

NETCONG BOROUGH SCHOOL DISTRICT
COUNTY OF MORRIS
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NETCONG BOROUGH SCHOOL DISTRICT
COUNTY OF MORRIS
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COMPLIANCE AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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Independent Member
BKR International

November 27, 2020

The Honorable President and Members
of the Board of Education
Netcong Borough School District
County of Morris, 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 Netcong Borough School District in the County of Morris for the year-ended June 30, 2020, and have issued our report thereon dated November 27, 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 November 27, 2020, 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, if any.

This report is intended for the information of Netcong 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

NISIVOCCIA, LLP

Kathryn L. Mantell

Kathryn L. Mantell
Licensed Public School Accountant #884
Certified Public Accountant

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Scope of Audit

The audit covered the financial transactions of the School Business Administrator/Board Secretary and Treasurer, 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.

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
René Metzgar	Treasurer of School Monies	\$ 175,000
Paul Stabile	Business Administrator/Board Secretary	175,000

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

All payrolls tested were approved by the Chief School Administrator and certified by the President of the Board and the School Business Administrator and the Chief School Administrator.

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

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.

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(Continued)

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. 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. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. 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 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, we have no comments except as noted below.

Finding:

During our audit, we noted that the supporting reports and attachments which were approved by the Board were not filed with the District's permanent official minutes of the Board meetings. We were able to locate the reports and attachments; however, it is important that they be maintained together with the official minutes of Board meetings. Since the information was available and the District has maintained all reports and attachments on file with the official minutes for 2020-2021, a formal recommendation is judged to be unwarranted.

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.

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

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, Title II and Title 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.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

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 special projects.

Finding:

During our audit, we noted that the District had requested reimbursement for a planned expenditure under the IDEA – Basic grant as of June 30; however, the expenditure was related to the COVID-19 pandemic and ultimately was not charged to the IDEA Basic grant when the District closed its records for the 2019-2020 fiscal year. The District did make the request with substantive intent and expended the funds shortly after year end, a formal recommendation is judged to be unwarranted.

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. We have no comments except as noted herein.

During our audit, we noted that the District erroneously requested excess funds for T.P.A.F. Reimbursement for one pay period and did not request reimbursement for another. The District is in the process of taking the appropriate steps to correct these errors. A recommendation is not deemed necessary at this time.

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, 2020. 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.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

School Purchasing Programs (Cont'd)

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

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 \$19,000 for 2019-20.

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.

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.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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(Continued)

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. According, we inquired of school management, or the appropriate school food service personnel, as to whether the School Food Authority (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.

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.

Non-program foods were purchased, prepared, and 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.

Finding:

Our audit revealed that the Food Service Fund had a cash deficit of \$4,953 as of June 30. However, the District was monitoring the Food Service operations throughout the fiscal year and authorized a \$30,000 transfer from the District's General Fund to cover the Food Service deficit in operations as a result of loss of revenue and participation attributed to the COVID-19 pandemic. As of June 30, the cash was not yet transferred (and represented an interfund receivable) but was deposited in July 2020. For these reasons, a formal recommendation is judged to be unwarranted.

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 except as noted herein.

Finding:

During our audit, we noted several checks totaling \$4,499 have been outstanding over a year in the Student Activities Account.

Recommendation:

It is recommended that the District review all checks which have been outstanding for over a year in the Student Activities Account for possible cancellation or reissuance.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
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FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Student Body Activities (Cont'd)

Management's Response:

The School Business Administrator has reviewed all checks which have been outstanding for over a year in the Student Activities Account and will make the determination whether to cancel or reissue those checks.

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 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 minor exceptions for resident low-income and on-roll students. 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 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 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 except as noted below.

Finding:

During our audit, we found that the District's transportation contracts were not available on file for our review; therefore, we were not able to determine if they were properly executed and approved by the County Superintendent.

Recommendation:

It is recommended that all transportation contracts are fully executed, approved and maintained on file.

