

SCHOOL DISTRICT
OF THE
CITY OF SOMERS POINT

Auditor's Management Report
For the Fiscal Year Ended June 30, 2021

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

	<u>Page Number</u>
Independent Auditor's 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 and Position Control Roster	2 - 3
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Business Administrator / Board Secretary's Records	3-4
Elementary and Secondary Education Act as amended by the Every Student Succeeds Act (ESSA)	4
Other Special Federal and /or State Projects	4
TPAF Reimbursement	4
TPAF Reimbursement to the State for Federal Salary Expenditures	4
School Purchasing Programs	
Contracts and Agreements Requiring Advertisement for Bids	5
School Food Service Fund	5 - 6
Student Body Activities Fund	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Miscellaneous	7
Follow Up on Prior Year Findings	7
Acknowledgment	7
Schedule of Audited Enrollments	8 - 10
Excess Surplus Calculation	11 - 12
Audit Recommendations Summary	13

{THIS PAGE IS INTENTIONALLY LEFT BLANK}



FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

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, 2021, and have issued our report thereon dated March 11, 2022.

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

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 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>
Michele D Roemer <i>through October 22, 2021</i>	Interim Business Administrator	\$ 250,000.00
Julie Gallagher <i>effective October 25, 2021</i>	Business Administrator	\$ 250,000.00

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.
- 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 not 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*)

Finding 2021-1 AMR:

Several budgetary line accounts were over-expended at June 30 despite the monthly certification to the contrary (*N.J.A.C. 6A:23A-16.10*).

Recommendation 2021-1 AMR:

Approved budgetary line accounts should not be over-expended. Purchase orders should not be approved that would cause over-expenditure in the line account to be charged, prior to the board approving the requested transfer of additional appropriations to cover such orders.

Monthly certifications of the budgetary line-item status which are consistent with the actual budgetary records should be approved.

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. We noted some corrections necessary to the reimbursement. The corrections were made and re-submitted to the State. No finding is deemed necessary.

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 \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. Somers Point Board of Education has a Qualified Purchasing Agent therefore the bid threshold was \$44,000 for fiscal year 2021. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$19,600 for 2020-21.

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

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

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

We also inquired of management about the emergency COVID-19 procedures/practices that the district instituted to provide meals to eligible students, maintenance of all applicable production records; meal counts; noncompetitive procurements' modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. No exceptions noted.

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 with no guarantee for fiscal year 2021. 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.

The district recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO program requirements. No exceptions noted.

Net cash resources did 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. Over and under claims were noted in the prior year however have not been corrected. No finding deemed necessary.

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.

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.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 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 2020-2021 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.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Michael S. Garcia

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

March 11, 2022

**SOMERS POINT BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
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	Workpapers On Roll	Errors	Reported on Selected from Workpapers	Verified per Registers On Roll	Errors per Registers On Roll	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Errors			
	Full	Shared	Full	Full	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool - 3YR	18.00	-	-	18.00	5.00	-	5.00	-	-	-	-	-
Full Day Preschool - 4YR	38.00	-	-	38.00	11.00	-	11.00	-	-	-	-	-
Half Day Kindergarten	64.00	-	-	64.00	19.00	-	19.00	-	-	-	-	-
Full Day Kindergarten	62.00	-	-	62.00	19.00	-	19.00	-	-	-	-	-
One	66.00	-	-	66.00	19.00	-	19.00	-	-	-	-	-
Two	88.00	-	-	88.00	25.00	-	25.00	-	-	-	-	-
Three	60.00	-	-	60.00	17.00	-	17.00	-	-	-	-	-
Four	85.00	-	-	85.00	24.00	-	24.00	-	-	-	-	-
Five	67.00	-	-	67.00	19.00	-	19.00	-	-	-	-	-
Six	73.00	-	-	73.00	21.00	-	21.00	-	-	-	-	-
Seven	62.00	-	-	62.00	18.00	-	18.00	-	-	-	-	-
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14+CR.)												
Subtotal	683.00	-	-	683.00	197.00	-	197.00	-	197.00	-	-	-
Special Ed - Elementary	79.00	-	-	79.00	23.00	-	23.00	-	23.00	-	-	-
Special Ed - Middle School	43.00	-	-	43.00	12.00	-	12.00	-	12.00	-	-	-
Special Ed - High School												
Subtotal	122.00	-	-	122.00	35.00	-	35.00	-	35.00	-	-	-
Co. Voc. - Regular												
Co. Voc. - FT Post Sec.												
Totals	805.00	-	-	805.00	232.00	-	232.00	-	232.00	-	-	-
Percentage Error												

