

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
COUNTY OF SUSSEX  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
COUNTY OF SUSSEX  
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE  
FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020  
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Independent Member  
BKR International

December 14, 2020

The Honorable President and Members  
of the Board of Education  
Township of Montague School District  
County of Sussex, 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 Township of Montague School District in the County of Sussex for the year ended June 30, 2020, and have issued our report thereon dated December 14, 2020.

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 December 14, 2020, on the financial statements of the Board.

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions 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 recommendations.

This report is intended for the information of the Township of Montague School District's Board of Education, 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*  
NISIVOCCIA LLP

*Man C Lee*

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Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020

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 Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

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>
Eric Gumustekin	School Business Administrator/Board Secretary	\$ 200,000
Michelle La Starza	Treasurer of School Monies (until August 20, 2019)	200,000
Rene Metzger	Treasurer of School Monies (starting September 3, 2019)	200,000

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 and 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 were approved and certified by the Superintendent, the Board President and the Board Secretary/School Business Administrator.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendents and business administrators) to the NJ Department of Treasury was filed by the March 15 due date.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020

Financial Planning, Accounting and Reporting (Cont'd)

Payroll Account and Position Control Roster (Cont'd)

Finding:

- 1) During the course of the audit, it was discovered that an employee was inadvertently reported under both PERS and TPAF for 2 quarters of the year due to a change in position. The District is working with the State of New Jersey Division of Pensions and Benefits to correct this error. As such, a formal recommendation is not deemed necessary.
- 2) As per review of the bank reconciliations, there are older reconciling items outstanding as of year end. As amounts are not material, a formal recommendation is not deemed necessary. However, it is suggested that older reconciling items are reviewed for cancellation.

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. Based on these procedures, we have the following finding.

Finding:

During the course of our audit, it was noted that several open purchase orders were improperly classified as an accounts payable rather than an encumbrance. Under the direction of the business administrator, these items have been properly reclassified as encumbrances.

Recommendation:

It is recommended that the District takes greater care when classifying open purchase orders as accounts payable or encumbrances.

Management's Response:

The District will take greater care when classifying open purchase orders as accounts payable or encumbrance.

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 selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. Overall compliance was noted.

Board Secretary's Records

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, no exceptions were noted.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020

Financial Planning, Accounting and Reporting (Cont'd)

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer'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 except as noted above.

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 Titles I, II and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. 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 bi-weekly reimbursements filed with the Department of Education for district employees who are members of the Teachers' Pension and Annuity Fund. No exceptions were noted.

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, 2020. The reimbursement form was reviewed and no exceptions were noted.

Travel Expenses and Travel Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020  
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Testing for Lead of All Drinking Water in Education Facilities

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

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 and thereafter 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 \$19,000 for 2019-2020.

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.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020  
(Continued)

School Purchasing Programs (Cont'd)

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

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.

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. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. General compliance was noted.



TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020  
(Continued)

School Food Service

The school food service program was not selected as a major federal and/or state program. 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.

We also 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.

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.

We also inquired of management about the emergency COVID-19 procedures/practices that the SFA instituted to provide meals to eligible students, maintenance of all applicable production records, meal counts, noncompetitive procurements, modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations.

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.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2019 Application for State School Aid (A.S.S.A.) for on-roll, private schools for disabled, bilingual education students 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 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's written procedures for the recording of student enrollment data appear to be adequate.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020  
(Continued)

Pupil Transportation

Our audit procedures included a test of on-roll status reported in the 2019-2020 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with one exception. The results of our procedures are presented in the Schedule of Audited Enrollment.

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

The District currently has no active SDA grants.

Other

Findings:

During our review of the Before and After Care Program, it was noted that:

- 1.) Not all program fees collected were turned over for deposit in a timely manner.
- 2.) The District did not use a consistent daily billing rate and discount rate and the District did not have a formal refund policy in place.