Management's Response:

The School Business Administrator contacted the transportation vendors to obtain copies of the contracts but was unsuccessful in obtaining them. The School Business Administrator will ensure that all future transportation contracts are fully executed, approved and maintained on file.

NETCONG BOROUGH SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Facilities and Capital Assets

The School District does not have any active Schools Development Authority (“SDA”) grant agreements; therefore, we did not review for consistency with recording of the revenue and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments.

Travel Expense and 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 require the District to establish a maximum travel for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel 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.

Our review of the travel policies and records revealed that the District is in compliance with the travel regulations.

Testing for Lead of All Drinking Water in Educational 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).

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's Findings/Recommendations

The prior year recommendations regarding transfers being submitted to the Board for approval, posting expenditure records on a timely basis, all transfers to capital outlay for facilities acquisition and construction services being submitted to the County Office for approval, and the Student Activities Account being reconciled in a timely manner have been resolved in the current year.

NETCONG BOROUGH 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		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.A. On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3YR			2		(2)		0		2		-2	
Half Day Preschool 4YR	14		13		1		14		13		1	
Full Day Kindergarten	22		23		(1)		22		23		-1	
Grade One	22		22				22		22		0	
Grade Two	30		28		2		30		28		2	
Grade Three	22		21		1		22		21		1	
Grade Four	23		23				23		23		0	
Grade Five	33		32		1		33		32		1	
Grade Six	18		18				18		18		0	
Grade Seven	25		25				25		25		0	
Grade Eight	32		31		1		32		31		1	
Subtotal	241		238		3		241		238		3	
Special Ed - Elementary	28		28				4		4			
Special Ed - Middle School	20		20				2		2			
Subtotal	48		48				6		6			
Totals	289	-0-	286	-0-	3	-0-	247	-0-	244	-0-	3	-0-
Percentage Error					1.05%	0.00%					1.21%	0.00%

NETCONG BOROUGH 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	Sample for Verification	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 Preschool 4YR					0	1	-1		
Full Day Kindergarten					9	9		2	2
Grade One					6	6		2	2
Grade Two					17	17		3	3
Grade Three					12	12		2	2
Grade Four					11	11		2	2
Grade Five					16	16		3	3
Grade Six					6	7	-1	1	1
Grade Seven					4	6	-2	1	1
Grade Eight					13	13		2	2
Subtotal					94	98	(4)	18	18
Special Ed - Elementary	1	1	1		16	11	5	3	3
Special Ed - Middle School	1	1	1		12	12		2	2
Subtotal	2	2	2		28	23	5	5	5
Totals	2	2	2	-0-	122	121	1	23	-0-
Percentage Error				0.00%			0.82%		0.00%

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

Resident LEP Low Income						
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Full Day Kindergarten	2	2		1	1	
Grade One	1	1		1	1	
Grade Two	4	4		1	1	
Grade Three	1	1		1	1	
Grade Four	3	3		1	1	
Subtotal	<u>11</u>	<u>11</u>		<u>5</u>	<u>5</u>	
Special Ed - Elementary	2	2		1	1	
Special Ed - Middle School	4	4		1	1	
Subtotal	<u>6</u>	<u>6</u>		<u>2</u>	<u>2</u>	
Totals	<u>17</u>	<u>17</u>	<u>- 0 -</u>	<u>7</u>	<u>7</u>	<u>0</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

Resident LEP Not Low Income						
	Reported on A.S.S.A. 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
Grade One	1	1		1	1	
Grade Four	1	1		1	1	
Grade Six	1	1		1	1	
Grade Eight	1	1		1	1	
Subtotal	<u>4</u>	<u>4</u>		<u>4</u>	<u>4</u>	
Totals	<u>4</u>	<u>4</u>	<u>- 0 -</u>	<u>4</u>	<u>4</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

