

**BOARD OF EDUCATION OF THE  
BOROUGH OF SOMERDALE SCHOOL DISTRICT  
COUNTY OF CAMDEN**

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

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

**BOROUGH OF SOMERDALE SCHOOL DISTRICT**  
Auditor's Management Report on Administrative  
Findings - Financial, Compliance and Performance

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

The Honorable President and  
Members of the Board of Education  
Borough of Somerdale School District  
County of Camden, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Borough of Somerdale School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2021, which were separately issued in the Annual Comprehensive Financial Report dated March 11, 2022.

As part of our audit, we also 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 issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the Borough of Somerdale School District, for the fiscal year ended June 30, 2021, and is intended for the information of the School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Kirk N. Applegate  
Certified Public Accountant  
Public School Accountant No. 20CS00223300

Voorhees, New Jersey  
March 11, 2022

**ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE****SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary / School Business Administrator, the activities of the Board of Education, and the records of the various funds under the auspices of the Board of Education.

**ADMINISTRATIVE PRACTICES AND PROCEDURES****Insurance**

Fire insurance coverage was carried in the amounts as detailed on exhibit J-20, insurance schedule, contained in the School District's Annual Comprehensive Financial Report (ACFR).

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

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Amount</u></b>
Mr. David M. Rouse	Board Secretary / School Business Administrator	\$ 200,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with New Jersey Schools Insurance Group covering all other employees with multiple coverage of \$25,000.00.

**Tuition Charges**

The School District had no incoming tuition students that required proper adjustment, per N.J.A.C. 6A:23-3.1(f)3.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING****Examination of Claims**

Sampled claims paid during the fiscal year under audit did not indicate any reportable noncompliance with respect to signatures, certification, or supporting documentation.

**Payroll Account**

The net salaries of all employees of the School District were deposited in the net payroll account. Employees' payroll deductions and the employer's share of fringe benefits were deposited in the payroll agency account.

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

Sampled salary withholdings were promptly remitted to the proper agencies, including health benefit premium withholdings due to the general fund.

Sampled payrolls were delivered to the Board Secretary who then deposited with warrants in separate bank accounts for net payroll and withholdings.

**Employee Position Control Roster**

A sample of the Employee Position Control Roster indicated that it was in satisfactory condition and was approved by the county office submission with the 2020-2021 budget review checklist.

**Encumbrances and Accounts Payable**

A sample of outstanding issued purchase orders was made as of June 30 for proper classification of orders as encumbrances and accounts payable. Our sample did not indicate any reportable noncompliance with respect to classification of orders.

**FINANCIAL PLANNING, ACCOUNTING, AND REPORTING (CONT'D)**

**Travel**

No travel expenditures were noted during the fiscal year under audit.

**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 randomly sampled expenditure transactions. We also tested the coding of all expenditures included in our compliance and single audit sampling procedures. In addition, a sample was selected that specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. Our samples did not indicate any reportable noncompliance with respect to classification of expenditures.

**Board Secretary's Records**

Our audit of the financial and accounting records maintained by the Board Secretary indicated that they were in satisfactory condition.

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

The E.S.S.A. financial exhibits are contained within the special revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the projects under Titles I, IIA and IV of the Every Student Succeeds Act.

The audit of compliance for E.S.S.A. did not indicate any reportable noncompliance.

**Other Special Federal and / or State Projects**

The School District's other special projects were approved as listed on exhibits K-3 and K-4 located in the ACFR.

Our audit of the federal and state funds on a sample 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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned other special projects.

The audit of compliance for other special projects did not indicate any reportable noncompliance.

**TPAF Reimbursement**

Our audit procedures included a sample of the biweekly reimbursements filed with the Department of Education for School 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 reports 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 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 and N.J.S.A. 18A:66-90. The expenditure was inspected 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 the school contracts in general, are available on the following website:

<https://www.state.nj.us/dca/divisions/dlgs/programs/lpcl.html>

Current statute is posted on the New Jersey Legislature website at:

<http://www.njleg.state.nj.us/>

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent) and \$32,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,600.00 for 2020-21.

