

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2021

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
YEAR ENDED JUNE 30, 2021
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November 13, 2021

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, 2021, and have issued our report thereon dated November 13, 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 13, 2021, 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

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, 2021

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
Rene Metzger	Treasurer of School Monies	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 indicated discrepancies with respect to signatures, certification or supporting documentation.

Finding 2021-001:

During the course of our audit, it was noted that required signatures were not obtained on purchase orders prior to the processing of payments.

Recommendation:

It is recommended that all required signatures for purchase orders be obtained prior to the processing of payments.

Management's Response:

All necessary signatures will be obtained prior to processing payments for purchase orders going forward.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2021

Financial Planning, Accounting and Reporting (Cont'd)

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.

Finding 2021-002:

The District had elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". However, it was noted that all employee unemployment deductions are turned over to the State and not the unemployment compensation account and that reimbursements are paid out of the General Fund budget and not from the unemployment compensation account.

Recommendation:

It is recommended that the District review and adjust its process related to the unemployment compensation account to be in conformity with the proper method selected.

Management's Response:

The District will be consistent in utilizing the proper method for unemployment compensation going forward.

Finding 2021-003:

As per review of the bank reconciliations, there are older reconciling items outstanding as of year end. As the total is 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 2021-004:

During the course of our audit, it was noted that several open purchase orders were not correctly classified as an accounts payable or encumbrance. Under the direction of the Business Administrator, these items have been properly reclassified.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2021

Financial Planning, Accounting and Reporting (Cont'd)

Reserve for Encumbrances and Accounts Payable (Cont'd)

Recommendation:

It is recommended that greater care be taken to ensure that open purchase orders are properly classified as accounts payable or encumbrances.

Management's Response:

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

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, we have the following comment.

Finding 2021-005:

The District did not obtain the County Superintendent's approval for transfers to administrative line items that on a cumulative basis exceeds 10%.

Recommendation:

It is recommended that County Superintendent approval be obtained for transfers to administrative line items that on a cumulative basis exceed 10%.

Management's Response:

The District will ensure it obtains County Superintendent approval for transfers when required.

Finding 2021-006:

During the course of our audit, it was noted that certain Special Revenue Fund grant receipts were posted to the General Fund in error and that certain receipts for the collection of prior year accounts receivable were posted as current year revenue in error. Under the direction of the Business Administrator, these items have been properly reclassified.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2021
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Board Secretary's Records (Cont'd)

Recommendation:

It is recommended that greater care be taken to ensure that receipts are posted to the correct fund and account.

Management's Response:

The District will take greater care when classifying receipts.

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 herein.

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.

Finding 2021-007:

As per review of the District's expenditure records for the Special Revenue Fund, we noted certain grants that were over-expended. Under the direction of the Business Administrator, these expenses were reclassified to the General Fund.

Recommendation:

It is recommended that extra care be taken to ensure that grant funds are not expended in excess of the grant award.

Management's Response:

The District will ensure that grant funds are not over-expended.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2021
(Continued)

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, 2021. 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.

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"

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2021
(Continued)

School Purchasing Programs (Cont'd)

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

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.

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.

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 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.

Non-program foods were not purchased, prepared or offered for sale.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
YEAR ENDED JUNE 30, 2021
(Continued)

School Food Service (Cont'd)

We inquired of management about the public health emergency 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. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP Loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA if the FSMC received a PPP loan.

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 no comments.

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 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.

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 without 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.

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
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 Findings/Recommendations

The prior year recommendation regarding the proper classification of open purchase orders has not been resolved and is included as a current year recommendation. The status of the prior year recommendations regarding the timely deposits of Before and After Care Program receipts and the review billing, discount, and refund policy for the Before and After Care Program could not be evaluated as the Before and After Care Program was inactive for the fiscal year ending June 30, 2021 due to the pandemic.

MONTAGUE TOWNSHIP SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 15, 2020

	2021-2022 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	9		9				9		9			
Full Day Preschool 4 Years Old	15		15				15		15			
Full Day Kindergarten	26		26				26		26			
One	24		24				24		24			
Two	33		33				33		33			
Three	23		23				23		23			
Four	19		19				19		19			
Five	26		26				26		26			
Six	18		18				18		18			
Seven	10		10				10		10			
Eight	8		8				8		8			
Subtotal	211	-0-	211	-0-	-0-	-0-	211	-0-	211	-0-	-0-	-0-
Special Ed - Elementary	23		23				4		4			
Special Ed - Middle School	15		15				2		2			
Subtotal	38	-0-	38	-0-			6	-0-	6	-0-	-0-	-0-
Totals	249	-0-	249	-0-			217	-0-	217	-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, 2020

