

*Auditor's Management Report*

*for the*

*Somerset Hills  
School District*

*in the*

*County of Somerset  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2022*



**INDEPENDENT AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE  
FINDINGS FINANCIAL AND COMPLIANCE**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Somerset Hills School District  
County of Somerset  
Bernardsville, New Jersey 07924

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Somerset Hills School District in the County of Somerset for the year ended June 30, 2022 and have issued our report dated February 10, 2023.

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

This report is intended solely for the information of the Somerset Hills School District, County of Somerset, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

February 10, 2023

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**SCOPE OF AUDIT**

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

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance**

Insurance coverage was carried in the amounts as detailed in the District's ACFR (See Exhibit "J-20").

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

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Jinnee DeMarco	Board Secretary/School Business Administrator	\$240,000.00
Judith Favino	Treasurer of School Monies	\$300,000.00
All Employees	Blanket Position Bond	\$500,000.00

Adequacy of insurance coverage is the responsibility of the Board of Education.

**P.L.2020,c.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A 18A:16-13.3 (Chapter 44) submitted for the fiscal year of audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district. The school district data certification was completed by the chief school administrator and was submitted timely

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The District made a proper adjustment to the billings to sending districts for the difference in per pupil costs in accordance with N.J.A.C. 6A:23-3.1(f) 3.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Examination of Claims**

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

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Net Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrator and the Chief School Administrator.

Salary withholdings for health benefits were promptly remitted to the general fund.

**Position Control Roster**

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, 2022 for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserve for encumbrances. Unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered as of June 30, 2022.

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)**

**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 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 records, books of account, and minutes of the Board Secretary revealed the records were maintained in a satisfactory condition.

**Treasurer's Records**

Our audit included an examination of the Treasurer of School Monies' monthly report and bank reconciliations and revealed the records were maintained in a 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 ACFR. This section of the ACFR documents the financial position pertaining to projects under Titles I, IIA, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

**Other Special Federal and State Projects**

The District's 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 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 ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.



**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

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

Our audit procedures included a test of the semi-monthly reimbursement filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

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. No exceptions were noted.

**SCHOOL PURCHASING PROGRAMS**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.

The Board of Education may, by resolution, approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2021, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$32,000.00. In accordance with N.J.S.A. 40A:11-9 (b) the bid threshold for all purchases made by the District's qualified purchasing agent is \$44,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$20,200.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where the 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.

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions 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.

The system of records did not provide for an accumulation of purchases for which the School Board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal however, that the district made purchases through the use of state contracts.

**SCHOOL FOOD SERVICE**

**COVID – 19 EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the public health emergency, all Public, Charter and 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 (SFAs) were required to institute alternate procedures to provide meals to eligible students during the period of school closures.

Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver. As a result, SFAs were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO). SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

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.

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**SCHOOL FOOD SERVICE (CONTINUED)**

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 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.

The District utilizes a food service management company (FSMC) and is 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 cost reimbursable fixed price or non-competitive emergency procurement contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will 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.

The number of meals claimed for reimbursement was verified against sales and meal count records. As part of the claims review process, the edit check worksheet was completed. Reimbursement vouchers were timely filed, and meals claimed agreed with meal count records.

Applications for free and reduced-price meals were reviewed for completeness and accuracy. The number of free and reduced-price meals claimed as served did not exceed the number of valid applications on file, times the number of operating days, on a school-by-school basis. The free and reduced priced meal policy is uniformly administered throughout the School system. The required verification procedures for free and reduced-price applications were completed and available for review.

The SFA 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 or SFSP program requirements.

Expenditures were 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.

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**SCHOOL FOOD SERVICE (CONTINUED)**

Cash receipts and bank records were reviewed for timely deposit.

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.

The school district maintains the detailed revenue and expenditure information necessary in order to execute the USDA mandated Non-Program Food Revenue Tool at least annually.

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 payroll protection plan 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.

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

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

**STUDENT BODY ACTIVITIES**

The records for the Student Body Activities were maintained in satisfactory condition.

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 15, 2021 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 of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**APPLICATION FOR STATE SCHOOL AID (CONTINUED)**

The district maintained workpapers on the prescribed state forms or their equivalent.

The district had written procedures for the recording of student enrollment.

**PUPIL TRANSPORTATION**

Our audit procedures included a test of on roll status reported in the fiscal year 2021-2022 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with minor exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation-related contracts and purchases. Based on our review, the District complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation-related purchases of goods and services.

**FACILITIES AND CAPITAL ASSETS**

Our procedures included a review of the SDA grant agreements for consistency with recording of SDA revenue, transfer of local funds from the general or capital reserve account and awarding of contracts for eligible facilities construction. No exceptions were noted.

