

**CITY OF BRIDGETON SCHOOL DISTRICT
COUNTY OF CUMBERLAND**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**



CITY OF BRIDGETON 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**

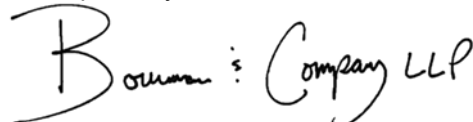
The Honorable President and
Members of the Board of Education
City of Bridgeton School District
County of Cumberland, New Jersey

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 City of Bridgeton School District, in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2023, which were separately issued in the Annual Comprehensive Financial Report dated January 26, 2024.

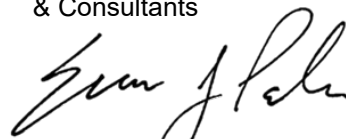
As part of our audit, we also performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is issued in conjunction with the Annual Comprehensive Financial Report of the Board of Education of the City of Bridgeton School District for the fiscal year ended June 30, 2023 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



Evan J. Palmer
Certified Public Accountant
Public School Accountant No. CS 02548

Woodbury, New Jersey
January 26, 2024

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

The audit covered the financial transactions of the Board Secretary / School Business Administrator and the Treasurer of School Moneys, 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)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Nicole M. Albanese	Board Secretary / School Business Administrator	\$ 2,000.00
Jerry Vargas	Assistant School Business Administrator	2,000.00
Mary Pierce	Treasurer of School Moneys	460,000.00

There is a Public Employees' Faithful Performance Blanket Position Bond with the New Jersey School Boards Association Insurance Group covering all other employees with multiple coverage of \$500,000.00.

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 year under 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. The School District Chapter 44 data was submitted timely.

If the data certification date reflects submission date later than 60 days after the end of the enrollment period: The original data submission did not require significant revision due to errors or omissions on the part of the district.

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 costs in accordance with N.J.A.C. 6A:23A-17.1(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 sampled 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 Treasurer of School Moneys with a warrant made to his order for the full amount of the payroll.

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 2022-2023 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.

Travel

Our procedures performed on travel expenditures during the fiscal year under audit did not indicate any reportable noncompliance.

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.

Treasurer of School Moneys' Records

Our audit of the financial and accounting records maintained by the Treasurer of School Moneys indicated that they were in satisfactory condition.

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

Pupil Transportation

Our audit procedures included a sample of on-roll status reported in the 2022-23 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.

We performed procedures over transportation related contracts and purchases. It appears the School District complied with proper bidding procedures and award of contracts.

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

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 the projects under Titles I, II, III, and IV of the Every Student Succeeds Act.

The audit of compliance for E.S.E.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 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 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 \$20,200.00 for 2022-23.

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

The financial transactions and statistical records of the school food service fund were audited. The financial accounts, meal count records, and eligibility applications were tested on a sample basis. No exceptions were noted.

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

Expenditures should be separately recorded as food, labor, and other costs. Vendor invoices were sampled 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 exceed three months average expenditures.

Finding No. 2023-001 (ACFR Finding No. 2023-001)

The School District's Food Service Fund Net Cash Resources exceeded its three-months average expenditures.

Recommendation

That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three-month average expenditures.

29300

SCHOOL FOOD SERVICE (CONT'D)

Sampled time sheets were tested and labor costs verified. Payroll records were maintained on all sampled school food service employees authorized by the School District. 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.

Sampled applications for free and reduced price meals were tested for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and / 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 inspected for uniform administration throughout the school system. The required verification procedures for free and reduced price applications were completed and available for audit.

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 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.

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 14, 2022 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.

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

Not applicable - no outstanding bonds

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

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations. Corrective action has not been taken on the only prior year finding, which is repeated in this year's recommendations noted as current year Finding No. 2023-001.

Finding No. 2022-001 (See Finding No. 2023-001)

Condition

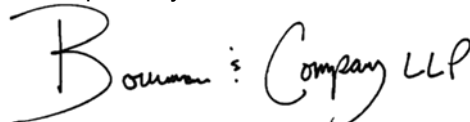
The School District's Food Service Fund Net Cash Resources exceeded its three-months average expenditures.

