

SOMERVILLE BOROUGH SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016

SOMERVILLE BOROUGH SCHOOL DISTRICT  
COUNTY OF SOMERSET  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
TABLE OF CONTENTS

Cover Letter .....	1
Scope of Audit .....	2
Administrative Practices and Procedures .....	2
Officials in Office and Surety Bonds.....	2
Tuition Charges .....	2
Financial Planning, Accounting and Reporting .....	2
Examination of Claims .....	2
Payroll Account and Position Control Roster.....	2
Reserve for Encumbrances and Accounts Payable.....	3
Classification of Expenditures - General and Administrative .....	3
Board Secretary's Records .....	3
No Child Left Behind (NCLB) .....	3
Other Special Federal and/or State Projects.....	3
T.P.A.F Reimbursement .....	4
School Purchasing Programs .....	4
Contracts and Agreements Requiring Advertisement for Bids.....	4
School Food Service .....	5
Student Body Activities.....	5
Application for State School Aid .....	6
Pupil Transportation.....	6
Facilities and Capital Assets .....	6
Miscellaneous .....	6
Management Suggestions .....	7
Status of Prior Year's Findings/Recommendations .....	7
Schedule of Meal Count Activity (Not Applicable) .....	8
Schedule of Net Cash Resources (Not Applicable) .....	9
Schedule of Audited Enrollments .....	10
Excess Surplus Calculation.....	15
Summary of Recommendations.....	17



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November 4, 2016

The Honorable President and Members  
of the Board of Education  
Somerville Borough School District  
County of Somerset, NJ

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 Somerville Borough School District in the County of Somerset for the fiscal year ended June 30, 2016, and have issued our report thereon dated November 4, 2016.

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 letter does not affect our report dated November 4, 2016, on the financial statements of the Board.

We will review the status of the comments, if any, during our next audit engagement. We have already discussed these comments and suggestions, if any, with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the suggestions.

This report is intended for the information of Somerville Borough 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.

NISIVOCCIA LLP

Valerie A. Dolan  
Licensed Public School Accountant #2526  
Certified Public Accountant

SOMERVILLE BOROUGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Bryan P. Boyce	School Business Administrator/Board Secretary	\$ 500,000

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account and Position Control Roster

The net salaries of 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 tested were approved by the Superintendent and certified by the President of the Board and the School Business Administrator and the Superintendent.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholdings due to the General Fund.

The required certification (E-Cert1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrator) to the New Jersey Department of Treasury was filed by the March 15<sup>th</sup> due date.

Finding: During our review of the Net Payroll account, it was noted that there were several checks outstanding over a year.

SOMERVILLE BOROUGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016

Payroll Account (Cont'd)

Recommendation: It is recommended that the District cancel and reissue Net Payroll checks outstanding over a year.

Management's Response: The District will cancel and reissue Net Payroll checks outstanding over a year.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made on a test basis as of June 30, for proper classification of orders as reserve for encumbrances and accounts payable.

Financial Planning, Accounting and Reporting (Cont'd)

Classification of Expenditures – General Classifications and Administrative Classifications

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, we reviewed administrative coding classifications to determine overall reliability and compliance with N.J.A.C 6A:23A-8.2. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classifications.

Board Secretary's Report

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

No Child Left Behind (N.C.L.B.)

The N.C.L.B. financial exhibits are contained herein within the Special Revenue Section of the District's CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I, Title II, and Title III of the No Child Left Behind Act. The study of compliance for the N.C.L.B. did not indicate any area of noncompliance.

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 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.

SOMERVILLE BOROUGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

T.P.A.F. 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.

T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2016. The reimbursement form was reviewed and no exceptions were noted.

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 \$17,500, 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 therefore, 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. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. 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. 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 the year in which it is made . . . ."

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 therefore, except as is provided otherwise in this chapter or specifically by any other law . . . ."

Effective July 1, 2015, the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (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 currently \$18,800.

As per N.J.S.A. 18A:18A-3, the Board passed a resolution authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

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 Attorney's opinion should be sought before a commitment is made.

SOMERVILLE BOROUGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
 (Continued)

School Purchasing Programs (Cont'd)

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. General compliance was noted.

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 provision of N.J.S.A. 18A:18A-4.

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

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.

