

SOMERVILLE BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

AS REVISED 3-15-2018

SOMERVILLE BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
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November 3, 2017

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, 2017, and have issued our report thereon dated November 3, 2017.

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 3, 2017, 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 and recommendations.

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, 2017

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 15th due date.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017

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.

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, 2017. The reimbursement form was reviewed and no exceptions were noted.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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.

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.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Purchasing Programs (Cont'd)

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 financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis. No exceptions were noted.

Cash receipts and bank records were reviewed for timely deposit. No exceptions were noted.

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FMSC contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven/return a profit of at least \$12,692 (modify as needed for your district's situation). The operating results provision has been met. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. 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 disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. No exceptions were noted.

Net cash resources of the Food Service Fund do not exceed three months average expenditures.

Time sheets and payroll records provided to the District from the Food Service contractor were reviewed on a test basis. Payroll records were maintained on all School Food Service employees authorized by the Board of Education.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner. No exceptions were noted.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

School Food Service (Cont'd)

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/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

The school district provided the detailed revenue and expenditure information necessary in order to execute the U.S.D.A. mandated Non-program Food Revenue tool at least annually. No exceptions were noted. Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the CAFR.

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 or recommendations.

Application for State School Aid

Our audit procedures included a test of information reported in the October 14, 2016 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.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2016-2017 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.

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 No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will be effective for the fiscal year ending June 30, 2018. This standard replaces GASB No. 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* 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.

Student Activities:

It has recently been determined that certain School District personnel may not be completely aware of the limitations and restrictions on the use of Student Activity Funds. We believe it is important that the District be aware that any pupil organization which is part of the activity program of the School District, places at least indirect responsibility for supervision and control of that organization with the Board of Education. We suggest that the Board formally approve each school club or activity. As directed by the New Jersey Department of Education, collections related to fund raising for outside organizations should not be maintained in the District’s Student Activity Funds.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Student Activities: (Cont'd)

Additionally, the District should ensure that District-wide standard policies and procedures are implemented for all Student Activity Funds. These policies should indicate the student activities funds are to be utilized for the benefit of the student activity or club and not to be utilized for enhancement of instructional programs or school facilities. The District should at least at a minimum communicate to school personnel on an annual basis the District's policies and procedures regarding Student Activity Funds. We suggest that these policies include guidance regarding timely deposits of funds and the safeguarding of funds prior to deposit as well as the appropriate purchasing guidelines for student activities disbursements.

Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding the old checks in the Net Payroll account, Food service expenditures and student activities have been resolved in the current year.

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FISCAL YEAR ENDED JUNE 30, 2017

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Underclaim</u>
National School Lunch (High Rate)	Paid	58,386	26,192	26,192	-0-	\$ 0.30	-0-
	Reduced	14,305	6,470	6,470	-0-	2.76	-0-
	Free	65,375	29,109	29,109	-0-	3.16	-0-
		<u>138,066</u>	<u>61,771</u>	<u>61,771</u>	<u>-0-</u>		<u>-0-</u>
National School Breakfast (High Rate)	Paid	1,951	887	887	-0-	0.29	-0-
	Reduced	1,246	547	547	-0-	1.74	-0-
	Free	9,423	3,357	3,357	-0-	2.04	-0-
		<u>12,620</u>	<u>4,791</u>	<u>4,791</u>	<u>-0-</u>		<u>-0-</u>
TOTAL NET (OVER) / UNDERCLAIM							<u>\$ -0-</u>

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - STATE

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Underclaim</u>
National School Lunch (High Rate)	Paid	58,386	26,192	26,192	-0-	\$ 0.040	-0-
	Reduced	14,305	6,470	6,470	-0-	0.055	-0-
	Free	65,375	29,109	29,109	-0-	0.055	-0-
		<u>138,066</u>	<u>61,771</u>	<u>61,771</u>	<u>-0-</u>		<u>-0-</u>
TOTAL NET (OVER) / UNDERCLAIM							<u>\$ -0-</u>

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF NET CASH RESOURCES
FISCAL YEAR ENDED JUNE 30, 2017

<u>Net Cash Resources:</u>		Food Service	
CAFR	*	Current Assets	
B-4		Cash and Cash Equivalents	\$ 245,632
B-4		Due from Other Governments	23,019
CAFR		Current Liabilities	
B-4		Less Accounts Payable	(44,077)
B-4		Less Unearned Revenue	(11,958)
		Net Cash Resources	\$ 212,616
			(A)
 <u>Net Adjusted Total Operating Expense:</u>			
G-2		Total Operating Expenses	\$ 725,406
G-2		Less Depreciation	(13,847)
		Adjusted Total Operating Expenses	\$ 711,559
			(B)
 <u>Average Monthly Operating Expense:</u>			
		B / 10	\$ 71,156
			(C)
 <u>Three times monthly Average:</u>			
		3 X C	\$ 213,468
			(D)

TOTAL IN BOX A	\$	212,616	(A)
LESS TOTAL IN BOX D	\$	213,468	
NET	\$	(852)	(D)
From above:			
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.			

* Inventories are not to be included in total current assets.