There were no Office of Fiscal Accountability and Compliance audit reports issued during the fiscal year ended June 30, 2023.

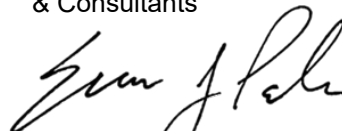
ACKNOWLEDGMENT

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
Certified Public Accountants
& Consultants



Evan J. Palmer
Public School Accountant No.02548

CITY OF BRIDGETON SCHOOL DISTRICT
 Schedule of Meal Count Activity
 Food Service Fund
 Number of Meals Served and (Over) / Underclaim - Federal
 Enterprise Fund
 For the Fiscal Year Ended June 30, 2023

<u>Program</u>	<u>Meal Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Estimated (Over) / Under Claim</u>
National School Lunch (High Rate)	Free	823,412	417,016	417,016	-	\$ 4.35	-
National School Lunch	HHFKA - PB Lunch Only	823,412	417,016	417,016	-	0.08	-
School Breakfast (Severe Need Rate)	Free	611,565	403,262	403,262	-	2.67	-
Summer Food Service (SFSP) Calendar Year 2023	<u>Vended Rates</u>						
	Lunch or Supper	40,324	27,927	27,927	-	4.87	-
Total Net Underclaim / (Overclaim)							-

CITY OF BRIDGETON 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, 2023

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
ACFR	Current Assets	
B-4	Cash & Cash Equivalents	\$ 172,000.99
B-4	Due from Other Governments	514,408.14
B-4	Due from Other Funds	4,007,092.91
B-4	Accounts Receivable	23,301.40
B-4	Investments	
ACFR	Current Liabilities	
B-4	Less Accounts Payable	(29,969.42)
B-4	Less Accruals	
B-4	Less Due to Other Funds	
B-4	Less Unearned Revenue	(1,282.81)
	Net Cash Resources	<u><u>\$ 4,685,551.21</u></u> (A)
 <u>Net Adjusted Total Operating Expense:</u>		
B-5	Total Operating Expenditures	\$ 7,805,841.36
B-5	Less Depreciation	(110,108.00)
	Adjusted Total Operating Expense	<u><u>\$ 7,695,733.36</u></u> (B)
 <u>Average Monthly Operating Expense:</u>		
	B / 10	<u><u>\$ 769,573.34</u></u> (C)
 <u>Three Times Monthly Average:</u>		
	3 X C	<u><u>\$ 2,308,720.01</u></u> (D)

TOTAL IN BOX A	\$ 4,685,551.21
LESS TOTAL IN BOX D	\$ 2,308,720.01
NET	<u><u>\$ 2,376,831.20</u></u>
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.	

CITY OF BRIDGETON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	2023-2024 Application for State School Aid						Sample for Verification						Private Schools for the 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																	
Full Day Preschool	304		304					304		304							
Half Day Kindergarten																	
Full Day Kindergarten	360		360					360		360							
One	358		358					358		358							
Two	391		391					391		391							
Three	402		402					402		402							
Four	372		372					372		372							
Five	398		398					398		398							
Six	382		382					382		382							
Seven	418		418					418		418							
Eight	433		433					433		433							
Nine	493		493					493		493							
Ten	443		443					443		443							
Eleven	319		319					319		319							
Twelve	266		266					266		266							
Post-Graduate																	
Adult H.S. (15+CR.)																	
Adult H.S. (1-14CR.)																	
Subtotal	5,339	-	5,339	-	-	-		5,339	-	5,339	-	-	-	-	-	-	-
Special Education-Elementary	208		208					15		15			3	2	2		
Special Education-Middle School	130		130					5		5							
Special Education-High School	154		154					7		7			15	13	13		
Subtotal	492	-	492	-	-	-		27	-	27	-	-	18	15	15		-
Co. Voc. - Regular																	
Co. Voc. Ft. Post Sec.																	
Subtotal	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-
Totals	5,831	-	5,831	-	-	-		5,366	-	5,366	-	-	18	15	15		-
Percentage Error					-	-						-					-