The School District's 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 audit, 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**

### **Public Health Emergency**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency 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.

During fiscal year 2020-2021, the public health emergency was still applicable. As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option.

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 all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

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 school food service program was not selected as a major federal and / or State program. However, the program expenditures exceeded \$100,000.00 in federal and / or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

**SCHOOL FOOD SERVICE (CONT'D)**

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The statement of revenues, expenses, and changes in fund net position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the public health emergency procedures / practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Paycheck Protection Plan (PPP) and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA.

Net cash resources did exceed three months average expenditures.

**Finding No. 2021-001**

**Condition**

The School District did not limit its net cash resources to three months average expenditures for its school food service fund as required by CFR Section 210.14 Resource Management (b) Net Cash Resources.

**Recommendation**

That the School District develop a plan to reduce the food service fund's net cash resources below its three month average expenditures as required by CFR Section 210.14 Resource Management (b) Net Cash Resources.

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

**STUDENT BODY ACTIVITIES**

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

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a sample of information reported in the October 15, 2020 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low-income, and bilingual. We also performed an inspection of the School District procedures related to its completion. The information on the A.S.S.A. 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 has adequate written procedures for the recording of student enrollment data.

**PUPIL TRANSPORTATION**

Our audit procedures included a sample of on-roll status reported in the 2020-21 District Report of Transported Resident Students (DRTRS). The information that was reported 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.

**FACILITIES AND CAPITAL ASSETS**

Our audit of the financial and accounting records for facilities and capital assets indicated that they were in satisfactory condition.

**MISCELLANEOUS**

**Continuing Disclosure Agreements**

The School District complied with its most recent continuing disclosure agreements made in relation to prior year bond issuances.

**Testing for Lead of All Drinking Water in Education Facilities**

The School District complied with all the requirements of N.J.A.C. 6A:26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

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

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

There were no audit findings for the fiscal year ended June 30, 2020.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2021.

**ACKNOWLEDGMENT**

We received the complete cooperation of all of the officials of the School District and we greatly appreciate the courtesies extended to the members of the audit team.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Kirk N. Applegate*

Kirk N. Applegate  
Public School Accountant No. 20CS00223300



**BOROUGH OF SOMERDALE SCHOOL DISTRICT**  
Schedule of Net Cash Resources  
Net Cash Resources Did Exceed Three Months of Expenditures  
Proprietary Funds - Food Service Fund  
For the Fiscal Year Ended June 30, 2021

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
<b>ACFR</b>	<b>Current Assets</b>	
B-4	Cash & Cash Equivalents	\$ 117,853.87
B-4	Due from Other Governments	27,597.84
B-4	Due from Other Funds	
B-4	Accounts Receivable	
B-4	Investments	
<b>ACFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	
B-4	Less Accruals	
B-4	Less Due to Other Funds	(9,500.00)
B-4	Less Unearned Revenue	
	<b>Net Cash Resources</b>	<b>\$ 135,951.71 (A)</b>
 <u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 200,939.04
B-5	Less Depreciation	(1,912.18)
	Adjusted Total Operating Expense	<b>\$ 199,026.86 (B)</b>
 <u>Average Monthly Operating Expense:</u>		
	B / 10	<b>\$ 19,902.69 (C)</b>
 <u>Three Times Monthly Average:</u>		
	3 X C	<b>\$ 59,708.06 (D)</b>

