

**SCHOOL DISTRICT**  
**OF THE**  
**CITY OF SOMERS POINT**

**Auditor's Management Report**  
**For the Fiscal Year Ended June 30, 2023**



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

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# FORD - SCOTT

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## **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, 2023, and have issued our report thereon dated January 8, 2024.

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**

**January 8, 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 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 ACFR.

#### 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>
Mary Conroy	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**

#### 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 on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted included all health benefit plans offered by the school district.

The school district certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

#### Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The Board makes an adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23-17.1(f) 3 as applicable.

We noted there are prior year tuition receivables that remain outstanding at year end. We recommend the district review these balances and determine if they are collectible.

### 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. No exceptions noted.

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.

We noted that several liability accounts have debit balances at year end. We recommend the balances in fund 90 be reviewed and adjusted as necessary.

#### **Finding 2023-01:**

The District was unable to produce an up-to-date schedule of Employee Compensated Absences as of June 30, 2023.

#### **Recommendation 2023-01:**

We recommend that the District maintain a complete listing of Employee Compensated Absences costs detailed by employee.

### 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 not in satisfactory condition.

### **Finding 2023-02:**

State Aid withheld and paid to the County Special Services District for Tuition Charges on behalf of the Somers Point School District were not recorded resulting in an over expenditure of the Tuition to CSSD & Regional Day Schools budget line.

### **Recommendation 2023-02:**

We recommend that all on behalf payments be properly recorded in the General Ledger. We also recommend that no expenditure be incurred unless there is a sufficient budget appropriation.

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 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)

### **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 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 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.

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 not made prior to the end of the 90-day grant liquidation period required by the Office of Grants Management.

#### **Finding 2023-03:**

The District did not complete the Reimbursement to the State for the TPAF/FICA as required by *N.J.S.A. 18A:66-90*.

#### **Recommendation 2023-03:**

The district should adopt internal control procedures designed to ensure that reimbursement of TPAF/FICA paid by the State on-behalf of TPAF employees charged to federal grants is properly calculated and reported to the State timely.

### **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 2023. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 for 2022-23.

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 (ACFR 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 public health emergency 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 2023. 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. No finding deemed necessary.

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. No exceptions noted.

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 were 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, 2022, 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 2022-2023 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. There were no prior year findings noted, therefore no corrective action necessary.

## **Suggestions to Management**

The District should review all of its American Rescue Plan ESSER funds to determine that the available funds will be properly executed prior to the end of the period of availability in order to ensure that the district retains all of the amounts awarded.

The District has accumulated Excess Cash Net Resources in the Food Service Fund due to the influx of additional Federal and State Funding related to the COVID-19 Pandemic. The State of New Jersey Department of Agriculture has issued a letter dated October 4, 2023, to all School Districts indicating that these excess funds may be retained by the District and, that the District must develop a plan which projects how excess funds will be expended in support of the program during the upcoming school year. We suggest that the district develop a plan to utilize the excess funds on allowable expenses that support the Federal Child Nutrition Program, such as improving the nutritional quality of food or purchasing equipment for the kitchens and cafeterias as outlined in the Code of Federal Regulations, 7 CFR 210.14(a).

## **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.*  
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**CERTIFIED PUBLIC ACCOUNTANTS**

*Michael S. Garcia*

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**No. 2080**

**January 8, 2024**

**SOMERS POINT BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2022**

	2023-2024 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		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	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool - 3YR	29.00	-	29.00	-	-	-	9.00	-	9.00	-	-	-	-	-	-	-
Full Day Preschool - 4YR	48.00	-	48.00	-	-	-	15.00	-	15.00	-	-	-	-	-	-	-
Half Day Kindergarten	71.00	-	71.00	-	-	-	22.00	-	22.00	-	-	-	-	-	-	-
One	57.00	-	57.00	-	-	-	18.00	-	18.00	-	-	-	-	-	-	-
Two	63.00	-	63.00	-	-	-	20.00	-	20.00	-	-	-	-	-	-	-
Three	56.00	-	56.00	-	-	-	17.00	-	17.00	-	-	-	-	-	-	-
Four	61.00	-	61.00	-	-	-	19.00	-	19.00	-	-	-	-	-	-	-
Five	73.00	-	73.00	-	-	-	23.00	-	23.00	-	-	-	-	-	-	-
Six	52.00	-	52.00	-	-	-	16.00	-	16.00	-	-	-	-	-	-	-
Seven	71.00	-	71.00	-	-	-	22.00	-	22.00	-	-	-	-	-	-	-
Eight	65.00	-	65.00	-	-	-	21.00	-	21.00	-	-	-	-	-	-	-
Nine																
Ten																
Eleven																
Twelve																
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14+CR.)																
Subtotal	646.00	-	646.00	-	-	-	202.00	-	202.00	-	-	-	-	-	-	-
Special Ed - Elementary	59.00	-	59.00	-	-	-	17.00	-	17.00	-	-	-	1.00	1.00	1.00	-
Special Ed - Middle School	42.00	-	42.00	-	-	-	13.00	-	13.00	-	-	-	2.00	2.00	2.00	-
Special Ed - High School		-		-	-	-		-		-	-	-				-
Subtotal	101.00	-	101.00	-	-	-	30.00	-	30.00	-	-	-	3.00	3.00	3.00	-
Co. Voc. - Regular																
Co. Voc. - FT Post Sec.																
Totals	747.00	-	747.00	-	-	-	232.00	-	232.00	-	-	-	3.00	3.00	3.00	-
Percentage Error																