CITY OF BRIDGETON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	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	164	164		3	3							
Half Day Kindergarten												
Full Day Kindergarten	275	275		21	21		155	155		19	19	
One	285	285		25	25		184	184		12	12	
Two	322	322		17	17		212	212		14	14	
Three	314	314		20	20		176	176		23	23	
Four	295	295		23	23		160	160		30	30	
Five	307	307		28	28		135	135		40	40	
Six	282	282		22	22		112	112		20	20	
Seven	312	312		20	20		101	101		10	10	
Eight	329	329		26	26		107	107				
Nine	331	331		39	39		119	119		28	28	
Ten	314	314		19	19		82	82		2	2	
Eleven	221	221		21	21		33	33		2	2	
Twelve	176	176		11	11		18	18		1	1	
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14CR.)												
Subtotal	3,927	3,927	-	295	295	-	1,594	1,594	-	201	201	-
Special Education-Elementary	159	159		2	2		62	62		16	16	
Special Education-Middle School	94	94		3	3		21	21		7	7	
Special Education-High School	124	124		3	3		18	18		3	3	
Subtotal	377	377	-	8	8	-	101	101	-	26	26	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
Totals	4,304	4,304	-	303	303	-	1,695	1,695	-	227	227	-
Percentage Error			-			-			-			-

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors	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
Reg. - Public Schools, Col. 1	520	520		120	120			6.1	6.1
Reg. - SpEd, Col. 4	250	250		58	58			If Applicable	
Transported - Non-Public, Col. 3	104	104		24	24			3.9	3.9
AIL - Non-Public, Col. 2	14	14		3	3				
Special Needs, Col. 6	211	211		49	49				
Totals	1,099	1,099	-	254	254	-			
Percentage Error			-			-			

CITY OF BRIDGETON SCHOOL DISTRICT
 Application for State School Aid Summary
 Schedule of Audited Enrollments
 Enrollment as of October 14, 2022

	Resident LEP 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 Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	34	34		5	5	
One	36	36		5	5	
Two	36	36		3	3	
Three	41	41		13	13	
Four	25	25		6	6	
Five	33	33		8	8	
Six	30	30		5	5	
Seven	29	29				
Eight	13	13		3	3	
Nine	56	56				
Ten	27	27				
Eleven	14	14				
Twelve	11	11		5	5	
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14CR.)						
Subtotal	385	385	-	53	53	-
Special Education-Elementary	9	9		2	2	
Special Education-Middle School	6	6		2	2	
Special Education-High School	6	6				
Subtotal	21	21	-	4	4	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Subtotal	-	-	-	-	-	-
Totals	406	406	-	57	57	-

Percentage Error

EXCESS SURPLUS CALCULATION

SCHOOL BASED BUDGET DISTRICT

SECTION 1

2% Calculation of Excess Surplus

2022-23 Total General Fund Expenditures Reported on ACFR Exhibit C-1	<u>\$ 126,306,046.37 (A)</u>
Increased by Applicable Operating Transfers:	
Transfer from Capital Outlay to Capital Projects Fund	<u>- (A1a)</u>
Transfer from Capital Reserve to Capital Projects Fund	<u>- (A1a)</u>
Transfer from General Fund to Special Revenue Fund for Preschool - Regular	<u>398,040.00 (A1a)</u>
Transfer from General Fund to Special Revenue Fund for Preschool - Inclusion	<u>- (A1a)</u>
Less: Expenditures Allocated to Restricted Federal Resources as reported on Exhibit D-2	<u>2,016,970.04 (A1b)</u>
2022-23 Adjusted General Fund & Other State Expenditures [(A)+(A1a)-(A1b)]	<u>\$ 124,687,116.33 (A2)</u>
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>22,911,982.36 (A3)</u>
Assets Acquired Under Capital Leases:	
General Fund 10 Assets Acquired Under Capital Leases Reported on Exhibit C-1a	<u>- (A4)</u>
Add: General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases:	
Assets Acquired Under Capital Leases in Fund 15 Reported on Exhibit C-1a	<u>- (A5)</u>
Combined General Fund Contribution & State Resources % of Fund 15 Resources Reported on Exhibit D-2	<u>0% (A6)</u>
General Fund & State Resources Portion of Fund 15 Assets Acquired Under Capital Leases [(A5)*(A6)]	<u>- (A7)</u>
Total Assets Acquired Under Capital Leases [(A4)+(A7)]	<u>- (A8)</u>
2022-23 General Fund Expenditures [(A2)-(A3)-(A8)]	<u>\$ 101,775,133.97 (A9)</u>
2% of Adjusted 2022-23 General Fund Expenditures [(A9) times .02]	<u>\$ 2,035,502.68 (A10)</u>
Enter Greater of (A10) or \$250,000	<u>2,035,502.68 (A11)</u>
Increased by: Allowable Adjustment *	<u>373,106.00 (K)</u>
Maximum Unassigned Fund Balance [(A11)+(K)]	<u>\$ 2,408,608.68 (M)</u>