School Food Service

The school food service program was not selected as a major federal and/or state program. However, the program expenditures exceeded \$100,000 in federal and/or state support. Accordingly, we inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

Additionally, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Finding: Net cash resources of the Food Service Fund exceeded three months average expenditures.

Recommendation: It is recommended that the Food Service Fund take steps to reduce their net cash resources so that it does not exceed three months average expenditures.

Management's Response: The District is in the process of reviewing the Food Service Fund and will reduce net cash resources.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Finding: Our review of the Student Activities accounts revealed that there are no records of receipt collections kept by the District for the Elementary and Middle Schools.

SOMERVILLE BOROUGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

Student Body Activities (Cont'd)

Recommendation: It is recommended that the District maintain receipt logs for the Elementary and Middle School accounts.

Management's Response: The District will ensure that receipt logs are maintained for the Elementary and Middle School accounts.

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, bilingual and low income students. 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 information that was included on the workpapers was verified on a test basis 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.

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 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 without exception. 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. 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 SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

Miscellaneous

Travel regulations require each District to adopt a formal policy and procedures pertaining to travel and expense reimbursements for its employee and board members. The regulations require the District to establish a maximum travel amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be preapproved by the Board of Education and the Superintendent and that the approval must be itemized by event, event total cost, and individuals attending. Based on our audit procedures, we have no comments.



SOMERVILLE BOROUGH SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

Suggestions to Management

Governmental Accounting Standards Board Statements:

The next Governmental Accounting Standards Board (“GASB”) statement which will have a significant impact on the District will be GASB#75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB#45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. It is similar to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* GASB#68 in that successful implementation of this standard will require the provision of certain key financial and non-financial information from the New Jersey Division of Pensions.

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information (“PII”), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the District consider options to test and protect the District from cyber-crime.

Status of Prior Year's Findings/Recommendations

There were no prior year findings or recommendations.

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF MEAL COUNT ACTIVITY  
FISCAL YEAR ENDED JUNE 30, 2016

NOT APPLICABLE

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF NET CASH RESOURCES  
FISCAL YEAR ENDED JUNE 30, 2016

NOT APPLICABLE

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	Revised ASSA		Workpapers				Selected from		Registers			
	On Roll		On Roll		Workpapers		On Roll					
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Full Day Preschool 4 Years Old	62		62				62		62			
Full Day Kindergarten	128		128				128		128			
Grade One	130		130				130		130			
Grade Two	115		115				115		115			
Grade Three	118		118				118		118			
Grade Four	111		111				111		111			
Grade Five	110		110				110		110			
Grade Six	104		104				104		104			
Grade Seven	103		103				103		103			
Grade Eight	84		84				84		84			
Grade Nine	266	12	266	12			266	12	266	12		
Grade Ten	232	8	232	8			232	8	232	8		
Grade Eleven	244	9	244	9			244	9	244	9		
Grade Twelve	261	7	261	7			261	7	261	7		
Subtotal	2,068	36	2,068	36			2,068	36	2,068	36		
Special Education:												
Elementary	112		112				11		11			
Middle	64		64				6		6			
High	130	15	130	15			13	2	13	2		
Subtotal	306	15	306	15			30	2	30	2		
Totals	2,374	51	2,374	51	-0-	-0-	2,098	38	2,098	38	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Private Schools for Disabled				Resident Low Income					
	Reported on ASSA as Private Schools	Sample for Verficiation	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten					47	47		2	2	
Half Day Kindergarten					1	1				
Grade One					53	54	1.0	4	4	
Grade Two					42	42		2	2	
Grade Three					48	48		3	3	
Grade Four					46	46		2	2	
Grade Five					47	47		2	2	
Grade Six					39	39		2	2	
Grade Seven					36	36		2	2	
Grade Eight					30	30		1	1	
Grade Nine					46	46		2	2	
Grade Ten					34	34		1	1	
Grade Eleven					27	27		1	1	
Grade Twelve					25	25		1	1	
Subtotal					521	522	1	25	25	
Special Education:										
Elementary School	2	1	1		52	51	-1.0	5	5	
Middle School	8	2	2		36	36		3	3	
High School	9	2	2		30	25	-5.0	3	3	
Subtotal	19	5	5		118	112	-6	11	11	
Totals	19	5	5	-0-	639	634	-5	36	36	-0-
Percentage Error				0.00%			-0.78%			0.00%

