

# MONROE TOWNSHIP SCHOOL DISTRICT

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Board of Education Meeting

December 14, 2022



- **Draft of Report (Pending GASB No. 75)** - Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions. GASB 75 provides new guidance regarding health benefits for retirees. General Fund Budgetary Comparison Schedule is not likely to be impacted by the implementation of GASB Statement No. 75.

# Independent Auditor's Report (Page 15-17)

- Audit conducted in accordance with auditing standards generally accepted in the United States of America, Governmental Auditing Standards (GAS) and requirements set forth by the NJ State Department of Education
- **Unmodified Opinion** - Financial statements are fairly stated in all material respects as of June 30, 2022.
- **Emphasis of Matter**- Change in accounting principal, the District adopted GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

# Report on Internal Control over Financial Reporting and on Compliance (Page 187-188)

- HFA reviewed/evaluated internal controls and tested for compliance with NJ laws/regulations. – No control deficiencies or compliance issues to report.

# Independent Auditor's Report on Compliance and Report on Internal Control over Compliance for Major Programs (Page 189-190)

- Audit conducted on compliance and internal controls over compliance for state programs of the District.
- State Major Programs – Extraordinary Aid, Reimbursed TPAF Social Security
- Federal Major Programs- COVID ARP State and Local Fiscal Recovery Fund (21.027), ESSER II (84.425D/84.425U), Special Education Cluster (84.027/84.173)
- **Unmodified Opinion** – The School District complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its state and federal programs for the year ended June 30, 2022. In addition, no control deficiencies to report.

# FINANCIAL ANALYSIS (GENERAL FUND)

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Revenues vs. Expenditures (Does not include On-Behalf Pensions)

	<u>2022</u>	<u>2021</u>	<u>\$ Diff</u>	<u>% Diff</u>
<b>Revenues:</b>				
Local Tax Levy	\$ 110,223,519.00	\$ 108,062,274.00	\$ 2,161,245.00	2.00%
Tuition Charges	4,292,252.56	4,194,247.32	98,005.24	2.34%
Miscellaneous	545,313.80	514,342.00	30,971.80	6.02%
State Sources	8,939,603.00	7,379,100.61	1,560,502.39	21.15%
Federal Sources	73,622.64	66,535.77	7,086.87	10.65%
<b>Total Revenues</b>	<b>124,074,311.00</b>	<b>120,216,499.70</b>	<b>3,857,811.30</b>	<b>3.21%</b>
<b>Expenditures:</b>				
Instruction	53,340,700.19	51,042,596.24	2,298,103.95	4.50%
Undistributed Expenditures	70,803,082.98	64,397,847.15	6,405,235.83	9.95%
Capital Outlay	3,124,181.64	2,765,896.89	358,284.75	12.95%
Debt Service	106,185.00	106,185.00	-	0.00%
<b>Total Expenditures</b>	<b>127,374,149.81</b>	<b>118,312,525.28</b>	<b>9,061,624.53</b>	<b>7.66%</b>
Excess/(Deficiency) of Revenues	(3,299,838.81)	1,903,974.42	(5,203,813.23)	-273.31%
Other Financing Sources/(Uses)	1,761,026.00	1,784,000.00	(22,974.00)	-1.29%
Change in Fund Balance	<u>\$ (1,538,812.81)</u>	<u>\$ 3,687,974.42</u>	<u>\$ (5,226,787.23)</u>	
Beginning Fund Balance	<u>15,112,882.51</u>	<u>11,424,908.09</u>		
Ending Fund Balance	<u>13,574,069.70</u>	<u>15,112,882.51</u>		
Utilized in Subsequent Year's Budget	4,425,560.19	5,100,774.00		
% Utilized	32.60%	33.75%		



