi.dll?clientID=1319801&depth=2&expandheadings=off&headigswithhits=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

### **School Purchasing Programs (continued)**

regulating bidding for public school student transportation contracts under *N.J.S.A. 18A:39-3* is \$19,000 for 2017-18.

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.

Based on the results of our tests on sample basis, 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 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**

#### **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.

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. No exceptions were noted.

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

The District utilizes a food service management company (FSMC) and depositing and expending program monies in accordance with *N.J.S.A. 18A:17-34*, and 19-1 through 19-4.1. Provisions of the FSMC Fixed Price contract/addendum were reviewed and audited. The FSMC contract includes an operating result provision which guarantees that the food service program will return a profit of at least \$203,514.42. The operating results provision has been met. All vendor discounts, rebates, and credits from vendors and/or

### **School Food Service (continued)**

the FSMC were tracked and credited to the Food Service Account and reconciled to supporting documentation at least annually.

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

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

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/board of trustees. 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 /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.

### **Student Body Activities**

Our review of the financial and accounting records for student activities indicated they were in satisfactory condition.

### **Application for State School Aid (ASSA)**

Our audit procedures included a sample 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 and low-income, and bilingual. We also performed a review on a sample basis of the School District's procedures related to its completion. The information on the ASSA was compared to the School 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 School District maintained workpapers on the prescribed state forms or their equivalent.

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

### **Pupil Transportation**

Our audit procedures included a sample test of on roll status reported in the 2019-2020 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 sample of transportation contracts and purchases. Based on our sample, the School 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 sampling of transportation related purchases of goods and services.

### **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 Year Findings**

In accordance with audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, our procedures included a review of all prior year findings reported in the prior year's Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance. There were no prior year findings.

### **Office of Fiscal Accountability and Compliance (OFAC) Findings**

There were no Office of Fiscal Accountability and Compliance (OFAC) audit reports issued during the fiscal year ended June 30, 2020.

**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,

HOLT MCNALLY & ASSOCIATES, INC.

Michael Holt  
Certified Public Accountant  
Public School Accountant, No. 1148

Medford, New Jersey  
January 12, 2021

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**ADDITIONAL INFORMATION**

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SCHEDULE OF AUDITED ENROLLMENTS (1)

CHERRY HILL TOWNSHIP  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Workpapers On Roll		Errors		Sample Selected from Workpapers		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	44	-	44	-	-	-	1	-	1	-	-	-	-	-	-	-
Full Day Preschool 3 Years	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Preschool 4 Years	69	-	69	-	-	-	2	-	2	-	-	-	-	-	-	-
Full Day Preschool 4 Years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Full Day Kindergarten	704	-	704	-	-	-	21	-	21	-	-	-	-	-	-	-
First	632	-	632	-	-	-	19	-	19	-	-	-	-	-	-	-
Second	672	-	672	-	-	-	19	-	19	-	-	-	-	-	-	-
Third	625	-	625	-	-	-	18	-	18	-	-	-	-	-	-	-
Fourth	656	-	656	-	-	-	19	-	19	-	-	-	-	-	-	-
Fifth	652	-	652	-	-	-	19	-	19	-	-	-	-	-	-	-
Sixth	704	-	704	-	-	-	21	-	21	-	-	-	-	-	-	-
Seventh	744	-	744	-	-	-	22	-	22	-	-	-	-	-	-	-
Eighth	760	-	760	-	-	-	22	-	22	-	-	-	-	-	-	-
Nine	716	-	716	-	-	-	21	-	21	-	-	-	-	-	-	-
Ten	800	-	800	-	-	-	23	-	23	-	-	-	-	-	-	-
Eleven	782	-	782	-	-	-	22	-	22	-	-	-	-	-	-	-
Twelve	756	-	756	-	-	-	22	-	22	-	-	-	-	-	-	-
Subtotal	9,318	-	9,318	-	-	-	271	-	271	-	-	-	-	-	-	-
Special Ed - Elementary	653	-	653	-	-	-	19	-	19	-	-	-	21	14	14	-
Special Ed - Middle School	403	-	403	-	-	-	12	-	12	-	-	-	12	8	8	-
Special Ed - High School	471	-	471	-	-	-	14	-	14	-	-	-	84	57	57	-
Subtotal	1,527	-	1,527	-	-	-	45	-	45	-	-	-	117	79	79	-
Totals	10,845	-	10,845	-	-	-	316	-	316	-	-	-	117	79	79	-
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SCHEDULE OF AUDITED ENROLLMENTS (2)