**MISCELLANEOUS**

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

We were advised that the school district adhered to 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 submitted the annual assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

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

In accordance with Government Auditing Standards, our procedures included a review of status of prior year audit recommendations. There were no prior year findings.

**Independent Auditor's Management Report of Administrative  
Findings- Financial and Compliance**

**RECOMMENDATIONS**

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
None
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's Findings/Recommendations

In accordance with Government Auditing Standards, our procedures included a review of status of prior year audit recommendations. There were no prior year findings.

SOMERSET HILLS SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2021

	2022-2023 Application for State School Aid				Sample for Verification				Private School for Handicapped				
	Reported on A.S.A. as on Roll	Reported on Workpapers on Roll	Errors	Sample Selected from Workpapers	Verified per Registers on Roll	Errors per Registers on Roll	Reported as Private Schools	Sample for Verification	Reported on A.S.A. as Private Schools	Sample for Verification	Sample Errors		
	Full	Shared	Full	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Pre-K 3 yr	3												
Full Day Pre-K 4 yr	3												
Full Day Kindergarten	74			12				12					
One	57			9				9					
Two	92			15				15					
Three	70			12				12					
Four	71			12				12					
Five	92			15				15					
Six	92			15				15					
Seven	92			15				16					
Eight	99			16				17					
Nine	163	1		26				27					
Ten	179	2		29				29					
Eleven	146	1		23				23					
Twelve	161			26				28					
Subtotal	1,394	4		225				230					
SpEd Elementary	105			16				16					
SpEd Middle School	71			10				8					
SpEd High School	136			21				18					
Subtotal	312			47				42					
Totals	1,706	4		272				272					

Percentage

SOMERSET HILLS SCHOOL DISTRICT  
 SCHEDULE OF AUDITED ENROLLMENTS  
 APPLICATION FOR STATE SCHOOL AID SUMMARY  
 ENROLLMENT AS OF OCTOBER 15, 2021

	Resident Low Income		Sample for Verification		Resident ELL Low Income		Sample for Verification	
	Reported on A.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Reported on A.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Application and Register
Full Day Pre-School	13	13	4	4	9	9	5	5
Full Day Kindergarten	6	6	3	3	2	2	1	1
One	16	16	5	5	8	8	6	6
Two	13	13	10	10	8	8	5	5
Three	12	12	10	10	7	7	6	6
Four	12	12	6	6	5	5	3	3
Five	10	10	9	9	2	2	1	1
Six	12	12	10	10	3	3	2	2
Seven	6	6	4	4	4	4	3	3
Eight	12	12	13	13	6	6	4	4
Nine	10	10	8	8	6	6	6	6
Ten	8	8	2	2	7	7	6	6
Eleven	9	9	12	12	5	5	5	5
Twelve	139	139	96	96	72	72	53	53
Subtotal	183.0	183	115	115	83	83	63	63
SpEd Elementary	22	22	10	10	11	11	9	9
SpEd Middle School	10	8	3	3	-	-	-	-
SpEd High School	12	14	6	6	-	-	1	1
Subtotal	44.0	44	19	19	11	11	10	10
Totals	183.0	183	115	115	83	83	63	63

Percentage Error

Reported on DRTS by DOE	Transportation	
	Reported on DRTS by District	Errors
371	371	140
32	32	13
258	258	65
103	103	10
32	32	4
796	796	232

Reg. Public Schools, col. 1  
 Nonpublic Transportation, col. 2  
 Non-Public AIL, col. 3  
 Reg. - SpEd, Col. 4  
 Special Ed Spec, col. 6  
 Totals

Percentage Error



SOMERSET HILLS SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021

	Resident ELL NOT Low Income			Sample for Verification		
	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 Pre-School	0		-			-
Full Day Pre-School	0		-			-
Full Day Kindergarten	0		-			-
One	1	1	-	1	1	-
Two	3	3	-	2	2	-
Three	0	0	-			-
Four	2	2	-	2	2	-
Five	0		-			-
Six	0		-			-
Seven	1	1	-	1	1	-
Eight	1	1	-			-
Nine	5	5	-	4	4	-
Ten	5	5	-	4	4	-
Eleven	8	8	-	8	8	-
Twelve	5	5	-	4	4	-
Subtotal	<u>31</u>	<u>31</u>	<u>-</u>	<u>26</u>	<u>26</u>	<u>-</u>
SpEd Elementary	1	1	-	1	1	-
SpEd Middle School	0		-			-
SpEd High School	1	1	-	1	1	-
Subtotal	<u>2</u>	<u>2</u>	<u>0</u>	<u>2</u>	<u>2</u>	<u>0</u>
Totals	<u>33</u>	<u>33</u>	<u>0</u>	<u>28</u>	<u>28</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**SOMERSET HILLS SCHOOL DISTRICT**

