

**BOARD OF EDUCATION
OF THE
BOROUGH OF MERCHANTVILLE
SCHOOL DISTRICT**



**MERCHANTVILLE
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

MERCHANTVILLE BOROUGH SCHOOL DISTRICT
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INTRODUCTORY SECTION

Merchantville

BOARD OF EDUCATION

856-962-8822 ext 110 * FAX 856-962-0305

January 15, 2025

Honorable President and
Members of the Board of Education
Merchantville School District
County of Camden, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Merchantville School District ("District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and Single Audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo a Single Audit in conformity with the provisions of the State of New Jersey Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this Single Audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

BOARD OF EDUCATION

1. REPORTING ENTITY AND ITS SERVICES: Merchantville School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds of the District are included in this report. The Merchantville Board of Education and its school constitute the District's reporting entity.

The District provided educational services for grades Pre-Kindergarten through grade 8 in one building, Through a send/receive relationship with the Haddon Heights School District, we provide programs for our students in grades 9–12, including Special Education. The District completed the 2023-2024 fiscal year with an average enrollment of 396 students. The following details the changes in the student enrollment of the District over the last ten (10) years.

AVERAGE DISTRICT ENROLLMENT

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>INCREASE/ DECREASE</u>	<u>PERCENT CHANGE</u>
2023-2024	396	17	4.5%
2022-2023	379	(10)	-2.6%
2021-2022	389	(18)	-4.4%
2020-2021	407	(33)	-7.5%
2019-2020	440	17	4.0%
2018-2019	423	5	1.2%
2017-2018	418	30	7.7%
2016-2017	388	17	4.6%
2015-2016	371	(10)	-2.6%
2014-2015	381	1	0.3%

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Merchantville is considered to be small in size with an area of 0.60 square miles all of which is land. The Borough is not experiencing any measurable growth in development or expansion.

Merchantville was primarily farmland until about 1851. Rumors of the coming railroad were the impetus for land acquisition. Although the town was originally part of Stockton Township, the citizens of Merchantville petitioned the state to become an incorporated Borough. This became effective May 18, 1874.

The second growth occurred in the automobile age when feasible studies for the building of the Benjamin Franklin Bridge began in 1914. After the First World War, lots were bought and development began anew. When the bridge opened in 1926, new streets on the southern side of Maple Avenue were cut through, individual homes built and the Borough gradually developed to its near present population. As of the 2020 United States Census, there were 3,820 people and 1,699 housing units in the Borough.

3. MAJOR INITIATIVES: The District is utilizing the Danielson Teacher Evaluation System and is following the requirements of ACHIEVE NJ. In addition, the District follows the NJ mandates for Student Growth Objectives (SGOs) that are linked to the teacher's overall summative evaluation for required teachers. Some of the programs used for assessing students include LinkIt!, STAR, NJSLA, Acadience, and Local Benchmark Assessments. These programs allow teachers to identify students who need remediation with academic skills. All of these programs are aligned with the NJ state standards. We utilize a WIN (What I Need) program to meet the individual needs of our students through our Basic Skills Department. The district continues to stay abreast of new educational initiatives and state mandates to meet the needs of the students.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs; as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital improvements and accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance account system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as an assignment of fund balance at June 30, 2024.

BOARD OF EDUCATION

6. **ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements", Note 1.


7. **CASH MANAGEMENT:** The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. **RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

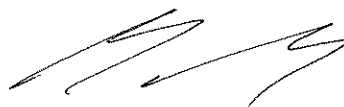
9. **OTHER INFORMATION:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the Single Audit are included in the Single Audit section of the report.

10. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Merchantville Board of Education for their concern in providing fiscal accountability to the citizens and taxpayer of the school district and thereby contributing full support to the development and maintenance of our financial operation.

