

Auditor's Management Report

for the

***Somerset Hills
School District***

in the

*County of Somerset
New Jersey*

for the

*Fiscal Year Ended
June 30, 2016*

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

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INDEPENDENT AUDITOR'S REPORT

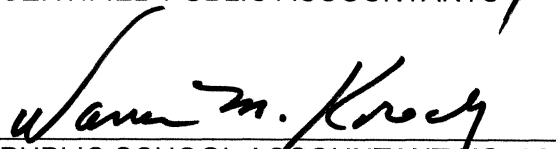
Honorable President and Members
of the Board of Education
Somerset Hills School District
County of Somerset
Bernardsville, New Jersey 07924

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, 2016, and have issued our report dated November 18, 2016.

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

November 18, 2016

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 CAFR (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>
Nancy L. Hunter	Board Secretary/School Business Administrator	240,000.00
Thomas M. Venanzi	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.

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.

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING

Examination of Claims

Our audit 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 withholding for health benefits were remitted to the general fund.

2016-01 Finding: An Analysis of the balance on account in the Payroll Agency account was not maintained and as such salary withholdings were not remitted to the proper agencies on time incurring penalties on the late remittance.

2016-01 Recommendation: That an analysis of the balance on deposit in the Payroll Agency account be maintained and salary withholdings be remitted to agencies on a timely basis.

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, 2016 for proper classification of orders as reserve for encumbrances and accounts payable.

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.

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

FINANCIAL PLANNING, ACCOUNTING AND REPORTING (CONTINUED)

Board Secretary's Records

Our review of the financial records, books of account and minutes of the Board Secretary indicated they were maintained in satisfactory condition.

Treasurer's Records

The records maintained by the Treasurer of School Monies were in agreement with the records maintained by the Board Secretary/School Business Administrator.

Elementary and Secondary Education Act (E.S.E.A.)/ Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A. financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, and III of the Elementary and Secondary Education Act as amended.

Other Special Federal and State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

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 CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

T.P.A.F. Reimbursement

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 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 and {comment on any errors in the calculation} no exceptions were noted.

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

SCHOOL PURCHASING PROGRAMS

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 States: "a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$29,000.00, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefor, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$40,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L. 1999 c. 440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2 and shall round the adjustment to the nearest \$1,000.00. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

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."

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

SCHOOL PURCHASING PROGRAMS (CONTINUED)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 18A:18A-3(a) and (c) is \$29,000.00. 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 \$40,000.00. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$18,800.00.

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 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.

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.

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

ENTERPRISE FUNDS

School Food Service Funds

The financial transactions and statistical records of the School Food Services were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

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 properly computed and timely filed. Meals claimed agreed with the meal count records tested.

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. No exceptions were noted.

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. No exceptions were noted.

The District utilizes a foodservice management company. The provisions of the management contract were reviewed as part of our audit.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Service employees. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The Board is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Cash receipts and bank records were reviewed for timely deposit. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources exceeded three months average expenditures.

Food Distribution Program commodities were received and an inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program operations are included on Exhibits B-4, B-5 and B-6 of the CAFR.

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

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, 2015 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.

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

PUPIL TRANSPORTATION

Our audit procedures included a test of on roll status reported in the 2015-2016 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.

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

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 audit recommendations.

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
2016-01: That an analysis of the balance on deposit in the Payroll Agency account be maintained and salary withholding be remitted to agencies on a timely basis.
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. Status of Prior Year's Findings/Recommendations
None