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	2017-2018 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Selected from		Verified per		Errors	
	Revised ASSA	Workpapers	On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 4 Years Old	66	66					66		66			
Full Day Kindergarten	112	112					112		112			
Grade One	118	118					118		118			
Grade Two	114	114					114		114			
Grade Three	114	114					114		114			
Grade Four	109	109					109		109			
Grade Five	108	108					108		108			
Grade Six	108	108					108		108			
Grade Seven	108	108					108		108			
Grade Eight	104	104					104		104			
Grade Nine	219	219	6	6			219	6	219	6		
Grade Ten	258	258	16	16			258	16	258	16		
Grade Eleven	231	231	8	8			231	8	231	8		
Grade Twelve	236	236	9	9			236	9	236	9		
Subtotal	2,005	2,005	39	39			2,005	39	2,005	39		
Special Education:												
Elementary	109	109					8		8			
Middle	62	62					5		5			
High	151	151	15	15			12		12			
Subtotal	322	322	15	15			25		25			
Totals	2,327	2,327	54	54	-0-	-0-	2,030	39	2,030	39	-0-	-0-
Percentage Error			0.00%	0.00%			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 14, 2016

	Private Schools for Disabled				Resident Low Income				
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	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	2	2	
Grade Two					42	42	2	2	
Grade Three					48	48	1	1	
Grade Four					46	46	2	2	
Grade Five					47	47	1	1	
Grade Six					39	39	2	1	-1
Grade Seven					36	36	1	2	1
Grade Eight					30	30	1	2	1
Grade Nine					45.5	46	3	2	-1
Grade Ten					34	34	3	3	
Grade Eleven					27	27	2	2	
Grade Twelve					25	25	1	1	
Subtotal					521	522	1	23	
Special Education:									
Elementary School	1				52	51	-1		
Middle School	4	1	1		36	36		2	
High School	9	4	4		29.5	24.5	-5		
Subtotal	14	5	5		118	112	-6	2	
Totals	14	5	5	-0-	638	633	-5	25	-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 14, 2016

	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	7	7		1	1	
Grade One	8	8		1	1	
Grade Two	2	2				
Grade Three	2	2				
Grade Four	1	1				
Grade Five	3	3		1	1	
Grade Six	1	1				
Grade Seven	3	3		1	1	
Grade Nine	7	7		2	2	
Grade Ten	3	3.0		1	1	
Grade Eleven	1	1				
Grade Twelve	1	1				
Subtotal	<u>42</u>	<u>42</u>		<u>7</u>	<u>7</u>	
Special Education:						
Elementary School	4	4				
High School						
Subtotal	<u>4</u>	<u>4</u>				
Totals	<u><u>46</u></u>	<u><u>46</u></u>	<u><u>-0-</u></u>	<u><u>7</u></u>	<u><u>7</u></u>	<u><u>-0-</u></u>
Percentage Error			<u><u>0.00%</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 14, 2016

	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	5	5				
Grade One	2	2				
Grade Two	2	2		1	1	
Grade Three	2	2				
Grade Eight	1	1		1	1	
Grade Nine	4	4		2	2	
Grade Ten	1	1		1	1	
Grade Eleven	4	4				
Totals	<u>21</u>	<u>21</u>	<u>-0-</u>	<u>5</u>	<u>5</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 14, 2016

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	2	2		1	1	
Regular - Special Education	4	4		2	2	
Special Needs - Public	55	55		6	6	
Special Needs - Private	15	15		3	3	
Totals	<u>76</u>	<u>76</u>	<u>-0-</u>	<u>12</u>	<u>12</u>	<u>-0-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.1	6.1
Average Mileage - Regular Excluding Grade PK Students	6.1	6.1
Average Mileage - Special Education with Special Needs	5.8	5.8

SOMERVILLE BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	<u>\$ 1,230,128</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2017

Restricted Excess Surplus - Subsequent Year's Expenditures	<u>\$ 391,241</u> (C3)
Restricted Excess Surplus [(E)]	<u>\$ 1,230,128</u> (E)
 Total [(C3)+(E)+(F)]	 <u>\$ 1,621,369</u> (D)

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0-</u> (H)
Sale and Lease Back	<u>\$ -0-</u> (I)
Extraordinary Aid	<u>\$ 132,903</u> (J1)
Additional Nonpublic School Transportation Aid	<u>\$ -0-</u> (J2)
 Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)]	 <u>\$ 132,903</u> (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions	<u>\$ -0-</u>
Approved Unspent Separate Proposal	<u>\$ -0-</u>
Sale/Lease-Back Reserve	<u>\$ -0-</u>
Capital Reserve	<u>\$ 2,205,099</u>
Maintenance Reserve	<u>\$ 202,009</u>
Emergency Reserve	<u>\$ -0-</u>
Tuition Reserve	<u>\$ 2,014,696</u>
Other State/Governmental Mandated Reserve	<u>\$ -0-</u>
Other Restricted Fund Balance not Noted Above	<u>\$ -0-</u>
 Total Other Restricted Fund Balance	 <u>\$ 4,421,804</u>

SOMERVILLE BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that:

1. Administrative Practices and Procedures
None
2. Financial Planning, Accounting and Reporting
None
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's Findings/Recommendations

The prior year recommendation regarding the old checks in the Net Payroll account, Food service expenditures and student activities have been resolved in the current year.