

SOMERVILLE BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021

SOMERVILLE BOROUGH SCHOOL DISTRICT
COUNTY OF SOMERSET
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
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November 11, 2021

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, 2021, and have issued our report thereon dated November 11, 2021.

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 11, 2021, 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
NISIVOC CIA LLP

Valerie A. Dolan

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, 2021

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, the activities of the Board of Education, and 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, 2021

Financial Planning, Accounting and Reporting (Cont'd)

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.

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.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. 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, II, III, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

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, 2021. 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, 2021

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"

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (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 \$19,600 for 2020-21.

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 \$44,000.

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.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Purchasing Programs (Cont'd)

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

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.

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 Cost Reimbursable Fixed contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will breakeven. The operating results provision has been met. No exceptions were noted. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually. 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.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan and did not use the funds to pay for costs applicable to the Food Service Programs.

Net Cash Resources did not exceed three months average expenditures.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

School Food Service (Cont'd)

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

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.

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 not purchased, prepared or offered for sale.

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 Student Activities 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 the following comments:

Finding #2021-001

During our review of the student activities accounts, it was noted that receipts were not being documented by date received at the high school and additionally funds are being held at the school and not being deposited in a timely manner.

Recommendation

It is recommended that High School Student Activities receipts be accurately documented by the date of receipt and that deposits be made in a timely manner.

Managements Response

Administration will ensure that High School Student Activities receipts are accurately documented by the date of receipt and that all deposits are made in a timely manner.

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2020 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 without exception. The information that was included on the workpapers was verified on a test basis without exception. 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 2020-2021 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with no 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. 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.

Travel Expense and Reimbursement Policy

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. Overall compliance was noted in our testing.

Testing for Lead of All Drinking Water in Educational Facilities

The District submitted the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

SOMERVILLE BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the fiscal year ended June 30, 2022. Under this statement, the District will be required to recognize a lease liability and an intangible right-to-use asset for each lease agreement with a lease term in excess of 12 months. This statement will enhance the comparability of financial statements among governments by requiring the reporting of leases under a single model. Additionally, certain leases that are currently not reported will be under this statement.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Sick and Vacation Leave

It is suggested that the District consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Status of Prior Year's Findings/Recommendations

There were no prior year recommendations.

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FISCAL YEAR ENDED JUNE 30, 2021

NUMBER OF MEALS SERVED AND (OVER) UNDERCLAIM - FEDERAL

<u>Program</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over) Underclaim</u>
Seamless Summer -Lunch	47,248	11,386	11,386	-0-	\$ 3.58	-0-
	<u>47,248</u>	<u>11,386</u>	<u>11,386</u>	<u>-0-</u>		<u>-0-</u>
Seamless Summer -Breakfast	47,124	11,356	11,356	-0-	\$ 2.26	-0-
	<u>47,124</u>	<u>11,356</u>	<u>11,356</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, 2021

CAFR	*	Current Assets		
B-4		Cash and Cash Equivalents	\$	38,846
B-4		Due from Other Governments		21,624
CAFR		Current Liabilities		
B-4		Less Accounts Payable		
B-4		Less Unearned Revenue		(21,890)
		Net Cash Resources	\$	<u>38,580</u>

(A)

Net Adjusted Total Operating Expense:

G-2	Total Operating Expenses	\$	336,947
G-2	Less Depreciation		(26,468)
	Adjusted Total Operating Expenses	\$	<u>310,479</u>

(B)

Average Monthly Operating Expense:

B / 10	\$	<u>31,048</u>
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(C)

Three times monthly Average:

3 X C	\$	<u>93,144</u>
-------	----	---------------

(D)

TOTAL IN BOX A	\$	38,580	
LESS TOTAL IN BOX D		93,144	(D)
NET	\$	<u>(54,564)</u>	**
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.

** Net cash resources does not exceed three times monthly average operation expenses.

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 Application for State School Aid						Sample for Verification					
	Reported on		Reported on		Errors		Sample		Verified per		Errors	
	Revised ASSA On Roll	Shared	Workpapers On Roll	Shared	Full	Shared	Selected from Workpapers	Shared	On Roll	Shared	Full	Shared
Half Day Preschool 4 Years Old	44		44				44		44			
Full Day Preschool 4 Years Old	91		91				91		91			
Full Day Kindergarten	104		104				104		104			
Grade One	102		102				102		102			
Grade Three	101		101				101		101			
Grade Four	101		101				101		101			
Grade Five	88		88				88		88			
Grade Six	92		92				92		92			
Grade Seven	80		80				80		80			
Grade Eight	101		101				101		101			
Grade Nine	221	19	221	19			221	19	221	19		
Grade Ten	228	16	228	16			228	16	228	16		
Grade Eleven	236	11	236	11			236	11	236	11		
Grade Twelve	233	10	233	10			233	10	233	10		
Subtotal	1,822	56	1,822	56			1,822	56	1,822	56		
Special Education:												
Elementary	118		118				9		9			
Middle	52		52				4		4			
High	163	17	163	17			12		12			
Subtotal	333	17	333	17			25		25			
Totals	2,155	73	2,155	73			1,847	56	1,847	56		-0-
Percentage Error												0.00%