TOTAL IN BOX A	\$ 135,951.71
LESS TOTAL IN BOX D	\$ 59,708.06
NET	<b>\$ 76,243.65</b>

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

**BOROUGH OF SOMERDALE SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool	11		11					11		11						
Full Day Preschool																
Half Day Kindergarten																
Full Day Kindergarten	51		51					51		51						
One	37		37					37		37						
Two	41		41					41		41						
Three	27		27					27		27						
Four	38		38					38		38						
Five	45		45					45		45						
Six	50		50					50		50						
Seven	48		48					48		48						
Eight	46		46					46		46						
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14CR.)																
<b>Subtotal</b>	<b>394</b>	<b>-</b>	<b>394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>394</b>	<b>-</b>	<b>394</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Special Education-Elementary	32		32					32		32						
Special Education-Middle School	33		33					33		33						
Special Education-High School																
<b>Subtotal</b>	<b>65</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>459</b>	<b>-</b>	<b>459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>459</b>	<b>-</b>	<b>459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Percentage Error																

**BOROUGH OF SOMERDALE SCHOOL DISTRICT**  
 Application for State School Aid Summary  
 Schedule of Audited Enrollments  
 Enrollment as of October 15, 2020

	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	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application, Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One	17	17		11	11							
Two	14	14		9	9							
Three	15	15		9	9		2	2		2	2	
Four	10	10		7	7		1	1		1	1	
Five	13	13		8	8							
Six	18	18		10	10		2	2		2	2	
Seven	15	15		9	9		1	1		1	1	
Eight	15	15		9	9							
Nine	20	20		12	12							
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	137	137	-	84	84	-	6	6	-	6	6	-
Special Education-Elementary	13	13		8	8							
Special Education-Middle School	23	23		14	14		1	1		1	1	
Special Education-High School												
Subtotal	36	36	-	22	22	-	1	1	-	1	1	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	173	173	-	106	106	-	7	7	-	7	7	-
Percentage Error			-			-			-			-

	Transportation						Reg. Avg. (Mileage) = Regular Including Grade PK students (Part A) Reg. Avg. (Mileage) = Regular Excluding Grade PK students (Part B) Spec. Avg. (Mileage) = Special Ed. with Special Needs	Reported	Re-Calculated
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors			
Reg. - Public Schools, Col. 1	1	1		1	1		4.2	4.2	
Reg. - SpEd, Col. 4							If Applicable		
Transported - Non-Public, Col. 3									
Special Needs, Col. 6	7	7		6	6		9.7	9.7	
Totals	8	8	-	7	7	-			
Percentage Error			-			-			

**BOROUGH OF SOMERDALE SCHOOL DISTRICT**

Application for State School Aid Summary

Schedule of Audited Enrollments

Enrollment as of October 15, 2020

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low <u>Income</u>	Reported on Workpapers as NOT Low <u>Income</u>	<u>Errors</u>	Sample Selected from <u>Workpapers</u>	Verified to Test Score and Register	Sample <u>Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten						
One	1	1		1	1	
Two						
Three						
Four						
Five	1	1		1	1	
Six						
Seven	2	2		2	2	
Eight						
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>4</u>	
Special Education-Elementary	1	1		1	1	
Special Education-Middle School						
Special Education-High School						
Subtotal	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u><u>5</u></u>	<u><u>5</u></u>	<u><u>-</u></u>	<u><u>5</u></u>	<u><u>5</u></u>	<u><u>-</u></u>
Percentage Error			<u><u>-</u></u>			<u><u>-</u></u>

**EXCESS SURPLUS CALCULATION**

**REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT**

**SECTION 1**

**4% Calculation of Excess Surplus**

2020-21 Total General Fund Expenditures Reported on ACFR Exhibit C-1	\$ 9,746,524.33 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	(B1b)
Transfer from General Fund to SRF for PreK-Regular	51,297.00 (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	(B1d)
Decreased by:	
On-Behalf TPAF Pension & Social Security	1,646,770.50 (B2a)
Assets Acquired Under Capital Leases	(B2b)
Adjusted 2020-21 General Fund Expenditures [(B)+(B1s)-(B2s)]	\$ 8,151,050.83 (B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$ 326,042.03 (B4)
Enter Greater of (B4) or \$250,000	326,042.03 (B5)
Increased by: Allowable Adjustment *	2,404.00 (K)
Maximum Unassigned Fund Balance [(B5) + (K)]	\$ 328,446.03 (M)