**SOMERS POINT BOARD OF EDUCATION  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 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 LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool												
Full Day Kindergarten												
One	32.00	32.00	-	15.00	15.00	-	7.00	7.00	-	5.00	5.00	-
Two	36.00	36.00	-	17.00	17.00	-	7.00	7.00	-	5.00	5.00	-
Three	37.00	37.00	-	18.00	18.00	-	6.00	6.00	-	5.00	5.00	-
Four	30.00	30.00	-	16.00	16.00	-	2.00	2.00	-	2.00	2.00	-
Five	40.00	40.00	-	20.00	20.00	-	7.00	7.00	-	5.00	5.00	-
Six	42.00	42.00	-	20.00	20.00	-	1.00	1.00	-	1.00	1.00	-
Seven	33.00	33.00	-	17.00	17.00	-	3.00	3.00	-	2.00	2.00	-
Eight	36.00	36.00	-	17.00	17.00	-	4.00	4.00	-	3.00	3.00	-
Nine	24.00	24.00	-	12.00	12.00	-	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	310.00	310.00	-	152.00	152.00	-	40.00	40.00	-	30.00	30.00	-
Special Ed - Elementary	40.00	40.00	-	17.00	17.00	-	5.00	5.00	-	4.00	4.00	-
Special Ed - Middle School	29.00	29.00	-	13.00	13.00	-	4.00	4.00	-	3.00	3.00	-
Special Ed - High School												
Subtotal	69.00	69.00	-	30.00	30.00	-	9.00	9.00	-	7.00	7.00	-
Totals	379.00	379.00	-	182.00	182.00	-	49.00	49.00	-	37.00	37.00	-
Co. Voc. - Regular												
Co. Voc. - FT Post Sec.												
Percentage Error												

	Transportation		
	Reported on DRTS by DOE/County	Reported on DRTS by District	Errors
Reg. - Public Schools, col. 1	52.00	52.00	-
Reg - Sp Ed, col. 4	9.00	9.00	-
Transported - Non-Public, col. 3			
AIL Non-Public Schools	27.00	27.00	-
Special Ed Spec, col. 6	19.00	19.00	-
Totals	107.00	107.00	-
Percentage Error			

	Reported	Recalculated
Reg Avg. (Mileage) = Regular Including Grade PK Students	4.1	4.1
Reg Avg. (Mileage) = Regular Excluding Grade PK Students	4.5	4.5
Spec Avg. = Special Ed with Special Needs	6.6	6.6

**SOMERS POINT BOARD OF EDUCATION**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2022**

	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 Test Score and Register	Sample Errors
Half Day Preschool						
Full Day Preschool - 3YR						
Half Day Kindergarten						
Full Day Kindergarten	7.00	7.00	-	6.00	6.00	-
One	4.00	4.00	-	3.00	3.00	-
Two	3.00	3.00	-	3.00	3.00	-
Three	4.00	4.00	-	3.00	3.00	-
Four	3.00	3.00	-	3.00	3.00	-
Five	2.00	2.00	-	2.00	2.00	-
Six	1.00	1.00	-	1.00	1.00	-
Seven	3.00	3.00	-	3.00	3.00	-
Eight	4.00	4.00	-	3.00	3.00	-
Nine						
Ten						
Eleven						
Twelve						
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14+CR.)						
Subtotal	31.00	31.00	-	27.00	27.00	-
Special Ed - Elementary	4.00	4.00	-	3.00	3.00	-
Special Ed - Middle School	1.00	1.00	-	1.00	1.00	-
Special Ed - High School						
Subtotal	5.00	5.00	-	4.00	4.00	-
Co. Voc. - Regular						
Co. Voc. - FT Post Sec.						
Totals	36.00	36.00	-	31.00	31.00	-
Percentage Error						