CHERRY HILL TOWNSHIP  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019

	Resident Low Income			Resident LEP Low Income			Sample for Verification			Reported on			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Workpapers as Low Income	Errors	Reported on A.S.S.A. as LEP low Income	Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Application & Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score & Register	Sample Errors
Full Day Kindergarten	112	112	-	24	24	-	17	17	-	24	24	-	15	15	-
First	122	122	-	28	28	-	19	19	-	28	28	-	14	14	-
Second	104	104	-	23	23	-	16	16	-	23	23	-	10	10	-
Third	90	90	-	11	11	-	14	14	-	11	11	-	5	5	-
Fourth	99	99	-	13	13	-	15	15	-	13	13	-	7	7	-
Fifth	101	101	-	5	5	-	16	16	-	5	5	-	3	3	-
Sixth	117	117	-	4	4	-	18	18	-	4	4	-	4	4	-
Seventh	121	121	-	5	5	-	19	19	-	5	5	-	1	1	-
Eighth	105	105	-	3	3	-	16	16	-	3	3	-	3	3	-
Nine	88	88	-	8	8	-	14	14	-	8	8	-	3	3	-
Ten	131	131	-	8	8	-	20	20	-	8	8	-	5	5	-
Eleven	95	95	-	5	5	-	15	15	-	5	5	-	2	2	-
Twelve	99	99	-	5	5	-	15	15	-	5	5	-	2	2	-
Subtotal	1,384	1,384	-	142	142	-	214	214	-	142	142	-	74	74	-
Special Ed - Elementary	165	165	-	25	25	-	25	25	-	25	25	-	8	8	-
Special Ed - Middle School	130	130	-	4	4	-	20	20	-	4	4	-	2	2	-
Special Ed - High School	133.5	133.5	-	2	2	-	21	21	-	2	2	-	1	1	-
Subtotal	428.5	428.5	-	31	31	-	66	66	-	31	31	-	11	11	-
Totals	1,812.5	1,812.5	-	173	173	-	280	280	-	173	173	-	85	85	-
Percentage Error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Transportation

	Reported on DRTS by DOE/County	Reported on DRTS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	2,925	2,925	-	196	196	-
Reg -SpEd, col. 4	742	742	-	50	50	-
Transported - Non-Public, col. 3	331	331	-	22	22	-
ALL, col. 2	326	326	-	22	22	-
Special Ed Spec, col. 6	187	187	-	13	13	-
Totals	4,511	4,511	-	303	303	-
Percentage Error	-	-	-	-	-	-

**SCHEDULE OF AUDITED ENROLLMENTS (3)**

**CHERRY HILL TOWNSHIP  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2019**

	<b>Resident LEP NOT Low Income</b>			<b>Sample for Verification</b>		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	31	31	-	18	18	-
First	29	29	-	9	9	-
Second	32	32	-	10	10	-
Third	14	14	-	5	5	-
Fourth	16	16	-	3	3	-
Fifth	6	6	-	5	5	-
Sixth	4	4	-	2	2	-
Seventh	10	10	-	3	3	-
Eighth	5	5	-	2	2	-
Nine	6	6	-	4	4	-
Ten	7	7	-	2	2	-
Eleven	9	9	-	4	4	-
Twelve	11	11	-	1	1	-
<b>Subtotal</b>	<b>180</b>	<b>180</b>	<b>-</b>	<b>68</b>	<b>68</b>	<b>-</b>
Special Ed - Elementary	19	19	-	4	4	-
Special Ed - Middle School	6	6	-	2	2	-
Special Ed - High School	4	4	-	1	1	-
<b>Subtotal</b>	<b>29</b>	<b>29</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>
<b>Totals</b>	<b>209</b>	<b>209</b>	<b>-</b>	<b>75</b>	<b>75</b>	<b>-</b>
Percentage Error		<u><u>-</u></u>				<u><u>-</u></u>

**SCHEDULE OF MEAL COUNT ACTIVITY - FEDERAL**

**CHERRY HILL TOWNSHIP  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM - FEDERAL  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(MEMORANDUM ONLY)**

