

PEQUANNOCK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS - FINANCIAL,  
COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED `JUNE 30, 2021

PEQUANNOCK TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MORRIS  
AUDITORS' MANAGEMENT REPORT  
ON ADMINISTRATIVE FINDINGS –  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
FISCAL YEAR ENDED JUNE 30, 2021  
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
General Comments:	2
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Register	2
Reserve for Encumbrances and Accounts Payable	3
Classification of General and Administrative Expenditures	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act	3
Other Special Federal and/or State Projects	3
T.P.A.F. Reimbursement	4
School Purchasing Programs:	4-5
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service	5
Student Body Activities	5
Application for State School Aid	5
Pupil Transportation	6
Facilities and Capital Assets	6
Travel Expense and Reimbursement Policy	6
Testing for Lead of all Drinking Water in Educational Facilities	6
Management Suggestions	7
Status of Prior Year's Finding/Recommendations	7
Schedule of Meal Count Activity (Not Applicable)	
Schedule of Net Cash Resources (Not Applicable)	
Schedule of Audited Enrollments	8-12
Excess Surplus Calculation	13-14
Summary of Recommendations	15

November 19, 2021

The Honorable President and Members  
of the Board of Education  
Pequannock Township 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 financial statements of the Board of Education of the Pequannock Township School District in the County of Morris for the fiscal year ended June 30, 2021, and have issued our report thereon dated November 19, 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 19, 2021 on the financial statements of the Board.

We will review the status of our comments, if any, during our next audit engagement. We have already discussed any 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 suggestions.

This report is intended for the information of the Pequannock Township 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

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

PEQUANNOCK TOWNSHIP 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 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

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>
Raymond G. Karaty	Treasurer	\$275,000
Sallyann McCarty	School Business Administrator/Board Secretary	275,000

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 Register

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

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

The required certification (E-CERT 1) of compliance with all documentation prepared for income tax related purposes of administrators (superintendent, assistant superintendent and business administrator) complying with the requirements of federal and state laws and regulations, was completed and submitted to the NJ Department of Treasury by the due date of March 15.

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

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 General and Administrative 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 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 classification.

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.

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 (ESSA)

The E.S.E.A. financial exhibits are contained 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.

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

Financial Planning, Accounting and Reporting (Cont'd)

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.

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.

PEQUANNOCK TOWNSHIP 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)

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.

School Food Service

The District does not participate in the Child Nutrition Program.

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 the disabled, low income and bilingual 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 Districts written procedures appear to be adequate for the recording of student enrollment data.

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

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 traced to the DRTRS Eligibility Summary Report without exception and verified to supporting documentation without 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. The bid specifications for the purchase of buses were in compliance with applicable statutes. 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 of the revenue and awarding of contracts for eligible facilities construction. Based on these procedures, we have no comments except as noted below.

Finding:

Though progress has been made in the reimbursement process, at June 30, 2021, the District has outstanding grants receivable from 2014 in the amount of \$2,336,746 from the Schools Development Authority. However, since reimbursement requests and project documentation have been partially submitted and the District is awaiting School Development Authority approval, no formal recommendation is deemed necessary at this time.

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 amount for the year and to ensure that the maximum is not exceeded. The regulations also require that all travel be approved prior by the Board of Education and that the approval must be itemized by event, event total cost, and individuals attending.

Our review of the travel policies and records revealed that the District is in general 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).



PEQUANNOCK TOWNSHIP 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.

PEQUANNOCK 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		Reported on		Errors		Sample		Verified per		Errors per	
	A.S.S.A.		Workpapers		On Roll		Selected from		Registers		Registers	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool 3 Years Old	2		2				2		2			
Half Day Preschool 4 Years Old	2		2				2		2			
Full Day Preschool 3 Years Old	4		4				4		4			
Full Day Preschool 4 Years Old	13		13				13		13			
Full Day Kindergarten	129		129				129		129			
Grade One	125		125				125		125			
Grade Two	119		119				119		119			
Grade Three	138		138				138		138			
Grade Four	123		123				123		123			
Grade Five	120		120				120		120			
Grade Six	142		142				142		142			
Grade Seven	135		135				135		135			
Grade Eight	134		134				134		134			
Grade Nine	145		145				145		145			
Grade Ten	146		146				146		146			
Grade Eleven	124	14	124	14			124	14	124	14		
Grade Twelve	132	9	132	9			132	9	132	9		
Subtotal	1,733	23	1,733	23			1,733	23	1,733	23		
Special Ed - Elementary	119		119				10		10			
Special Ed - Middle School	64		64				6		6			
Special Ed - High School	106	17	106	17			9		9			
Subtotal	289	17	289	17			25		25			
Totals	2,022	40	2,022	40	- 0 -	- 0 -	1,758	23	1,758	23	- 0 -	- 0 -
Percentage Error					0.00%	0.00%					0.00%	0.00%