**SCHEDULE OF CALCULATION OF EXCESS SURPLUS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Section 1- 4% Calculation of Excess Surplus**

2021-2022 Total General Fund Expenditures per the ACFR, Ex. C-1	\$	48,484,510.46
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$	9,065,007.99
Assets Acquired Under Installment Purchase Contracts		<u>118,950.59</u>
	\$	<u>9,183,958.58</u>
Adjusted 2021-2022 General Fund Expenditures	\$	<u>39,300,551.88</u>
4% of Adjusted 2021-2022 General Fund Expenditures	\$	<u>1,572,022.08</u>
Greater of 4% or \$250,000		
Increased by: Allowable Adjustment	\$	1,572,022.08
Maximum Unassigned/Undesignated - Unreserved Fund Balance		<u>819,652.00</u>
	\$	<u>2,391,674.08</u>

**Section 2**

Total General Fund - Fund Balances @ 6-30-2022	\$	10,893,156.39
Decreased by:		
Year End Encumbrances	\$	335,515.16
Assigned - Designated for Subsequent Year's Expenditures		584,260.49
Assigned - FFCRA/SEMI-Designated for subsequent year's expenditures		764.51
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures		1,491,410.51
Other Restricted Fund Balances		<u>6,089,531.64</u>
		8,501,482.31
Total Unassigned Fund Balance	\$	<u>2,391,674.08</u>

**Section 3**

Restricted Fund Balance - Excess Surplus	\$	<u>                    </u>
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**Recapitulation of Excess Surplus as of June 30, 2022**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$	1,491,410.51
Restricted Excess Surplus - Current Year		<u>                    </u>
Total	\$	<u>1,491,410.51</u>

**Detail of Allowable Adjustments**

Extraordinary Aid (Unbudgeted)	\$	735,552.00
Additional Nonpublic School Transportation Aid (Unbudgeted)		84,100.00
	\$	<u>819,652.00</u>

**Detail of Other Restricted Fund Balance**

Capital Reserve	\$	5,086,451.34
Maintenance Reserve		903,459.00
Unemployment Compensation		99,621.30
	\$	<u>6,089,531.64</u>

SOMERSET HILLS SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
FOOD SERVICE FUND  
NUMBER OF MEALS SERVED AND (OVER)/UNDERCLAIM  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>PROGRAM</u>	<u>MEAL CATEGORY</u>	<u>MEALS CLAIMED</u>	<u>MEALS VERIFIED</u>	<u>DIFFERENCE</u>	<u>RATE</u>	<u>OVER/ (UNDER) CLAIM</u>
National School Lunch	SSO (7/1-12/31)	50,722	50,722	0.00	\$4.3175	\$0.00
	SSO (1/1-6/30)	<u>90,633</u>	<u>90,633</u>	<u>0.00</u>	\$4.5625	<u>\$0.00</u>
	<u>TOTAL</u>	<u>141,355</u>	<u>141,355</u>	<u>0.00</u>		<u>\$0.00</u>

SOMERSET HILLS SCHOOL DISTRICT  
SCHEDULE OF NET CASH RESOURCES  
NET CASH RESOURCES DID/DID NOT EXCEED THREE MONTHS OF EXPENDITURES  
PROPRIETARY FUNDS - FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Net Cash Resources:</u>		Food Service B - 4/5
<b>CAFR</b>	<b>Current Assets</b>	
B-4	Cash & Cash Equiv.	220,516.14
B-4	Due from Other Gov'ts	38,343.52
B-4	Accounts Receivable	
B-4	Investments	
<b>CAFR</b>	<b>Current Liabilities</b>	
B-4	Less Accounts Payable	
B-4	Less Accruals	
B-4	Less Due to Other Funds	(56,760.14)
B-4	Less Unearned Revenue	<u>(21,996.67)</u>
	<b>Net Cash Resources</b>	<b><u>180,102.85</u> (A)</b>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	707,677.70
B-5	Less Depreciation	(2,459.00)
	Adj. Tot. Oper. Exp.	<b><u>705,218.70</u> (B)</b>

Average Monthly Operating Expense:

B / 10	<b><u>70,521.87</u> (C)</b>
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Three times monthly Average:

3 X C	<b><u>211,565.61</u> (D)</b>
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TOTAL IN BOX A	<u>180,102.85</u>
LESS TOTAL IN BOX D	<u>211,565.61</u>
NET	<b><u>31,462.76</u></b>

**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.**