SOMERSET HILLS BOARD OF EDUCATION

SCHEDULE OF AUDITED ENROLLMENTS

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2015

	2015-2016 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		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 Veri- fication	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool 3					-	-					-	-				
Full Day Preschool 3	3		3		-	-	1		1		-	-				
Full Day Preschool 4	2		2		-	-	1		1		-	-				
Half Day Kindergarten					-	-					-	-				
Full Day Kindergarten	102		102		-	-	15		15		-	-				
One	99		99		-	-	15		15		-	-				
Two	105		105		-	-	20		20		-	-				
Three	113		113		-	-	25		25		-	-				
Four	130		130		-	-	10		10		-	-				
Five	100		100		-	-	15		15		-	-				
Six	106		106		-	-	20		20		-	-				
Seven	134		134		-	-	15		15		-	-				
Eight	127		127		-	-	20		20		-	-				
Nine	186		186		-	-	20		20		-	-				
Ten	187		187		-	-	25		25		-	-				
Eleven	171	2	171	2	-	-	25		25		-	-				
Twelve	173	3	173	3	-	-	20		20		-	-				
Post-Graduate					-	-					-	-				
Adult H.S. (15+CR.)					-	-					-	-				
Adult H.S. (1-14 CR.)					-	-					-	-				
Subtotal	1,738	5	1,738	5	0	0	247	0	247	0	0	0	0	0	0	0
Special Ed - Elementary	81		81		-	-	45		45		-	-	2	2	2	-
Special Ed - Middle School	69		69		-	-	30		30		-	-	4	4	4	-
Special Ed - High School	119		119		-	-	65		65		-	-	9	7	7	-
Subtotal	269	0	269	0	0	0	140	0	140	0	0	0	15	13	13	0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	2,007	5	2,007	5	0	0	387	0	387	0	0	0	15	13	13	0
Percentage Error					0.00%	0.00%					0.00%					0.00%

SCHEDULE OF AUDITED ENROLLMENTS

**SOMERSET HILLS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2015**

	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 Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	17	17	-	10	10	-	8	8	-	8	8	-
One	15	15	-	9	9	-	6	6	-	6	6	-
Two	12	12	-	6	6	-	3	3	-	3	3	-
Three	14	14	-	9	9	-	3	3	-	3	3	-
Four	13	13	-	8	8	-	-	-	-	-	-	-
Five	9	9	-	5	5	-	4	4	-	3	3	-
Six	9	9	-	5	5	-	1	1	-	1	1	-
Seven	12	12	-	5	5	-	2	2	-	2	2	-
Eight	8	8	-	5	5	-	4	4	-	4	4	-
Nine	9	9	-	5	5	-	3	3	-	3	3	-
Ten	25	25	-	10	10	-	22	22	-	15	15	-
Eleven	8	8	-	3	3	-	1	1	-	1	1	-
Twelve	10	10	-	5	5	-	-	-	-	-	-	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	161	161	0	85	85	0	57	57	0	49	49	0
Special Ed - Elementary	20	20	-	10	10	-	3	3	-	3	3	-
Special Ed - Middle	15	15	-	6	6	-	-	-	-	-	-	-
Special Ed - High	18	18	-	3	3	-	1	1	-	1	1	-
Subtotal	53	53	0	19	19	0	4	4	0	4	4	0
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	214	214	0	104	104	0	61	61	0	53	53	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

Transportation

	Reported on DRTRS by District	Reported on DRTRS by DOE Count	Errors	Tested	Verified	Errors
	Reg. - Public Schools, col. 1	688	688	0	158	158
Reg -SpEd, col. 4	35	35	0	8	8	-
Transported - Non-Public, col. 2	92	92	0	21	21	-
Special Ed Spec, col. 6	17	17	0	4	4	-
Non-Public AIL, col. 3	272	272	0	63	63	-
Totals	1,104	1,104	0	254	254	0
Percentage Error			0.00%	(d)		0.00%

Reg Avg.(Mileage) = Regular Including Grade PK students (Part A)
 Reg Avg.(Mileage) = Regular Excluding Grade PK students (Part B)
 Spec Avg. = Special Ed with Special Needs

	District Reported	County Recalculated
	7.1	7.1
If Applicable	7.1	7.1
	12.8	12.8

SOMERSET HILLS BOARD OF EDUCATION

APPLICATION FOR STATE SCHOOL AID SUMMARY

ENROLLMENT AS OF OCTOBER 15, 2015

SCHEDULE OF AUDITED ENROLLMENTS

13

	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 Application and Register	Sample Errors
Half Day Preschool			-			-
Full Day Preschool			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	5	5	-	5	5	-
One	3	3	-	2	2	-
Two	1	1	-	1	1	-
Three			-			-
Four			-			-
Five			-			-
Six	1	1	-	1	1	-
Seven			-			-
Eight			-			-
Nine	3	3	-	2	2	-
Ten			-			-
Eleven	1	1	-	1	1	-
Twelve			-			-
Post-Graduate			-			-
Adult H.S. (15+CR.)			-			-
Adult H.S. (1-14 CR.)			-			-
Subtotal	<u>14</u>	<u>14</u>	<u>0</u>	<u>12</u>	<u>12</u>	<u>0</u>
Special Ed - Elementary	1	1	-	1	1	-
Special Ed - Middle			-			-
Special Ed - High			-			-
Subtotal	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>
Co. Voc. - Regular			-			-
Co. Voc. Ft. Post Sec.			-			-
Totals	<u>15</u>	<u>15</u>	<u>0</u>	<u>13</u>	<u>13</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</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, 2016