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP Low Income					
	Reported on ASSA as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	13	15	-2	2	2	
Grade One	2	2		1	1	
Grade Two	2	2		1	1	
Grade Three	1	1				
Grade Four	2	2		1	1	
Grade Five	1	1				
Grade Seven	1	1				
Grade Nine	3	3		2	2	
Grade Ten	2	2		1	1	
Subtotal	<u>27</u>	<u>29</u>	<u>-2</u>	<u>8</u>	<u>8</u>	
Special Education:						
Elementary School						
High School						
Subtotal						
Totals	<u><u>27</u></u>	<u><u>29</u></u>	<u><u>-2</u></u>	<u><u>8</u></u>	<u><u>8</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>-7.41%</u></u>			<u><u>0.00%</u></u>

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Resident LEP Not Low Income					
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	4	4		2	2	
Grade One	2	2				
Grade Two	9	9		2	2	
Grade Three	1	1				
Grade Four	1	1				
Grade Seven	2	2		1	1	
Grade Eight	4	4		2	2	
Grade Nine	1	1				
Grade Ten	3	3		1	1	
Grade Eleven	1		1			
Grade Twelve	2	2				
Subtotal	30	29	1	8	8	
Special Education:						
High School						
Subtotal						
Totals	30	29	1	8	8	-0-
Percentage Error			3.33%			0.00%

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2015

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Special Education	3	3		1	1	
Special Needs - Public	43	43		6	6	
Special Needs - Private	19	19		5	5	
Totals	65	65	-0-	12	12	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	1	1
Average Mileage - Regular Excluding Grade PK Students	1	1
Average Mileage - Special Education with Special Needs	7.7	7.7



SOMERVILLE BOROUGH SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2016

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

2015-16 Total General Fund Expenditures per the CAFR	<u>\$ 40,557,233</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ 456,136</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 147,880</u> (B1b)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 4,237,489</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)
Adjusted 15-16 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 36,923,760</u> (B3)
2% of Adjusted 2015-16 General Fund Expenditures [(B5) times .02]	<u>\$ 738,475</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 738,475</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 125,757</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 864,232</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/16 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 7,372,461</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 274,869</u> (C1)
Legally Restricted:	
Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Excess Surplus - Subsequent Year's Expenditures	<u>\$ 749,947</u> (C3)
Other Restricted Fund Balances	<u>\$ 4,592,172</u> (C4)
Assigned Fund Balance:	
Subsequent Year's Expenditures	<u>\$ 500,000</u> (C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 1,255,473</u> (U1)

**SOMERVILLE BOROUGH SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**FISCAL YEAR ENDED JUNE 30, 2016**  
(Continued)

**Section 3**

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 391,241 (E)

**Recapitulation of Excess Surplus as of June 30, 2016**

Restricted Excess Surplus - Subsequent Year's Expenditures \$ 749,947 (C3)  
Restricted Excess Surplus [(E)] \$ 391,241 (E)

Total [(C3)+(E)+(F)] \$ 1,141,188 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)  
Sale and Lease Back \$ -0- (I)  
Extraordinary Aid \$ 125,757 (J1)  
Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)] \$ 125,757 (K)

**Detail of Other Restricted Fund Balance**

Statutory Restrictions \$ -0-  
Approved Unspent Separate Proposal \$ -0-  
Sale/Lease-Back Reserve \$ -0-  
Capital Reserve \$ 2,356,821  
Maintenance Reserve \$ 200,897  
Emergency Reserve \$ -0-  
Tuition Reserve \$ 2,034,454  
Other State/Governmental Mandated Reserve \$ -0-  
Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 4,592,172

SOMERVILLE BOROUGH SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
FISCAL YEAR ENDED JUNE 30, 2016

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting  
The District cancel and reissue Net Payroll checks outstanding over a year.
3. School Purchasing Program  
None
4. School Food Service  
The Food Service Fund take steps to reduce their net cash resources so that it does not exceed three months average expenditures.
5. Student Body Activities  
The District maintain receipt logs for the Elementary and Middle School accounts.
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's Findings/Recommendations  
There were no prior year findings or recommendations.