**SOMERS POINT SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**REGULAR DISTRICT**

**SECTION 1**

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

2022-23 Total General Fund Expenditures per the ACFR, Ex. C-1	\$	<u>19,028,678.80</u>	(B)
Increased by:			
Transfer from Capital Outlay to Capital Projects Fund	\$	<u>                    </u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$	<u>                    </u>	(B1b)
Transfer from G/F to SRF for Preschool - Regular	\$	<u>                    </u>	(B1c)
Transfer from G/F to SRF for Preschool - Inclusion	\$	<u>                    </u>	(B1c)
Decreased By:			
On-Behalf Contributions	\$	<u>4,228,334.88</u>	(B2a)
Assets Acquired Under Capital Leases	\$	<u>                    -</u>	(B2b)
Adjusted 2022-23 General Fund Expenditures [(B)+(B1's)-(B2's)]	\$	<u><u>14,800,343.92</u></u>	(B3)
2% of Adjusted 2022-23 General Fund Expenditures [(B3) times .02]	\$	<u>296,006.88</u>	(B4)
Enter Greater of (B4) or \$250,000	\$	<u>296,006.88</u>	(B5)
Increased by: Allowable Adjustment*	\$	<u>983,469.00</u>	(K)
Maximum Unreserved/Undesignated Fund Balance [(B5)+(K)]	\$	<u><u>1,279,475.88</u></u>	(M)

**SECTION 2**

Total General Fund - Fund Balances @ 06/30/23 (Per ACFR Budgetary Comparison schedule/statement C-1)	\$	<u>5,703,902.41</u>	(C)
Decreased by:			
Year-end Encumbrances	\$	<u>590,294.86</u>	(C1)
Legally Restricted-Designated for Subsequent Year's Expenditures	\$	<u>                    </u>	(C2)
Legally Restricted-Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>498,669.00</u>	(C3)
Other Restricted Fund Balances ****	\$	<u>1,699,391.95</u>	(C4)
Assigned Fund Balance-Unreserved Designated for Subsequent Year's Expenditures	\$	<u>668,159.00</u>	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	\$	<u><u>2,247,387.60</u></u>	(U1)

**SECTION 3**

Restricted Fund Balance - Excess Surplus *** [(U1)-(M)] IF NEGATIVE ENTER - 0 -	\$	<u>967,911.72</u>	(E)
<b><u>Recapitulation of Excess Surplus as of June 30, 2023:</u></b>			
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures **	\$	<u>498,669.00</u>	(C3)
Reserved Excess Surplus ***	\$	<u>967,911.72</u>	(E)
Total [(C3) + (E)]	\$	<u><u>1,466,580.72</u></u>	(D)



**SOMERS POINT SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FOR THE YEAR ENDED JUNE 30, 2023**

\* 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	\$ 246,526.00 (J1)
Additional Nonpublic School Transportation Aid	\$ 8,424.00 (J2)
Maintenance of Equity Aid & Military Impact Aid	\$ _____ (J3)
Family Crisis Transportation Aid	\$ _____ (J4)
Supplemental Stabilization Aid & Maintenance of Equity Aid	\$ 728,519.00 (J5)
Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5)]	\$ 983,469.00 (K)

\*\* This amount represents the June 30, 2022 Excess Surplus (C3 above) and must be included in the Audit Summary Worksheet Line 90031.

\*\*\* Amounts must agree to the June 30, 2022 ACFR 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 another 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	\$ 648,730.00
Maintenance reserve	\$ 951,349.53
Emergency reserve	\$ _____
Waiver offset reserve	\$ _____
Tuition reserve	\$ _____
Reserve for Unemployment Fund	\$ 99,312.42
Other state/government mandated reserve	\$ _____
[Other Restricted Fund Balance not noted above]****	\$ _____
Total Other Restricted Fund Balance	\$ 1,699,391.95 (C4)

**AUDIT RECOMMENDATIONS SUMMARY**  
**For the Fiscal Year Ended June 30, 2023**  
**SOMERS POINT BOARD OF EDUCATION**

**RECOMMENDATIONS:**

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting

**Recommendation 2023-01:**

We recommend that the District maintain a complete listing of Employee Compensated Absences costs detailed by employee.

**Recommendation 2023-02:**

We recommend that all on behalf payments be properly recorded in the General Ledger. We also recommend that no expenditure be incurred unless there is a sufficient budget appropriation.

**Recommendation 2023-03:**

The district should adopt internal control procedures designed to ensure that reimbursement of TPAF/FICA paid by the State on-behalf of TPAF employees charged to federal grants is properly calculated and reported to the State timely.

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

There were no prior year findings noted, therefore no corrective action necessary.