


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

September 19, 2022

MEMORANDUM

To: Ms. Wendy M. Davis, Chair  
Centralized Investment Fund Advisory Council

From: Mary J. Bergstresser, Supervisor, Internal Audit 

Subject: Fiscal Year 2022 Audit of the Centralized Investment Fund

We have audited the accompanying financial statements of the Montgomery County Public Schools (MCPS) Centralized Investment Fund (CIF) for the year ending June 30, 2022 (refer to the attachment). These financial statements are the responsibility of the MCPS CIF management team. The Internal Audit Unit staff has the responsibility of sharing opinions on these financial statements based on the audit.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CIF as of June 30, 2022, and the changes in its net assets.

Pertaining to the financial position of the CIF, the ending balance increased \$343,270 from \$10,506,038 to \$10,849,308, while net interest income decreased \$9,921 from \$24,894 to \$14,973 compared to the previous fiscal year.

The Division of Financial Services staff are responsible for administering the daily functions of maintaining the CIF, in accordance with the established guidelines for the safe and efficient management of its funds in the MCPS CIF Statement of Investment Policy. The electronic transfer of funds between a school's CIF account and its checking account via the Automated Clearing House (ACH) reduces the workload for financial agents within the schools. MCPS continues to partner with Sandy Spring Bank to manage the investment of the CIF assets. Interest income and expenses are allocated to schools based on the average daily balance in the individual school's CIF account. Expenses allocated include administrative salaries, associated fringe benefits, and bank analysis fees.

At our September 15, 2022, virtual meeting with you and the CIF advisory council, we informed you that we did not find any issues that represented internal control weaknesses. We appreciate the cooperation and assistance of you, and Mrs. Sheila M. Shifflett, staff accountant, Division of Financial Services. No response to this audit report is necessary.

MJB:RM:lsh  
Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Mr. Hull

Dr. Murphy

Ms. Reuben

Mr. Stockton

Mrs. Williams

Mr. Reilly

Mrs. Chen

Ms. Eader

Mr. Kelley

Mr. Klausing

Mrs. Kuan

Mrs. Shifflett

Ms. Webb

MCPS CENTRALIZED INVESTMENT FUND  
FY 2022

FY22	Prior Year 4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022
<b>ASSETS</b>					
<b>ESCROW MANAGEMENT (SSB)</b>					
Beginning Balance	\$ 11,672,994	\$ 10,505,013	\$ 10,673,188	\$ 12,391,597	\$ 12,946,378
Total Quarter Deposits	682,600	582,211	1,958,644	706,962	343,972
Total Quarter Withdrawals	(1,856,704)	(419,500)	(244,401)	(155,000)	(2,444,629)
Total Quarter Interest	7,246	6,525	5,352	3,755	3,686
Total Quarter Expenses	(1,123)	(1,061)	(1,187)	(936)	(1,159)
Ending Balance	\$ 10,505,013	\$ 10,673,188	\$ 12,391,597	\$ 12,946,378	\$ 10,848,248
<b>OPERATIONS (SSB)</b>					
Beginning Balance	854	1,026	959	1,076	838
Salary/FICA Disbursed to MCPS	(854)	(1,026)	(959)	(1,076)	(838)
Repayment of Reserve Money owed MCPS				-	
Bank Charges	(98)	(104)	(111)	(98)	(99)
Transfer in for salary/expenses	1,123	1,064	1,187	936	1,159
Payment in Transit (Carl Sandburg and Sligo Creek ES)					
Acct transfer/closeout					
Ending Balance	\$ 1,026	\$ 959	\$ 1,076	\$ 838	\$ 1,060
<b>TOTAL ASSETS</b>	<b>\$ 10,506,038</b>	<b>\$ 10,674,147</b>	<b>\$ 12,392,672</b>	<b>\$ 12,947,215</b>	<b>\$ 10,849,308</b>
<b>LIABILITIES</b>					
Due to schools/offices (held in Escrow Mgmt)	10,505,013	10,673,188	12,391,597	12,946,378	10,848,248
Payable to MCPS salary/Fringe Q2 of FY17 due to the reserve (rounding)					
Payable to MCPS for Salary/FICA	1,026	959	1,076	838	1,060
<b>TOTAL LIABILITIES</b>	<b>\$ 10,506,038</b>	<b>\$ 10,674,147</b>	<b>\$ 12,392,672</b>	<b>\$ 12,947,215</b>	<b>\$ 10,849,308</b>
<b>QUARTER INTEREST</b>					
Escrow Management Acct (SSB)					
July/October/January/April	2,433	2,208	2,297	1,271	1,276
August/November/February/May	2,556	2,179	1,801	1,171	1,294
September/December/March/June	2,258	2,139	1,254	1,313	1,116
<b>Total</b>	<b>\$ 7,246</b>	<b>\$ 6,525</b>	<b>\$ 5,352</b>	<b>\$ 3,755</b>	<b>\$ 3,686</b>
<b>QUARTER EXPENSES</b>					
Division of Financial Services -- Salary	693	649	727	566	717
Fringe Cost	332	311	348	271	343
SSB Charges	98	104	111	98	99
Misc. expenses		-	-	-	
<b>Total</b>	<b>\$ 1,123</b>	<b>\$ 1,064</b>	<b>\$ 1,187</b>	<b>\$ 936</b>	<b>\$ 1,159</b>
<b>Ending Quarterly Interest Rate</b>	0.25%	0.25%	0.12%	0.12%	0.12%

MONTGOMERY COUNTY PUBLIC SCHOOLS  
 CENTRALIZED INVESTMENT FUND  
 STATEMENT OF ASSETS AND LIABILITIES-  
 AGENCY FUND  
 JUNE 30, 2022 AND 2021

<b>ASSETS:</b>	<b>2022</b>	<b>2021</b>
Cash and investments:		
Sandy Spring Bank-Escrow	10,848,248	10,505,013
Sandy Spring Bank-Checking	1,060	1,026
Accounts Receivables-Bank Credit		
Total	10,849,308	10,506,038
<b>LIABILITIES</b>		
Accounts Payables for salary expenses	1,060	1,026
Due to school groups	10,848,248	10,505,013
Total	10,849,308	10,506,038

MONTGOMERY COUNTY PUBLIC SCHOOLS  
 CENTRALIZED INVESTMENT FUND  
 SUPPLEMENTAL INFORMATION  
 FOR THE FISCAL YEARS ENDING  
 JUNE 30, 2022 AND 2021

<b>SOURCE OF INCOME</b>	<b>2022</b>	<b>2021</b>
Sandy Spring National Bank--Interest	19,319	28,815
Total	19,319	28,815
<b>CHARGES TO INCOME</b>		
Contractual Services	3,933	3,550
Sandy Spring Bank Fees	412	371
Total	4,345	3,921
<b>NET INTEREST INCOME</b>	<b>14,973</b>	<b>24,894</b>