PROGRAM	MEAL CATEGORY	MEALS CLAIMED	MEALS TESTED	MEALS VERIFIED	DIFFERENCE	RATE	(OVER)/ UNDER CLAIM
National School Lunch (Regular Rate)	Paid	215,697	98,685	98,685	-	0.32	-
	Reduced	25,023	11,810	11,810	-	3.01	-
	Free	169,697	54,790	54,790	-	3.41	-
	<b>Total</b>	<b>410,417</b>	<b>165,285</b>	<b>165,285</b>	<b>-</b>	<b>-</b>	<b>-</b>
National School Breakfast (Regular Rate)	Paid	8,688	3,843	3,843	-	0.31	-
	Reduced	648	298	298	-	1.54	-
	Free	29,478	3,340	3,340	-	1.84	-
	<b>Total</b>	<b>38,814</b>	<b>7,481</b>	<b>7,481</b>	<b>-</b>	<b>-</b>	<b>-</b>
National School Breakfast - Severe Need (Regular Rate)	Paid	12,808	3,919	3,919	-	0.31	-
	Reduced	3,148	901	901	-	1.90	-
	Free	52,379	6,364	6,364	-	2.20	-
	<b>Total</b>	<b>68,335</b>	<b>11,184</b>	<b>11,184</b>	<b>-</b>	<b>-</b>	<b>-</b>

**EXCESS SURPLUS CALCULATION**

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

2019-2020 Total General Fund Expenditures per the CAFR, Ex. C-1	\$	<u>219,425,967</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>10,200,000</u>	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$	<u>-</u>	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$	<u>-</u>	(B1d)
Decreased by:			
On-Behalf TPAF Pension & Social Security	\$	<u>29,539,032</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>-</u>	(B2b)
Adjusted 2019-2020 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$	<u><u>200,086,935</u></u>	(B3)
2% of adjusted 2019-2020 General Fund Expenditures [(B3) times .02]	\$	<u>4,001,739</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>4,001,739</u>	(B5)
Increased by: Allowable Adjustment *	\$	<u>1,794,535</u>	(K)
Maximum Unassigned/Undesignated-Unreserved Fund Balance [(B5)+(K)]	\$	<u><u>5,796,274</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 06/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	\$	<u>31,887,379</u>	(C)
Decreased by:			
Year-End Encumbrances	\$	<u>637,233</u>	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$	<u>3,752,404</u>	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures**	\$	<u>2,069,207</u>	(C3)
Other Restricted Fund Balances ****	\$	<u>17,389,040</u>	(C4)
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	\$	<u>-</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>8,039,495</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus \*\*\* [(U1)-(M)] IF NEGATIVE ENTER -0- \$ 2,243,221 (E)

**Recapitulation of Excess Surplus as of June 30, 2020**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \*\* \$ 2,069,207 (C3)  
 Reserved Excess Surplus \*\*\* [(E)] \$ 2,243,221 (E)  
 Total Excess Surplus [(C3) + (E)] \$ 4,312,428 (D)

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. 2015, 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, 2017, 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 of 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 and 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.

**Detail of Allowable Adjustments**

Impact Aid	\$ <u>-</u> (H)
Sale & Lease-back	\$ <u>-</u> (I)
Extraordinary Aid	\$ <u>1,731,958</u> (J1)
Additional Nonpublic School Transportation Aid	\$ <u>62,577</u> (J2)
Current Year School Bus Advertising Revenue Recognized	\$ <u>-</u> (J3)
Family Crisis Transportation Aid	\$ <u>-</u> (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ <u>1,794,535</u> (K)

\*\* This amount represents the June 30, 2020 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.

\*\*\* Amount must agree to the June 30, 2020 CAFR and must agree to Audit Summary 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 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	\$ <u>-</u>
Sale/Lease-Back Reserve	\$ <u>-</u>
Capital Reserve	\$ <u>17,389,040</u>
Maintenance Reserve	\$ <u>-</u>
Emergency Reserve	\$ <u>-</u>
Tuition Reserve	\$ <u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - current year	\$ <u>-</u>
School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ <u>-</u>
Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>-</u>
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ <u>-</u>
Other state/government mandated reserve	\$ <u>-</u>
[Other Restricted Fund Balance Not Noted Above] ****	\$ <u>-</u>
 Total Other Restricted Fund Balance	 \$ <u>17,389,040</u> (C4)

AUDIT RECOMMENDATIONS SUMMARY  
For the Fiscal Year Ended June 30, 2020  
Cherry Hill Township 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. Pupil Transportation  
None
8. Facilities and Capital Assets  
None
9. Miscellaneous  
None
10. Status of Prior Year Audit Findings/Recommendations  
No prior year findings.