**SOMERS POINT BOARD OF EDUCATION
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
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	Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.S.A as LEP Low Income	Workpapers LEP Low Income	Sample Selected from Workpapers	Verified to Test Score and Register
Half Day Preschool								
Full Day Preschool - 3YR								
Half Day Kindergarten								
Full Day Kindergarten								
One	33.00	33.00	14.00	14.00	6.00	6.00	4.00	4.00
Two	37.00	37.00	15.00	15.00	4.00	4.00	3.00	3.00
Three	48.00	48.00	20.00	20.00	12.00	12.00	9.00	9.00
Four	59.00	59.00	23.00	23.00	7.00	7.00	5.00	5.00
Five	42.00	42.00	17.00	17.00	6.00	6.00	5.00	5.00
Six	50.00	50.00	21.00	21.00	6.00	6.00	5.00	5.00
Seven	39.00	39.00	16.00	16.00	2.00	2.00	2.00	2.00
Eight	43.00	43.00	18.00	18.00	-	-	-	-
Nine	36.00	36.00	15.00	15.00	3.00	3.00	2.00	2.00
Ten								
Eleven								
Twelve								
Post-Graduate								
Adult H.S. (15+CR.)								
Adult H.S. (1-14+CR.)								
Subtotal	387.00	387.00	160.00	159.00	46.00	46.00	35.00	35.00
Special Ed - Elementary	58.00	58.00	25.00	25.00	9.00	9.00	6.00	6.00
Special Ed - Middle School	31.00	31.00	13.00	13.00	2.00	2.00	2.00	2.00
Special Ed - High School								
Subtotal	89.00	89.00	37.00	38.00	11.00	11.00	8.00	8.00
Co. Voc. - Regular								
Co. Voc. - FT Post Sec.								
Totals	476.00	476.00	197.00	197.00	57.00	57.00	43.00	43.00
Percentage Error								
Transportation								
	Reported on DRTS by DOE/County	Reported on DRTS by District	Tested	Verified	Errors	Errors	Errors	Errors
Reg. - Public Schools, col. 1	50.00	50.00	34.00	34.00	-	-	-	-
Reg. - Sp Ed, col. 4	6.00	6.00	4.00	4.00	-	-	-	-
Transported - Non-Public, col. 3								
AIL Non-Public Schools	18.00	18.00	12.00	12.00	-	-	-	-
Special Ed Spec, col. 6	30.00	30.00	20.00	20.00	-	-	-	-
Totals	104.00	104.00	70.00	70.00	-	-	-	-
Percentage Error								