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

SECTION 2

Total General Fund - Fund Balances at June 30, 2023	<u>\$ 69,865,973.86</u> (C)
Decreased by:	
Year-end Encumbrances	<u>3,698,527.65</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	<u>15,531,426.71</u> (C3)
Other Restricted Fund Balances ****	<u>31,957,755.59</u> (C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	<u>3,561,968.29</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 15,116,295.62</u> (U)

SECTION 3

Restricted Fund Balance - Excess Surplus *** [(U)-(M)] IF NEGATIVE ENTER -0-	<u>\$ 12,707,686.94</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2023

Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures **	\$ 15,531,426.71 (C3)
Restricted - Excess Surplus ***	<u>12,707,686.94</u> (E)
Total Excess Surplus [(C3)+(E)]	<u>\$ 28,239,113.65</u> (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, 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.

(J5) Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 2023

Detail of Allowable Adjustments

Federal Impact Aid	\$ - (H)
Sale & Lease-Back	<u>-</u> (I)
Extraordinary Aid	<u>336,290.00</u> (J1)
Additional Nonpublic School Transportation Aid	<u>36,816.00</u> (J2)
Current Year School Bus Advertising Revenue Recognized	<u>-</u> (J3)
Family Crisis Transportation Aid	<u>-</u> (J4)
Supplemental Stabilization Aid received April 2023 & Maintenance of Equity Aid received July 20	<u>-</u> (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	<u>\$ 373,106.00</u> (K)

EXCESS SURPLUS CALCULATION (CONT'D)

SCHOOL BASED BUDGET DISTRICT

Footnotes: (Cont'd)

- ** This amount represents the June 30, 2023 Excess Surplus (C3 above) and must be included in the Audit Summary Line 90031.
- *** Amounts must agree to the June 30, 2023 ACFR and must agree to Audit Summary Line 90030.
- **** Amount for Other Restricted Fund Balance must be detailed for each source and request for approval to use amounts other than state imposed legal restrictions in the excess surplus calculation must be submitted to the Assistant Commissioner - Field Services prior to September 30.

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ -
Sale/lease-back reserve	-
Capital reserve (N-1)	24,838,090.46
Maintenance reserve (N-2)	4,796,535.14
Tuition reserve (N-3)	-
Emergency reserve (N-4)	-
School bus advertising 50% fuel offset reserve - current year (N-5)	-
School bus advertising 50% fuel offset reserve - prior year (N-6)	-
Impact Aid General Fund Reserve (Sections 8002 and 8003) (N-7)	-
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) (N-8)	-
Restricted for Unemployment (N-9)	2,323,129.99
[Other Restricted Fund Balance not noted above]****	-
Total Other Restricted Fund Balance	<u>\$ 31,957,755.59 (C4)</u>

CITY OF BRIDGETON SCHOOL DISTRICT
Audit Recommendations Summary
For the Fiscal Year Ended June 30, 2023

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.

5. Student Body Activities

None

6. Application for State School Aid

None

7. Facilities and Capital Assets

None

8. Miscellaneous

None

9. Follow-Up of Prior Year Findings

A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the following, which is repeated in this year's recommendations:

Finding 2022-001 (See Finding 2023-001) - That the School District develop a plan to reduce the Food Service Fund's Net Cash Resources below its three-month average expenditures.