NETCONG BOROUGH SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2019

	Transportation					
	<u>Reported on DRTRS by DOE</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Regular - Public Schools	2	2		1	1	
Regular - Special Education						
Transported - Non Public	1	1		1	1	
AIL - Non Public	10	10		2	2	
Special Needs - Public	2	2		1	1	
Special Needs - Private	<u>2</u>	<u>2</u>		<u>1</u>	<u>1</u>	
Totals	<u>17</u>	<u>17</u>	<u>- 0 -</u>	<u>6</u>	<u>6</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>
				<u>Reported</u>	<u>Re- calculated</u>	
Average Mileage - Regular Including Grade PK Students				9.3	9.3	
Average Mileage - Regular Excluding Grade PK Students				9.3	9.3	
Average Mileage - Special Education with Special Needs				9.9	9.9	

NETCONG BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2019-20 Total General Fund Expenditures per the CAFR, Ex. C-1		\$	<u>6,057,898</u>		(B)
Increased by:					
Transfer from Capital Outlay to Capital Projects Fund		\$	<u>-0-</u>		(B1a)
Transfer from Capital Reserve to Capital Projects Fund					(B1b)
Transfer from General Fund to SRF for PreK-Regular		\$	<u>-0-</u>		(B1c)
Transfer from General Fund to SRF for PreK-Inclusion		\$	<u>-0-</u>		(B1d)
Decreased by:					
On-Behalf TPAF Pension and Social Security		\$	<u>742,668</u>		(B2a)
Assets Acquired Under Capital Leases		\$	<u>-0-</u>		(B2b)
Adjusted 19-20 General Fund Expenditures [(B)+(B1's)-(B2's)]		\$	<u><u>5,315,230</u></u>		(B3)
2% of Adjusted 2019-20 General Fund Expenditures [(B3) times .02]		\$	<u>106,305</u>		(B4)
Enter Greater of (B4) or \$250,000		\$	<u>250,000</u>		(B5)
Increased by: Allowable Adjustment		\$	<u>24,189</u>		(K)
Maximum Unassigned Fund Balance [(B5)+(K)]				\$	<u><u>274,189</u></u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/20 (Per CAFR Budgetary Comparison Schedule C-1)		\$	<u>1,380,602</u>		(C)
Decreased by:					
Year End Encumbrances		\$	<u>262,238</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>-0-</u>		(C3)
Other Restricted Fund Balances		\$	<u>844,175</u>		(C4)
Assigned - Designated for Subsequent Year's Expenditures		\$	<u>-0-</u>		(C5)
Additional Assigned Fund Balance - Designated for Subsequent Year's Expenditures July 1, 2020 - August 1, 2020					<u> </u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]				\$	<u><u>274,189</u></u> (U1)

NETCONG BOROUGH SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FOR THE FISCAL 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

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)

Restricted Excess Surplus [(E)] \$ -0- (E)

Total [(C3)+(E)] \$ -0- (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ 24,107 (J1)

Additional Nonpublic School Transportation Aid \$ 82 (J2)

Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)

Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) \$ 24,189 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal \$ -0-

Sale/lease-back reserve \$ -0-

Capital reserve \$ 698,998

Maintenance reserve \$ 145,177

Emergency reserve \$ -0-

Tuition reserve \$ -0-

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) \$ -0-

Impact Aid Capital Fund Reserve (Sections 8007 and 8008) \$ -0-

Other state/governmental mandated reserve \$ -0-

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

Total Other Restricted Fund Balance \$ 844,175 (C4)

NETCONG BOROUGH SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The District review all checks which have been outstanding for over a year in the Student Activities Account for possible cancellation or reissuance.

6. Application for State School Aid

None

7. Pupil Transportation

All transportation contracts are fully executed, approved and maintained on file.

8. Facilities and Capital Assets

None

9. Travel Expense and Reimbursement Policy

None

10. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding transfers being submitted to the Board for approval, posting expenditure records on a timely basis, all transfers to capital outlay for facilities acquisition and construction services being submitted to the County Office for approval, and the Student Activities Account being reconciled in a timely manner have been resolved in the current year.