BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

SUMMARY OF AUDIT REPORT

The following is a summary of the audit for the fiscal year July 1, 2019 to June 30, 2020, as required by N.J.S.A. 18A:23-4 and 5.

MERCHANTVILLE SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	$ 2,097,034.38			$ 2,097,034.38
Due from Other Funds	364,088.32			364,088.32
Receivables from Other Governments	96,752.00	$ 261,967.13		358,719.13
Total Assets	$ 2,557,874.70	$ 261,967.13	$ -	$ 2,819,841.83
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	$ 31,797.21	$ 4,966.00		$ 36,763.21
Interfunds Payable		220,789.63		220,789.63
Payable to State Government		35,309.00		35,309.00
Unearned Revenue		10,313.50		10,313.50
Total Liabilities	31,797.21	271,378.13	-	303,175.34
Fund Balances:				
Restricted:				
Capital Reserve	510,000.00			510,000.00
Maintenance Reserve	80,000.00			80,000.00
Excess Surplus -- Designated for Subsequent Year's Expenditures	884,757.00			884,757.00
Excess Surplus	958,757.66			958,757.66
Assigned:				
Subsequent Year's Expenditures	18,119.00			18,119.00
Other Purposes	62,252.83			62,252.83
Unassigned (Deficit)	12,191.00	(9,411.00)		2,780.00
Total Fund Balances	2,526,077.49	(9,411.00)	-	2,516,666.49
Total Liabilities and Fund Balances	$ 2,557,874.70	$ 261,967.13	$ -	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $7,371,084.08, and the accumulated depreciation is $4,722,653.15.	2,648,430.93
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,409,295.09)
Interest on long term debt in the statement of activities is accrued, regardless when due.	(15,885.42)
Net Pension Liability	(888,545.00)
Accounts Payable related to the April 1, 2021 Required PERS pension contribution that is not to be liquidated with current financial resources.	(46,861.00)
Deferred Outflows of Resources - Related to Pensions	382,686.00
Deferred Inflows of Resources - Related to Pensions	(393,744.00)
	$ 2,793,452.91

MERCHANTVILLE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
Local Tax Levy	$ 5,779,264.00		$ 125,914.00	$ 5,905,178.00
Miscellaneous	93,126.45			93,126.45
State Sources	4,421,432.76	$ 273,435.73	39,086.00	4,733,954.49
Federal Sources		284,677.63		284,677.63
Total Revenues	10,293,823.21	558,113.36	165,000.00	11,016,936.57
EXPENDITURES:				
Current:				
Regular Instruction	2,047,353.86	423,721.03		2,471,074.89
Special Education Instruction	493,312.16			493,312.16
Other Special Instruction	265,887.25			265,887.25
Support Services and Undistributed Costs:				
Instruction/Tuition	2,827,002.84	139,474.53		2,966,477.37
Health Services	88,428.38			88,428.38
Support Services - Students	330,004.23			330,004.23
Support Services - Instructional Staff	96,204.47			96,204.47
Instructional Staff Training Services	1,381.99			1,381.99
General Administration	318,802.92			318,802.92
School Administration	58,912.71			58,912.71
Operations and Maintenance	488,576.97			488,576.97

(Continued)

EXPENDITURES (CONT'D):				
Support Services and Undistributed Costs (Cont'd):				
Central Services	138,413.05			138,413.05
Administration Information Technology	21,416.40			21,416.40
Student Transportation	634,802.30			634,802.30
Unallocated Benefits	1,830,777.93			1,830,777.93
Debt Service:				
Principal			125,000.00	125,000.00
Interest and Other Charges			40,000.00	40,000.00
Depreciation				
Capital Outlay	110,597.20			110,597.20
Transfer of Funds to Charter Schools	137,848.00			137,848.00
Total Expenditures	9,889,722.66	563,195.56	165,000.00	10,617,918.22
Excess (Deficiency) of Revenues over (under) Expenditures	404,100.55	(5,082.20)		399,018.35
Net Change in Fund Balances	404,100.55	(5,082.20)		399,018.35
Fund Balance (Deficit) -- July 1	2,121,976.94	(4,328.80)		2,117,648.14
Fund Balance (Deficit) -- June 30	$ 2,526,077.49	$ (9,411.00)	$ -	$ 2,516,666.49

RECOMMENDATIONS

1. Administrative Practices and Procedures

   None

2. Financial Planning, Accounting and Reporting

   None

3. School Purchasing Programs

   None

4. School Food Service

   That all food service receipts be deposited promptly and supporting documentation, such as the daily cash reports and deposit slips, be kept on file.

5. Student Body Activities

   None

6. Application for State School Aid

   None

7. Pupil Transportation

   None

8. Facilities and Capital Assets

   None

9. Miscellaneous

   None

10. Status of Prior Year Audit Findings/Recommendations

    A review was performed on the prior year recommendations and corrective action was taken on all prior year findings, with the exception of the following, which is repeated in this year's recommendations:

    Finding No. 2019-001
    Food service receipts were not deposited promptly, were not recorded appropriately in the revenue ledger, and deposit slips were not made available for testing.

    Recommendation
    That all food service receipts be deposited promptly and recorded appropriately in the revenue ledger.

The above synopsis was prepared from the Report of Audit of the Borough of Merchantville School District, County of Camden, for the fiscal year ended June 30, 2020, submitted by Carol A. McAllister, Certified Public Accountant, Public School Accountant of Bowman & Company LLP, Certified Public Accountants. The information included therein is not intended to represent complete financial information as presented in the Report of Audit. A copy of the Report of Audit is on file at the School Board Secretary/Business Administrator's office and may be inspected by any interested person.

A Corrective Action Plan, which outlines the remedial actions the management of the Borough of Merchantville School District will take in response to the recommendation contained in the Schedule of Audit Findings and Questioned Costs, included in the Comprehensive Annual Financial Report, will be prepared in accordance with federal and state guidelines. A copy of the Corrective Action Plan will be placed on file and be made available for public inspection in the office of the School Board Secretary/Business Administrator in compliance with the Department of Education directives.

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School Board Secretary/Business Administrator