Reported	Recalculated
4.7	4.7
4.8	4.8
2.1	2.1

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, 2020**

	Resident LEP NOT Low Income			Sample for Verification		
	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 - 3YR						
Half Day Kindergarten						
Full Day Kindergarten	5.00	5.00	-	4.00	4.00	-
One	4.00	4.00	-	3.00	3.00	-
Two			-	-	-	-
Three	2.00	2.00	-	2.00	2.00	-
Four			-	-	-	-
Five	1.00	1.00	-	1.00	1.00	-
Six	1.00	1.00	-	1.00	1.00	-
Seven	1.00	1.00	-	1.00	1.00	-
Eight			-	-	-	-
Nine			-	-	-	-
Ten			-	-	-	-
Eleven			-	-	-	-
Twelve			-	-	-	-
Post-Graduate			-	-	-	-
Adult H.S. (15+CR.)			-	-	-	-
Adult H.S. (1-14+CR.)			-	-	-	-
Subtotal	14.00	14.00	-	12.00	12.00	-
Special Ed - Elementary	1.00	1.00	-	1.00	1.00	-
Special Ed - Middle School	2.00	2.00	-	2.00	2.00	-
Special Ed - High School			-			-
Subtotal	3.00	3.00	-	3.00	3.00	-
Co. Voc. - Regular						
Co. Voc. - FT Post Sec.						
Totals	17.00	17.00	-	15.00	15.00	-
Percentage Error			-			-

**SOMERS POINT SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2021**

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2020-21 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ <u>18,328,475.78</u>	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ _____	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ _____	(B1b)
Transfer from G/F to SRF for Preschool - Regular	\$ _____	(B1c)
Transfer from G/F to SRF for Preschool - Inclusion	\$ _____	(B1c)
Decreased By:		
On-Behalf Contributions	\$ <u>3,406,269.97</u>	(B2a)
Assets Acquired Under Capital Leases	\$ <u>-</u>	(B2b)
Adjusted 2020-21 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$ <u>14,922,205.81</u>	(B3)
4% of Adjusted 2020-21 General Fund Expenditures [(B3) times .04]	\$ <u>596,888.23</u>	(B4)
Enter Greater of (B4) or \$250,000	\$ <u>596,888.23</u>	(B5)
Increased by: Allowable Adjustment*	\$ <u>83,680.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$ <u>680,568.23</u>	(M)

SECTION 2

Total General Fund - Fund Balances @ 06/30/21 (Per CAFR Budgetary Comparison schedule/statement C-1)	\$ <u>4,918,807.17</u>	(C)
Decreased by:		
Year-end Encumbrances	\$ <u>784,604.24</u>	(C1)
Legally Restricted-Designated for Subsequent Year's Expenditures	\$ _____	(C2)
Legally Restricted-Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>434,844.00</u>	(C3)
Other Restricted Fund Balances ****	\$ <u>2,332,697.21</u>	(C4)
Assigned Fund Balance-Unreserved Designated for Subsequent Year's Expenditures	\$ <u>193,106.00</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$ <u>1,173,555.72</u>	(U1)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$ <u>492,987.49</u>	(E)
---	----------------------	-----

Recapitulation of Excess Surplus as of June 30, 2021:

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ <u>434,844.00</u>	(C3)
Reserved Excess Surplus ***	\$ <u>492,987.49</u>	(E)
Total [(C3) + (E)]	\$ <u>927,831.49</u>	(D)

**SOMERS POINT SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE YEAR ENDED JUNE 30, 2021**

* 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	\$ 78,460.00 (J1)
Additional Nonpublic School Transportation Aid	\$ 5,220.00 (J2)
 Total Adjustments [(H)+(I)+(J1) + (J2)]	 \$ 83,680.00 (K)

** This amount represents the June 30, 2021 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

*** Amounts must agree to the June 30, 2021 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	\$ 802,100.00
Maintenance reserve	\$ 1,451,349.53
Emergency reserve	\$ _____
Waiver offset reserve	\$ _____
Tuition reserve	\$ _____
Reserve for Unemployment Fund	\$ 79,247.68
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
 Total Other Restricted Fund Balance	 \$ 2,332,697.21 (C4)

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2021
SOMERS POINT BOARD OF EDUCATION

RECOMMENDATIONS:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

Recommendation 2021-1 AMR:

Approved budgetary line accounts should not be over-expended. Purchase orders should not be approved that would cause over-expenditure in the line account to be charged, prior to the board approving the requested transfer of additional appropriations to cover such orders.

Monthly certifications of the budgetary line-item status which are consistent with the actual budgetary records should be approved.

3. School Purchasing Program

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

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings.

{THIS PAGE IS INTENTIONALLY LEFT BLANK}