	Private Schools for Disabled				Resident Low Income					
	Reported on A.S.A. as Private Schools	Reported on Workpapers as Private Schools	Sample Verifi- cation	Sample Verified	Sample Errors	Reported on A.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						11	11	1	1	
Two						9	9	1	1	
Three						11	11	1	1	
Four						9	9	1	1	
Five						8	8	1	1	
Six						5	5	1	1	
Seven						5	5	1	1	
Eight						6	6	1	1	
Subtotal						6	6	1	1	
						88	88	9	9	
Special Ed - Elementary	1	1				11	11	2	2	
Special Ed - Middle School	1	1	1	1		9	9	2	2	
Special Ed - High School	1	1				11	11			
Subtotal	3	3	1	1	-0-	31	31	4	4	-0-
Totals	3	3	1	1	-0-	119	119	13	13	-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, 2020

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	268	268		19	19	
Regular - Special Education	57	57		3	3	
Transported - Non-Public	0	0				
AIL - Non-Public	4	4		1	1	
Special Needs- Public	9	9		1	1	
Special Needs Private	1	1		1	1	
Totals	339	339		25	25	
			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	10.8	10.8
Average Mileage - Regular Excluding Grade PK Students	11.3	11.3
Average Mileage - Special Education with Special Needs	21.0	21.0

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2021

REGULAR DISTRICT

SECTION 1

A. 4% Calculation of Excess Surplus

2020-2021 Total General Fund Expenditures per the CAFR, Ex. C-1	\$ 8,855,562	(B)
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	\$ -0-	(B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -0-	(B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -0-	(B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ 64,080	(B1d)
Decreased by:		
On-Behalf TPAF Pension and Social Security	\$ 999,143	(B2a)
Assets Acquired Under Capital Leases	\$ -0-	(B2b)
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 7,920,499</u>	(B3)
4% of Adjusted 2020-2021 General Fund Expenditures [(B3) times .04]	<u>\$ 316,820</u>	(B4)
Enter Greater of (B4) or \$250,000	<u>\$ 316,820</u>	(B5)
Increased by: Allowable Adjustment	<u>\$ 164,027</u>	(K)
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 480,847</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/2021 (Per CAFR Budgetary Comparison Schedule C-1)	\$ 4,577,634	(C)
Decreased by:		
Year End Encumbrances	\$ 150,543	(C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	\$ -0-	(C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	\$ -0-	(C3)
Other Restricted/Reserved Fund Balances	\$ 3,311,602	(C4)
Assigned Fund Balance - Designated for Subsequent Year's Expenditures	\$ 174,642	(C5)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 940,847</u> (U1)

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
YEAR ENDED JUNE 30, 2021
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U2)-(M)] IF NEGATIVE, ENTER -0- \$ 460,000 (E)

Recapitulation of Excess Surplus as of June 30, 2021

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ -0- (C3)
Reserved Excess Surplus [(E)] \$ 460,000 (E)

Total Excess Surplus [(C3)+(E)] \$ 460,000 (D)

Detail of Allowable Adjustments

Impact Aid \$ -0- (H)
Sale and Lease Back \$ -0- (I)
Extraordinary Aid \$ 162,867 (J1)
Additional Nonpublic School Transportation Aid \$ 1,160 (J2)
Current Year School Bus Advertising Revenue Recognized \$ -0- (J3)
Family Crisis Transportation Aid \$ -0- (J4)

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)) \$ 164,027 (K)

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal \$ -0-
Capital outlay for a district with a capital outlay SGLA \$ -0-
Sale/lease-back reserve \$ -0-
Capital reserve \$ 2,585,115
Maintenance reserve \$ 239,982
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) \$ 349,562
Impact Aid Capital Fund Reserve (Sections 8007 and 8008) \$ -0-
Unemployment Compensation \$ 4,284
Waiver offset reserve \$ -0-
Other state/governmental mandated reserve \$ -0-

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

Total Other Restricted Fund Balance \$ 3,311,602 (C4)

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2021

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

2021-001: All required signatures for purchase orders be obtained prior to the processing of payments.

2021-002: The District review and adjust its process related to the unemployment compensation account to be in conformity with the proper method selected.

2021-004: Greater care be taken to ensure that open purchase orders are properly classified as accounts payable or encumbrances.

2021-005: County Superintendent approval be obtained for transfers to administrative cost line items that on a cumulative basis exceed 10%.

2021-006: Greater care be taken to ensure that receipts are posted to the correct fund and account.

2021-007: Extra care be taken to ensure that grant funds are not expended in excess of the grant award.

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

TOWNSHIP OF MONTAGUE SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
YEAR ENDED JUNE 30, 2021

It is recommended that:

9. Facilities and Capital Assets

None

10. Other

None

11. Status of Prior Year's Findings/Recommendations

The prior year recommendation regarding the proper classification of open purchase orders has not been resolved and is included as a current year recommendation. The status of the prior year recommendations regarding the timely deposits of Before and After Care Program receipts and the review billing, discount, and refund policy for the Before and After Care Program could not be evaluated as the Before and After Care Program was inactive for the fiscal year ending June 30, 2021 due to the pandemic.