PEQUANNOCK 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.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 Kindergarten									
Grade One					1	1			
Grade Two					2	2			
Grade Three					2	2			
Grade Four					2	2			
Grade Five					4	4	1	1	
Grade Six					5	5			
Grade Seven					6	6	1	1	
Grade Eight					6	6			
Grade Nine					6	6	1	1	
Grade Ten					3	3			
Grade Eleven					2	2			
Grade Twelve					6	6	1	1	
Subtotal					6.5	6.5	1	1	
					2	2			
					47.5	47.5	5	5	
Special Ed - Elementary	1	1	1		6	6	1	1	
Special Ed - Middle School	1	1	1		5	5			
Special Ed - High School	7	1	1		8	8	1	1	
Subtotal	9	3	3		19	19	2	2	
Totals	9	3	3	- 0 -	66.5	66.5	7	7	- 0 -
Percentage Error				0.00%					0.00%

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

	Resident LEP Low Income					
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers LEP Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Sample Errors
Grade Seven	1	1		1	1	
Grade Eleven	1	1		1	1	
Subtotal	<u>2</u>	<u>2</u>		<u>2</u>	<u>2</u>	
Totals	<u>2</u>	<u>2</u>	<u>- 0 -</u>	<u>2</u>	<u>2</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

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

	Resident LEP Not Low Income					
	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers LEP Not Low Income	Errors	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	2	2				
Grade Two	4	4				
Grade Three	2	2		1	1	
Grade Four	4	4		1	1	
Grade Five	1	1				
Grade Six	1	1				
Grade Seven	1	1		1	1	
Grade Eleven	1	1				
Grade Twelve	1	1				
Subtotal	<u>17</u>	<u>17</u>		<u>3</u>	<u>3</u>	
Special Ed - Elementary	1	1		1	1	
Subtotal	<u>1</u>	<u>1</u>		<u>1</u>	<u>1</u>	
Totals	<u>18</u>	<u>18</u>	<u>- 0 -</u>	<u>4</u>	<u>4</u>	<u>- 0 -</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

PEQUANNOCK 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	81	81		9	9	
Regular - Special Education	18	18		2	2	
Transported - Non Public	13	13		2	2	
AIL - Non Public	78	78		9	9	
Special Needs - Public	5	5		1	1	
Special Needs - Private	18	18		2	2	
Totals	213	213	- 0 -	25	25	- 0 -
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	9.4	9.4
Average Mileage - Regular Excluding Grade PK Students	9.4	9.4
Average Mileage - Special Education with Special Needs	10.6	10.6

PEQUANNOCK TOWNSHIP SCHOOL DISTRICT  
EXCESS SURPLUS CALCULATION  
FISCAL YEAR ENDED JUNE 30, 2021

**EXCESS SURPLUS CALCULATION**

**Section 1 - REGULAR DISTRICT**

2020-2021 Total General Fund Expenditures per the CAFR	<u>\$ 44,089,424</u> (B)	
Increased by:		
Transfer to Food Service Fund	<u>\$ 60,000</u> (B1a)	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)	
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 2,019,826</u> (B1b)	
Decreased by:		
On-Behalf TPAF Pension and Social Security	<u>\$ 7,146,491</u> (B2a)	
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)	
Adjusted 2020-2021 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 39,022,759</u> (B3)	
4% of Adjusted 2020-2021 General Fund Expenditures [(B5) times .04]	<u>\$ 1,560,910</u> (B4)	
Enter Greater of (B4) or \$250,000	<u>\$ 1,560,910</u> (B5)	
Increased by: Allowable Adjustment	<u>\$ 286,765</u> (K)	
Maximum Unassigned Fund Balance [(B5)+(K)]		<u>\$ 1,847,675</u> (M)

**Section 2**

Total General Fund - Fund Balances @ 6/30/2021 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 13,663,935</u> (C)	
Decreased by:		
Year-End Encumbrances	<u>\$ 814,436</u> (C1)	
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)	
Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 2,000,000</u> (C3)	
Other Restricted Fund Balances	<u>\$ 5,118,043</u> (C4)	
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 883,781</u> (C5)	
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]		<u>\$ 4,847,675</u> (U1)

PEQUANNOCK TOWNSHIP 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- \$ 3,000,000 (E)

**Recapitulation of Excess Surplus as of June 30, 2021**

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures \$ 2,000,000 (C3)  
Restricted Excess Surplus [(E)] \$ 3,000,000 (E)

Total [(C3)+(E)+(F)] \$ 5,000,000 (D)

**Detail of Allowable Adjustments**

Impact Aid \$ -0- (H)

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

Extraordinary Aid \$ 261,115 (J1)

Additional Nonpublic School Transportation Aid \$ 25,650 (J2)

Total Adjustments [(H)+(I)+(J1)+(J2)] \$ 286,765 (K)

**Detail of Other Restricted Fund Balance**

Statutory Restrictions: \$ -0-

Approved Unspent Separate Proposal \$ -0-

Sale/Lease-back Reserve \$ -0-

Capital Reserve \$ 3,160,031

Maintenance Reserve \$ 1,341,000

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 General Fund Reserve (Sections 8007 and 8008) \$ -0-

Unemployment compensation \$ 617,012

Other State/Government Mandated Reserve \$ -0-

Other Restricted Fund Balances Not Noted Above \$ -0-

Total Other Restricted Fund Balance \$ 5,118,043



PEQUANNOCK TOWNSHIP 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  
None
6. Application for State School Aid  
None
7. Pupil Transportation  
None
8. Facilities and Capital Assets  
None
9. Status of Prior Year's Findings/Recommendations  
There were no prior year recommendations.