

BOARD OF EDUCATION OF THE
BOROUGH OF SOMERDALE SCHOOL DISTRICT
SUMMARY OF AUDIT REPORT

The following is a summary of the audit for the fiscal year July 1, 2017 to June 30, 2018, as required by N.J.S.A.18A:23-4 and 5.

BOROUGH OF SOMERDALE SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,489,794.15		\$ 5,004.05	\$ 1,494,798.20
Receivables, net:				
Interfunds Receivable:				
Special Revenue Fund	20,272.62			20,272.62
Payroll Agency Fund	4,376.22			4,376.22
Proprietary Fund	20,000.00			20,000.00
Receivables from Other Governments	16,263.60	\$ 13,046.00		29,309.60
Prepaid Expenses	14,562.81			14,562.81
Total Assets	<u>\$ 1,565,269.40</u>	<u>\$ 13,046.00</u>	<u>\$ 5,004.05</u>	<u>\$ 1,583,319.45</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Interfund Payable		\$ 20,272.62		\$ 20,272.62
Accounts Payable	\$ 13,867.54	742.18		14,609.72
Total Liabilities	<u>13,867.54</u>	<u>21,014.80</u>	<u>\$ -</u>	<u>34,882.34</u>
Fund Balances:				
Nonspendable:				
Prepaid Expenses	14,562.81			14,562.81
Restricted:				
Capital Reserve	998,661.53			998,661.53
Debt Service			5,004.05	5,004.05
Excess Surplus - Subsequent Year's Expenditures	275,039.11			275,039.11
Assigned:				
Other Purposes	6,980.65			6,980.65
Subsequent Year's Expenditures	14,378.00			14,378.00
Unassigned	241,779.76	(7,968.80)		233,810.96
Total Fund Balances	<u>1,551,401.86</u>	<u>(7,968.80)</u>	<u>5,004.05</u>	<u>1,548,437.11</u>
Total Liabilities and Fund Balances	<u>\$ 1,565,269.40</u>	<u>\$ 13,046.00</u>	<u>\$ 5,004.05</u>	

Amounts reported for *governmental activities* in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,738,450.37 and the accumulated depreciation is \$3,374,560.37.	4,363,890.00
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	(1,697.77)
Net Pension Liability	(753,664.00)
Accounts payable related to the April 1, 2019 required PERS pension contribution that is not to be liquidated with current financial resources	(33,776.00)
Deferred Outflows of Resources - Related to Pensions	275,343.00
Deferred Inflows of Resources - Related to Pensions	(476,575.00)
Long-term liabilities, including bonds and leases payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(614,322.57)</u>
Net position of governmental activities.	<u>\$ 4,307,634.77</u>

BOROUGH OF SOMERDALE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
Local Sources	\$ 4,484,804.00		\$ 191,038.00	\$ 4,675,842.00
Tuition Charges	38,565.60			38,565.60
Miscellaneous	22,997.28			22,997.28
State Sources	4,233,753.39	\$ 76,640.12	90,101.00	4,400,494.51
Federal Sources		311,600.00		311,600.00
Total Revenues	<u>8,780,120.27</u>	<u>388,240.12</u>	<u>281,139.00</u>	<u>9,449,499.39</u>
EXPENDITURES:				
Current:				
Regular Instruction	2,409,546.92	379,046.29		2,788,593.21
Special Education Instruction	368,765.71			368,765.71
Other Special Instruction	691,104.69			691,104.69
Undistributed Expenditures:				
Tuition	136,898.72			136,898.72
Student and Instruction Related Services	669,163.02	63,692.63		732,855.65
School Administrative Services	669,748.12			669,748.12
Plant Operations and Maintenance	643,240.62			643,240.62
Pupil Transportation	142,643.43			142,643.43
Unallocated Benefits	1,247,517.17			1,247,517.17
Reimbursed TPAF and Social Security	1,054,639.89			1,054,639.89
Debt Service:				
Interest			21,137.50	21,137.50
Redemption of Principal			260,000.00	260,000.00
Assessment for Debt Service on SDA Funding	6,081.00			6,081.00
Capital Outlay	183,498.55			183,498.55
Transfer to Charter School	24,441.00			24,441.00
Total Expenditures	<u>8,247,288.84</u>	<u>442,738.92</u>	<u>281,137.50</u>	<u>8,971,165.26</u>
Excess (Deficiency) of Revenues over Expenditures	<u>532,831.43</u>	<u>(54,498.80)</u>	<u>1.50</u>	<u>478,334.13</u>
OTHER FINANCING SOURCES (USES):				
Transfer from General Fund	<u>(46,530.00)</u>	<u>46,530.00</u>		
Total Other Financing Sources and Uses	<u>(46,530.00)</u>	<u>46,530.00</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	486,301.43	(7,968.80)	1.50	478,334.13
Fund Balance -- July 1	<u>1,065,100.43</u>	<u>-</u>	<u>5,002.55</u>	<u>1,070,102.98</u>
Fund Balance -- June 30	<u>\$ 1,551,401.86</u>	<u>\$ (7,968.80)</u>	<u>\$ 5,004.05</u>	<u>\$ 1,548,437.11</u>

BOROUGH OF SOMERDALE SCHOOL DISTRICT

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2018

Recommendations:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Programs

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 audit findings for the prior fiscal year.

The above summary was prepared from the Comprehensive Annual Financial Report of the Board of Education of the Borough of Somerdale School District for the fiscal year July 1, 2017 to June 30, 2018. This Report of Audit, submitted by Kirk N. Applegate, Public School Accountant of Bowman & Company LLP, is on file at the Board Secretary's office and may be inspected by any interested person. This information included herein is not intended to represent complete financial information as presented in the Comprehensive Annual Financial Report.

A handwritten signature in black ink, appearing to read "Melissa Engelhardt", written over a horizontal line.

Melissa Engelhardt
Business Administrator/Board Secretary