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	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	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten										
Grade One					21	21		1	1	
Grade Two					36	36		2	2	
Grade Three					39	39		1	1	
Grade Four					40	40		2	2	
Grade Five					34	34		2	2	
Grade Six					30	30		1	1	
Grade Seven					33	33		1	1	
Grade Eight					33	33		2	2	
Grade Nine					32	32		2	2	
Grade Ten					41	41		1	1	
Grade Eleven					31	31		2	2	
Grade Twelve					36	36		1	1	
Subtotal					26	26		2	2	
					431	431		20	20	
Special Education:										
Elementary School	2	1	1		63	63		2	2	
Middle School	4	1	1		30	30		2	1	-1
High School	5				41	41		1	2	1
Subtotal	11	2	2		134	134		5	5	
Totals	11	2	2	-0-	565	565	-0-	25	25	-0-
Percentage Error				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, 2020

	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	5	5		1	1	
Grade One	2	2		1	1	
Grade Two	3	3				
Grade Three	1	1				
Grade Four	1	1				
Grade Five	2	2		1	1	
Grade Six	3	3		1	1	
Grade Seven	1	1		1	1	
Grade Eight	3	3				
Grade Nine	2	2				
Grade Ten	5	5		1	1	
Grade Eleven	4	4		1	1	
Grade Twelve						
Subtotal	32	32		7	7	
Special Education:						
Elementary School						
Middle School						
High School						
Subtotal						
Totals	32	32	-0-	7	7	-0-
Percentage Error			0.00%			0.00%

SOMERVILLE BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2020

	Resident LEP Not Low Income				
	Reported on ASSA as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers Errors	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	2	2			
Grade One	5	5	1	1	
Grade Two	5	5	1	1	
Grade Three	2	2			
Grade Four	3	3			
Grade Five	1	1			
Grade Seven	3	3	1	1	
Grade Eight	2	2			
Grade Nine	6	6	1	1	
Grade Ten	2	2	1	1	
Grade Twelve	4	4			
Totals	<u>35</u>	<u>35</u>	<u>-0-</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 15, 2020

	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		7	7	
Special Needs - Private	10	10		3	3	
Totals	56	56	-0-	11	11	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	1.1	1.1
Average Mileage - Regular Excluding Grade PK Students	1.1	1.1
Average Mileage - Special Education with Special Needs	5.6	5.6

SOMERVILLE BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021

EXCESS SURPLUS CALCULATION

Section 1 - REGULAR DISTRICT

2020-21 Total General Fund Expenditures per the CAFR	<u>\$ 48,702,172</u>	(B)
Increased by:		
Transfer to Special Revenue Fund - PreK - Inclusion	<u>\$ -0-</u>	(B1a)
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u>	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u>	(B1b)
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 7,928,414</u>	(B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u>	(B2b)
 Adjusted 20-21 General Fund Expenditures [(B)+(B1's)-(B2's)]	 <u>\$ 40,773,758</u>	 (B3)
 4% of Adjusted 2020-21 General Fund Expenditures [(B5) times .04]	 <u>\$ 1,630,950</u>	 (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 1,630,950</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 263,518</u>	(K)
 Maximum Unassigned Fund Balance [(B5)+(K)]		 <u>\$ 1,894,468</u> (M)

Section 2

Total General Fund - Fund Balances @ 6/30/21 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 15,464,444</u>	(C)
Decreased by:		
Year End Encumbrances	<u>\$ 249,748</u>	(C1)
Legally Restricted:		
Designated for Subsequent Year's Expenditures	<u>\$ -0-</u>	(C2)
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 289,324</u>	(C3)
Other Restricted Fund Balances	<u>\$ 11,574,262</u>	(C4)
Assigned Fund Balance:		
Subsequent Year's Expenditures	<u>\$ 865,820</u>	(C5)
 Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		 <u>\$ 2,485,290</u> (U1)

SOMERVILLE BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

Section 3

Restricted Fund Balance-Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0- \$ 590,822 (E)

Recapitulation of Excess Surplus as of June 30, 2021

Restricted Excess Surplus - Subsequent Year's Expenditures \$ 289,324 (C3)

Restricted Excess Surplus [(E)] \$ 590,822 (E)

Total [(C3)+(E)+(F)] \$ 880,146 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

Sale and Lease Back \$ -0- (I)

Extraordinary Aid \$ 263,518 (J1)

Additional Nonpublic School Transportation Aid \$ -0- (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)+(J3)] \$ 263,518 (K)

Detail of Other Restricted Fund Balance

Statutory Restrictions \$ -0-

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-Back Reserve \$ -0-

Capital Reserve \$ 8,920,634

Maintenance Reserve \$ 252,746

Emergency Reserve \$ -0-

Tuition Reserve \$ 2,070,165

Unemployment Compensation Reserve \$ 330,717

Other State/Governmental Mandated Reserve \$ -0-

Other Restricted Fund Balance not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 11,574,262

SOMERVILLE BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2021

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
Finding #2021-001
That High School Student Activities receipts be accurately documented by the date of receipt and that deposits be made in a timely manner
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Travel Expense and Reimbursement Policy
None
10. Status of Prior Year's Findings/Recommendations
There were no prior year recommendations.