<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	Paid	82,869	82,869	0.00	\$0.290	\$0.00
	Reduced	5,229	5,229	0.00	2.670	\$0.00
	Free	24,738	24,738	0.00	3.070	\$0.00
	HHFKA	<u>112,836</u>	<u>112,836</u>	<u>0.00</u>	0.060	<u>\$0.00</u>
<u>TOTAL</u>		<u>225,672</u>	<u>225,672</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, 2016

<u>Net Cash Resources:</u>	Food Service B - 4/5
CAFR	Current Assets
B-4	Cash & Cash Equiv. 217,807.09
B-4	Due from Other Gov'ts 9,861.82
B-4	Accounts Receivable
B-4	Investments
CAFR	Current Liabilities
B-4	Less Accounts Payable (32,658.04)
B-4	Less Accruals
B-4	Less Due to Other Funds (185,813.84)
B-4	Less Unearned Revenue <u>(14,890.86)</u>
	Net Cash Resources <u>(5,693.83) (A)</u>

Net Adj. Total Operating Expense:

B-5	Tot. Operating Exp.	602,108.62
B-5	Less Depreciation	<u>(9,920.83)</u>
	Adj. Tot. Oper. Exp.	<u>592,187.79 (B)</u>

Average Monthly Operating Expense:

B / 10 **59,218.78 (C)**

Three times monthly Average:

3 X C **177,656.34 (D)**

TOTAL IN BOX A	<u>(5,693.83)</u>
LESS TOTAL IN BOX D	<u>177,656.34</u>
NET	<u>183,350.17</u>

**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.**

SOMERSET HILLS SCHOOL DISTRICT

SCHEDULE OF CALCULATION OF EXCESS SURPLUS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Section 1- 2% Calculation of Excess Surplus

2015-16 General Fund Expenditures per the CAFR (Exhibit C-1)		\$ 39,620,700.64
Increased by:		
Transfer from Capital Reserve to Capital Projects Fund	\$ 83,950.00	<u>83,950.00</u>
		39,704,650.64
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 3,782,807.20	<u>3,782,807.20</u>
Adjusted 2015-16 General Fund Expenditures		<u>\$ 35,921,843.44</u>
2% of Adjusted 2015-16 General Fund Expenditures		<u>\$ 718,436.87</u>
Greater of 2% or \$250,000	\$ 718,436.87	
Increased by: Allowable Adjustment	<u>261,950.00</u>	
Maximum Unassigned/Undesignated - Unreserved Fund Balance		<u>\$ 980,386.87</u>

Section 2

Total General Fund Balances at June 30, 2016 (Exhibit C-1)		\$ 4,257,108.36
Decreased by:		
Year End Encumbrances	\$ 44,798.77	
Assigned - Designated for Subsequent Year's Expenditures	140,833.70	
Legally Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	1,320,448.30	
Other Restricted Fund Balances	<u>820,361.46</u>	
		<u>2,326,442.23</u>
Total Unassigned Fund Balance		<u>\$ 1,930,666.13</u>

Section 3

Restricted Fund Balance - Excess Surplus		<u>\$ 950,279.26</u>
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Recapitulation of Excess Surplus at June 30, 2016

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		\$ 1,320,448.30
Reserved Excess Surplus - Current Year		<u>950,279.26</u>
Total		<u>\$ 2,270,727.56</u>

Detail of Allowable Adjustments

Extraordinary Aid (Unbudgeted)		\$ 196,136.00
Additional Nonpublic School Transportation Aid		<u>65,814.00</u>
		<u>\$ 261,950.00</u>

Detail of Other Restricted Fund Balance

Capital Reserve		\$ 685,361.46
Maintenance Reserve		<u>135,000.00</u>
		<u>\$ 820,361.46</u>