Recommendations:

- 1.) It is recommended that Before and After Care Program receipts be deposited in a timely manner.
- 2.) It is recommended that the District reviews their billing, discount, and refund policy for the Before and After Care Program to ensure that a consistent method is used.

Management Responses:

- 1.) Before and After Care Program receipts will be deposited in a timely manner.
- 2.) The District will review their billing, discount, and refund policy for the Before and After Care Program to ensure that a consistent method is used.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE  
AND PERFORMANCE  
YEAR ENDED JUNE 30, 2020  
(Continued)

Management Suggestions

Governmental Accounting Standards Board (GASB) Statements

Due to COVID-19, the GASB postponed the implementation of GASB Statement No. 84, *Fiduciary Activities*, until the fiscal year ended June 30, 2021. Based on guidance from the NJ Department of Education and GASB, the activity for student activities, payroll agency, unemployment compensation trust, flexible spending trust and private purpose scholarship trust funds will no longer be reported in the Fiduciary Fund financial statements. This activity will now be reported in the General (payroll agency, flexible spending and unemployment compensation) and Special Revenue (student activities and scholarship) Funds.

Effect on Internal Controls due to COVID-19

With the increase in employees working remotely due to COVID-19 especially those in the Business Office it is vital that the District routinely reviews the internal controls in place especially with respect to security of passwords as well as access rights to accounting software and bank information including bank wire transfers and the timely back-up of records.

Status of Prior Year Findings/Recommendations

The prior year recommendations regarding obtaining authorizing signatures prior to the payment of bills, filing of all transportation contracts with the County for approval by the County Superintendent, and all travel expenses being accounted for separately from all other activities and being charged to the 580 account line were fully resolved.

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	2020-2021 Application for State School Aid						Sample for Verification					
	Reported on A.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 3 Years Old	12		12				12		12			
Full Day Preschool 4 Years Old	11		11				11		11			
Full Day Kindergarten	25		25				25		25			
One	36		36				36		36			
Two	22		22				22		22			
Three	23		23				23		23			
Four	23		23				23		23			
Five	23		23				23		23			
Six	15		15				15		15			
Seven	8		8				8		8			
Eight	7		7				7		7			
Subtotal	205	-0-	205	-0-	-0-	-0-	205	-0-	205	-0-	-0-	-0-
Special Ed - Elementary	25		25				4		4			
Special Ed - Middle School	12		12				2		2			
Subtotal	37	-0-	37	-0-			6	-0-	6	-0-	-0-	-0-
Totals	242	-0-	242	-0-			211	-0-	211	-0-	-0-	-0-
Percentage Error					0.00%	0.00%				0.00%	0.00%	0.00%

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	Private Schools for Disabled				Resident Low Income					
	Reported on A.S.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten										
One						10	10	1	1	
Two						15	15	2	2	
Three						9	9	1	1	
Four						11	11	1	1	
Five						7	7	1	1	
Six						10	10	1	1	
Seven						9	9	1	1	
Eight						10	10	1	1	
Subtotal						8	8	1	1	
						107	107	10	10	
Special Ed - Elementary										
Special Ed - Middle School	1	1	1	1		15	15	2	3	
Special Ed - High School	1	1				11	11	1	2	
Subtotal	2	2	1	1	-0-	10	10	3	5	-0-
Totals	2	2	1	1	-0-	143	143	13	15	-0-
Percentage Error					0.00%					0.00%

MONTAGUE TOWNSHIP SCHOOL DISTRICT  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
SCHEDULE OF AUDITED ENROLLMENTS  
ENROLLMENT AS OF OCTOBER 15, 2019

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	304	304		19	18	1
Regular - Special Education	48	48		2	2	
Transported - Non-Public	1	1		1	1	
AIL - Non-Public	16	16		1	1	
Special Needs- Public	8	8		1	1	
Special Needs Private	3	3		1	1	
<b>Totals</b>	<b>380</b>	<b>380</b>		<b>25</b>	<b>24</b>	<b>1</b>
Percentage Error			<b>0.00%</b>			<b>4.00%</b>

