

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, 2018 to June 30, 2019, as required by N.J.S.A.18A:23-4 and 5.

BOROUGH OF SOMERDALE SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 1,752,395.33		\$ 2,929,554.47	\$ 2.55	\$ 4,681,952.35
Receivables, net:					
Interfunds Receivable:					
Special Revenue Fund	14,519.33				14,519.33
Payroll Agency Fund	4,393.77				4,393.77
Proprietary Fund	17,000.00				17,000.00
Receivables from Other Governments	50,442.42	\$ 19,695.71			70,138.13
Prepaid Expenses	13,619.98				13,619.98
Total Assets	<u>\$ 1,852,370.83</u>	<u>\$ 19,695.71</u>	<u>\$ 2,929,554.47</u>	<u>\$ 2.55</u>	<u>\$ 4,801,623.56</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Interfund Payable		\$ 14,519.33			\$ 14,519.33
Accounts Payable	\$ 18,822.13	944.75			19,766.88
Unearned Revenue		14,342.63			14,342.63
Total Liabilities	<u>18,822.13</u>	<u>29,806.71</u>	<u>\$ -</u>	<u>\$ -</u>	<u>48,628.84</u>
Fund Balances:					
Nonspendable:					
Prepaid Expenses	13,619.98				13,619.98
Restricted:					
Capital Reserve	1,259,054.15				1,259,054.15
Capital Projects			2,929,554.47		2,929,554.47
Debt Service				2.55	2.55
Excess Surplus - Subsequent Year's Expenditures	316,042.77				316,042.77
Assigned:					
Other Purposes	5,862.71				5,862.71
Unassigned	238,969.09	(10,111.00)			228,858.09
Total Fund Balances	<u>1,833,548.70</u>	<u>(10,111.00)</u>	<u>2,929,554.47</u>	<u>2.55</u>	<u>4,752,994.72</u>
Total Liabilities and Fund Balances	<u>\$ 1,852,370.83</u>	<u>\$ 19,695.71</u>	<u>\$ 2,929,554.47</u>	<u>\$ 2.55</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 \$8,135,130.94 and the accumulated depreciation is \$3,638,325.32.	4,496,805.62
Accrued interest payable is not due and payable in the current period and therefore is not reported as liabilities in the funds.	(57,317.25)
Net Pension Liability	(664,573.00)
Accounts payable related to the April 1, 2020 required PERS pension contribution that is not to be liquidated with current financial resources	(292,784.00)
Deferred Outflows of Resources - Related to Pensions	482,775.00
Deferred Inflows of Resources - Related to Pensions	(459,976.00)
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.	(3,509,276.65)
Net position of governmental activities.	<u>\$ 4,748,648.44</u>

BOROUGH OF SOMERDALE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Sources	\$ 4,628,926.00			\$ 168,555.00	\$ 4,797,481.00
Tuition Charges	87,731.28				87,731.28
Miscellaneous	36,966.21				36,966.21
State Sources	4,510,838.52	\$ 98,967.80		81,856.00	4,691,662.32
Federal Sources		297,631.08			297,631.08
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Total Revenues	9,264,462.01	396,598.88	\$ -	250,411.00	9,911,471.89
EXPENDITURES:					
Current:					
Regular Instruction	2,566,205.06	397,228.23			2,963,433.29
Special Education Instruction	346,319.25				346,319.25
Other Special Instruction	685,176.71				685,176.71
Undistributed Expenditures:					
Tuition	91,277.51				91,277.51
Student and Instruction Related Services	723,134.62	42,893.85			766,028.47
School Administrative Services	737,306.65				737,306.65
Plant Operations and Maintenance	705,458.25				705,458.25
Pupil Transportation	236,614.85				236,614.85
Unallocated Benefits	1,339,440.51				1,339,440.51
Reimbursed TPAF and Social Security	1,286,760.32				1,286,760.32
Debt Service:					
Interest				10,412.50	10,412.50
Redemption of Principal				245,000.00	245,000.00
Assessment for Debt Service on SDA Funding	6,081.00				6,081.00
Capital Outlay	169,235.04		227,445.53		396,680.57
Transfer to Charter School	47,924.40				47,924.40
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Total Expenditures	8,940,934.17	440,122.08	227,445.53	255,412.50	9,863,914.28
Excess (Deficiency) of Revenues over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	323,527.84	(43,523.20)	(227,445.53)	(5,001.50)	47,557.61

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BOROUGH OF SOMERDALE SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
OTHER FINANCING SOURCES (USES):					
Transfer from General Fund	\$ (41,381.00)	\$ 41,381.00			
Bond Proceeds	<u>-</u>		<u>\$ 3,157,000.00</u>		<u>\$ 3,157,000.00</u>
Total Other Financing Sources and Uses	<u>(41,381.00)</u>	<u>41,381.00</u>	<u>3,157,000.00</u>	<u>\$ -</u>	<u>3,157,000.00</u>
Net Change in Fund Balances	282,146.84	(2,142.20)	2,929,554.47	(5,001.50)	3,204,557.61
Fund Balance -- July 1	<u>1,551,401.86</u>	<u>(7,968.80)</u>	<u>-</u>	<u>5,004.05</u>	<u>1,548,437.11</u>
Fund Balance -- June 30	<u><u>\$ 1,833,548.70</u></u>	<u><u>\$ (10,111.00)</u></u>	<u><u>\$ 2,929,554.47</u></u>	<u><u>\$ 2.55</u></u>	<u><u>\$ 4,752,994.72</u></u>

BOROUGH OF SOMERDALE SCHOOL DISTRICT

AUDIT RECOMMENDATIONS SUMMARY
For the Fiscal Year Ended June 30, 2019

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, 2018 to June 30, 2019. 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.

Melissa Engelhardt
Business Administrator/Board Secretary