

MONROE TOWNSHIP SCHOOL DISTRICT

November 17, 2021

- **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, 2021.
- **Emphasis of Matter**- Change in accounting principal, the District adopted GASB 84, *Fiduciary Activities*. Restatement of Net Position and Fund Balance see Note 19.

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 – State Aid Public (Security Aid, Special Education)
- Federal Major Programs- COVID Relief Fund (21.019), ESSER II (84.425D), Child Nutrition Cluster
- **Unmodified Opinion** – The School District complied, all material respects, with the types of compliance requirements that could have a direct and material effect on each of its state programs for the year ended June 30, 2021. In addition, no control deficiencies to report.

FINANCIAL ANALYSIS (GENERAL FUND)

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

	<u>2021</u>	<u>2020</u>	<u>\$ Diff</u>	<u>% Diff</u>
Revenues:				
Local Tax Levy	\$ 108,062,274.00	\$ 104,513,898.00	\$3,548,376.00	3.40%
Tuition Charges	4,194,247.32	4,210,042.15	(15,794.83)	-0.38%
Miscellaneous	514,342.00	710,309.98	(195,967.98)	-27.59%
State Sources	7,379,100.61	6,303,202.00	1,075,898.61	17.07%
Federal Sources	66,535.77	58,287.70	8,248.07	14.15%
Total Revenues	120,216,499.70	115,795,739.83	4,420,759.87	3.82%
 Expenditures:				
Instruction	\$ 51,042,596.24	\$ 50,551,322.17	\$ 491,274.07	0.97%
Undistributed Expenditures	64,397,847.15	64,397,625.60	221.55	0.00%
Transfers to Charter Schools	-	196,051.00	(196,051.00)	-100.00%
Capital Outlay	2,765,896.89	3,666,401.43	(900,504.54)	-24.56%
Debt Service	106,185.00	106,185.00	-	0.00%
Total Expenditures	118,312,525.28	118,917,585.20	(605,059.92)	-0.51%
 Excess/(Deficiency) of Revenues	 1,903,974.42	 (3,121,845.37)	 5,025,819.79	 -160.99%
 Other Financing Sources in Uses	 1,784,000.00	 3,106,500.00	 (1,322,500)	 -42.57%
 Change in Fund Balance (Net Income)	 3,687,974.42	 (15,345.37)		
Beginning Fund Balance**	11,424,908.09	11,036,454.64		
 Ending Fund Balance	 \$ 15,112,882.51	 \$ 11,021,109.27		
 Utilized in Subsequent Year's Budget	 5,100,774	 3,289,115.00		
% Utilized	33.75%	29.84%		

*June 30, 2020 Balance Restated due to GASB 84.



Analysis of Excess Surplus

	<u>2021</u>	<u>2020</u>
Total Expenditures	116,528,525.28	116,411,085.20
4% of Expenditures @ 6/30/21 & 2% of Expenditures @ 6/30/2020	4,661,141.01	2,328,221.70
Add: Allowable Adjustment	379,046.00	-
Maximum Unassigned	5,040,187.01	2,328,221.70
Fund Balance	15,703,653.51	11,588,080.27
Less: Encumbrances	(162,531.49)	(120,667.44)
Less: Restricted Reserves	(974,600.82)	(749,302.00)
Less: Utilized in Subsequent Year's Budgets	(5,100,774.00)	(3,289,115.12)
Actual Unassigned	9,465,747.20	7,428,995.71
Excess Surplus - Current Year	4,425,560.19	5,100,774.01

Recapitulation of Fund Balance

Restricted Fund Balance:	
Capital Reserve	\$ 570,802.00
Excess Surplus	4,425,560.19
Excess Surplus Designated for Subsequent Year's Expenditures	5,100,774.01
Reserve for Unemployment Claims	403,798.82
Year-End Encumbrances	162,531.49
Unassigned Fund Balance	<u>5,040,187.00</u>
Subtotal	15,703,653.51
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	<u>(590,771.00)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 15,112,882.51</u></u>

FINANCIAL ANALYSIS (ENTERPRISE FUNDS)

Food Service Fund

	<u>2021</u>	<u>2020</u>	<u>\$ Diff</u>	<u>% Diff</u>
Revenues:				
Operating Revenues	\$ 16,939.41	\$ 1,472,083.83	\$ (1,455,144.42)	-98.85%
Non Operating Revenues:				
State & Federal Subsidies	864,814.10	409,314.77	455,499.33	111.28%
Total Revenues	881,753.51	1,881,398.60	(999,645.09)	-53.13%
Operating Expenses	(773,499.40)	(1,914,764.50)	1,141,265.10	-59.60%
Change in Net Position (Net Income)	108,254.11	(33,365.90)		
Beginning Net Position	691,692.60	725,058.50		
Ending Net Position	\$ 799,946.71	\$ 691,692.60		

Early Childhood Enrichment

	<u>2021</u>	<u>2020</u>	<u>\$ Diff</u>	<u>% Diff</u>
Revenues:				
Fees	\$ 3,979.80	\$ 275,388.00	\$ (271,408.20)	-98.55%
Total Revenues	<u>3,979.80</u>	<u>275,388.00</u>	<u>(271,408.20)</u>	<u>-98.55%</u>
Operating Expenses	<u>(286,527.47)</u>	<u>(345,199.39)</u>	<u>58,671.92</u>	<u>-17.00%</u>
Change in Net Position (Net Income)	(282,547.67)	(69,811.39)		
Beginning Net Position	<u>266,446.91</u>	<u>336,258.30</u>		
Ending Net Position	<u>\$ (16,100.76)</u>	<u>\$ 266,446.91</u>		

Falcon Care

	<u>2021</u>		<u>2020</u>		<u>\$ Diff</u>		<u>% Diff</u>
Revenues:							
Fees	\$ 39,957.70	\$	536,166.26	\$	(496,208.56)		-92.55%
Interest	2,830.29		23,944.96				
Total Revenues	42,787.99		560,111.22		(517,323.23)		-92.36%
Operating Expenses	(398,445.95)		(480,708.97)		82,263.02		-17.11%
Transfer to Other Funds	-		(600,000.00)		600,000.00		-100.00%
Change in Net Position (Net Income)	(355,657.96)		(520,597.75)				
Beginning Net Position	625,137.03		1,145,734.78				
Ending Net Position	<u>\$ 269,479.07</u>	\$	<u>625,137.03</u>				

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*Thank
you!*