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	10.6	10.6
Average Mileage - Regular Excluding Grade PK Students	10.6	10.9
Average Mileage - Special Education with Special Needs	14.2	14.2

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
YEAR ENDED JUNE 30, 2020

**EXCESS SURPLUS CALCULATION AT 6/30/2020**

**REGULAR DISTRICT**

**SECTION 1**

**A. 2% Calculation of Excess Surplus**

2019-2020 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 8,025,849</u> (B)	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ -0-</u> (B1b)	
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)	
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ 21,799</u> (B1d)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 788,848</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
Adjusted 2019-2020 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 7,258,800</u> (B3)	
2% of Adjusted 2019-2020 General Fund Expenditures [(B3) times .02]	<u>\$ 145,176</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 250,000</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 74,642</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 324,642</u> (M)

**SECTION 2**

Total General Fund - Fund Balances @ 6/30/2020 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 3,018,614</u> (C)	
Decreased by:		
Year End Encumbrances	<u>\$ 318,128</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 133,517</u> (C3)	
Other Restricted/Reserved Fund Balances	<u>\$ 2,132,187</u> (C4)	
Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures	<u>\$ 110,140</u> (C5)	
Additional Assigned Fund Balance: Unreserved - Designated for Subsequent Year's Expenditures July 1, 2020 - August 1, 2020	<u>\$ -0-</u> (C6)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C6)]		<u>\$ 324,642</u> (U1)

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
YEAR ENDED JUNE 30, 2020  
(Continued)

**SECTION 3**

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 0 (E)

**Recapitulation of Excess Surplus as of June 30, 2020**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 133,517 (C3)  
Reserved Excess Surplus [(E)] \$ -0- (E)

Total Excess Surplus [(C3)+(E)] \$ 133,517 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)  
Sale and Lease Back \$ -0- (I)  
Extraordinary Aid \$ 74,352 (J1)  
Additional Nonpublic School Transportation Aid \$ 290 (J2)  
Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)  
Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) \$ 74,642 (K)

**Detail of Other Restricted Fund Balance**

Statutory restrictions:  
Approved unspent separate proposal \$ -0-  
Sale/lease-back reserve \$ -0-  
Capital reserve \$ 1,678,676  
Maintenance reserve \$ 136,889  
Tuition reserve \$ 132,659  
School Bus Advertising 50% Fuel Offset Reserve – current year \$ -0-  
School Bus Advertising 50% Fuel Offset Reserve –prior year \$ -0-  
Impact Aid General Fund Reserve (Sections 8002 and 8003) \$ 183,963  
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) \$ -0-  
Emergency reserve \$ -0-  
Waiver offset reserve \$ -0-  
Other state/governmental mandated reserve \$ -0-

Other Restricted Fund Balance not noted above \$ -0-

Total Other Restricted Fund Balance \$ 2,132,187 (C4)



TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2020

It is recommended that:

1. Administrative Practices and Procedures  
None
2. Financial Planning, Accounting and Reporting
  - a) The District takes greater care when classifying open purchase orders as accounts payable or encumbrance.
3. Travel Expenses and Travel Reimbursement Policy  
None
4. School Purchasing Programs  
None
5. School Food Service  
None
6. Student Body Activities  
None
7. Application for State School Aid  
None
8. Pupil Transportation  
None
9. Facilities and Capital Assets  
None
10. Other
  - a) Before and After Care Program receipts be deposited in a timely manner.
  - b) The District reviews their billing, discount, and refund policy for the Before and After Care Program to ensure that a consistent method is used.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT  
SUMMARY OF RECOMMENDATIONS  
YEAR ENDED JUNE 30, 2020

11. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding obtaining authorizing signatures prior to the payment of bills, all transportation contracts be filed with the County for approval by the County Superintendent, and all travel expenses being accounted for separately from all other activities and being charged to the 580 account line were fully resolved.