**SECTION 2**

Total General Fund - Fund Balances at June 30, 2021 (Per ACFR Budgetary Comparison Schedule, Ex. C-1)	\$ 2,645,403.26 (C)
Decreased by:	
Year-End Encumbrances	1,293.51 (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	517,910.77 (C3)
Other Restricted Fund Balances ****	1,488,674.04 (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	14,960.23 (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ 622,564.71 (U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER -0-	\$ 294,118.68 (E)
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**Recapitulation of Excess Surplus as of June 30, 2021**

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 517,910.77 (C3)
Restricted - Excess Surplus *** [(E)]	294,118.68 (E)
Total Excess Surplus [(C3)+(E)]	\$ 812,029.45 (D)

**EXCESS SURPLUS CALCULATION (CONT'D)**

**REGULAR DISTRICT / CHARTER SCHOOL / RENAISSANCE SCHOOL PROJECT**

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, the Federal Impact Aid adjustment to expenditures is limited to the portion of Federal Impact Aid Section 8002 and Section 8003 received during the fiscal year and recognized as revenue on the General Fund Budgetary Comparison Schedule, but not transferred to the Federal Impact Aid Reserve – General (8002 or 8003) by board resolution during June 1 to June 30 of the fiscal year under audit. Amounts transferred to the reserve are captured on line (C4);

(I) Sale 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.

Notes to auditor: Refer to the Audit Program Section II, Chapter 10 for restrictions on the inclusion of Extraordinary Aid, Family Crisis Transportation Aid, and Additional Nonpublic School Transportation Aid.

**Detail of Allowable Adjustments**

Federal Impact Aid	\$ - (H)
Sale & Lease-back	_____ (I)
Extraordinary Aid	_____ 2,404.00 (J1)
Additional Nonpublic School Transportation Aid	_____ (J2)
Current Year School Bus Advertising Revenue Recognized	_____ (J3)
Family Crisis Transportation Aid	_____ (J4)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)]	 \$ 2,404.00 (K)

\*\* This amount represents the Excess Surplus (C3 above) generated during June 30, 2020 and must be included in the Audit Summary Line 90031. This amount was to be appropriated in the 2021-2022 general fund budget.

\*\*\* Amounts must agree to the June 30, 2021 ACFR 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 state mandated or that is not legally imposed by another type of government, such as the judicial branch of government, must have departmental approval. District requests should be submitted to the Office of School Finance prior to September 30.

**Detail of Other Restricted Fund Balance**

Statutory restrictions:	
Approved unspent separate proposal	\$ -
Sale/lease-back reserve	_____
Capital reserve	_____ 1,424,018.31
Maintenance reserve	_____
Emergency reserve	_____
Tuition reserve	_____
School bus advertising 50% fuel offset reserve - current year	_____
School bus advertising 50% fuel offset reserve - prior year	_____
Impact Aid General Fund Reserve (Sections 8002 and 8003)	_____
Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	_____
Other state/government mandated reserves	_____
Restricted for Unemployment	_____ 51,035.75
[Other Restricted Fund Balance not noted above]****	_____ 13,619.98
 Total Other Restricted Fund Balance	 \$ 1,488,674.04 (C4)

**BOROUGH OF SOMERDALE SCHOOL DISTRICT**  
Audit Recommendations Summary  
For the Fiscal Year Ended June 30, 2021

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Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

None

4. School Food Service

That the School District develop a plan to reduce the food service fund's net cash resources below its three month average expenditures as required by CFR Section 210.14 Resource Management (b) Net Cash Resources.

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. Follow-Up on Prior Year Findings

N/A - None