# Analysis of Excess Surplus

	<u>2022</u>	<u>2021</u>
Total Expenditures	<u>125,613,123.81</u>	<u>116,528,525.28</u>
4% of Expenditures	5,024,525.00	4,661,141.01
Add: Allowable Adjustment	838,177.00	379,046.00
Maximum Unassigned	<u>5,862,702.00</u>	<u>5,040,187.01</u>
Fund Balance	14,334,685.70	15,703,653.51
Less: Encumbrances	(256,233.04)	(162,531.49)
Less: Restricted Reserves	(425,850.82)	(974,600.82)
Less: Utilized in Subsequent Year's Budg	(4,425,560.19)	(5,100,774.00)
Actual Unassigned	<u>9,227,041.65</u>	<u>9,465,747.20</u>
Excess Surplus - Current Year	<b>3,364,339.65</b>	<b>4,425,560.19</b>



# Recapitulation of Fund Balance

## RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 22,052.00
Excess Surplus	3,364,339.65
Excess Surplus Designated for Subsequent Year's Expenditures	4,425,560.19
Reserve for Unemployment Claims	403,798.82
Assigned Fund Balance:	
Year-End Encumbrances	256,233.04
Unassigned Fund Balance	<u>5,862,702.00</u>
Subtotal	14,334,685.70
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(760,616.00)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 13,574,069.70</u></u>

# FINANCIAL ANALYSIS (ENTERPRISE FUNDS)

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# Food Service Fund

	<u>2022</u>	<u>2021</u>	<u>\$ Diff</u>	<u>% Diff</u>
Revenues:				
Operating Revenues	\$ 694,533.26	\$ 16,939.41	\$ 677,593.85	4000.10%
Non Operating Revenues:				
State & Federal Subsidies	3,670,686.63	864,814.10	2,805,872.53	324.45%
Total Revenues	<b>4,365,219.89</b>	<b>881,753.51</b>	<b>3,483,466.38</b>	<b>4324.55%</b>
Operating Expenses	<b>(3,583,585.50)</b>	<b>(773,499.40)</b>	<b>(2,810,086.10)</b>	<b>363.30%</b>
Change in Net Position (Net Income)	781,634.39	108,254.11		
Beginning Net Position	799,946.71	691,692.60		
Ending Net Position	<b>\$ 1,581,581.10</b>	<b>\$ 799,946.71</b>		

# Early Childhood Enrichment

	<u>2022</u>	<u>2021</u>	<u>\$ Diff</u>	<u>% Diff</u>
Revenues:				
Fees	\$ 390,136.70	\$ 3,979.80	\$ 386,156.90	9702.92%
Interest Revenue	317.72	-	\$ 317.72	-
Total Revenues	<b>390,454.42</b>	<b>3,979.80</b>	<b>386,474.62</b>	<b>9702.92%</b>
Operating Expenses	<b>(341,380.24)</b>	<b>(286,527.47)</b>	<b>3,819.15</b>	<b>-1.33%</b>
Change in Net Position (Net Income)	49,074.18	(282,547.67)		
Beginning Net Position	(16,100.76)	266,446.91		
Ending Net Position	<u>\$ 32,973.42</u>	<u>\$ (16,100.76)</u>		

# Falcon Care

	<u>2022</u>	<u>2021</u>	<u>\$ Diff</u>	<u>% Diff</u>
Revenues:				
Fees	\$ 361,775.88	\$ 39,957.70	\$ 321,818.18	805.40%
Interest	1,684.45	2,830.29	(1,145.84)	-40.48%
Total Revenues	<b>363,460.33</b>	<b>42,787.99</b>	<b>320,672.34</b>	<b>764.91%</b>
Operating Expenses	<b>(412,288.54)</b>	<b>(398,445.95)</b>	<b>(13,842.59)</b>	<b>3.47%</b>
Change in Net Position (Net Income)	(48,828.21)	(355,657.96)		
Beginning Net Position	269,479.07	625,137.03		
Ending Net Position	<u>\$ 220,650.86</u>	<u>\$ 269,479.07</u>		

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*Thank  
you!*