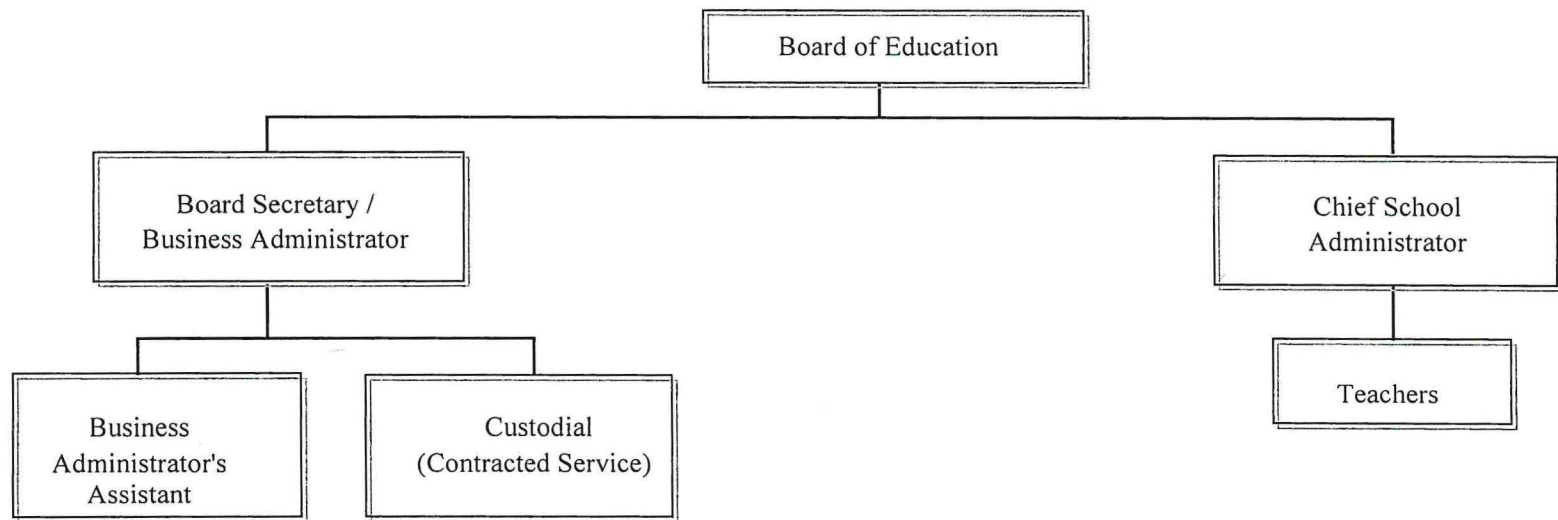
Respectfully submitted,



Mr. Scott Strong
Chief School Administrator /
Principal



Mr. Greg Gontowski
School Business Administrator /
Board Secretary



BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Amanda Aaron, President		2025
Antisha Meisner, Vice-President		2026
Daniel Licata		2024
Anne Marchessault		2025
Marc Carcanague		2024
Melanie Gaskins		2026
Elliot Honigfeld		2024
Ruby DeLaRosa		2025
Kristina Kroot		2026
 <u>Other Officials</u>		
Scott Strong	Superintendent/Principal	
Greg Gontowski	Business Administrator, Board Secretary, Purchasing Agent	

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

JUNE 30, 2024

Architect

Garrison Architects
130 Presidential Boulevard
Bala Cynwyd, Pennsylvania 19004

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

Attorney

Wade, Long, Wood & Long, LLC
1250 Chews Landing Road, Suite 1
Laurel Springs, New Jersey 08021

Official Depository

1st Colonial Community Bank
1040 Haddon Avenue
Collingswood, New Jersey 08108

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Merchantville School District
Merchantville, New Jersey 08109

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Borough of Merchantville School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Borough of Merchantville School District, in the County of Camden, State of New Jersey, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Merchantville School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2025 on our consideration of the Borough of Merchantville School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Merchantville School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Merchantville School District's internal control over financial reporting and compliance.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
January 15, 2025

REQUIRED SUPPLEMENTARY INFORMATION
PART I

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

The management's discussion and analysis of the Borough of Merchantville School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024 and 2023. The intent of the discussion and analysis is to look at the School District's financial performance and review the notes to the basic financial statements to enhance the understanding of the School District's financial performance. It is recommended that the discussion and analysis be read in conjunction with a transmittal letter at the front of this financial report.

FINANCIAL HIGHLIGHTS

Financial Highlights for fiscal year 2024:

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,723,819.33 (net position).
- The School District's total net position increased by \$1,658,701.32, from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$6,217,164.05, an increase of \$516,459.31 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The School District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations *in more detail* than the government-wide statements.
- *Governmental funds* statements tell how basic services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short* and *long-term* financial information about the activities the School District operates *like businesses*, such as food services.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Cont'd)

OVERVIEW OF THE FINANCIAL STATEMENTS (CONT'D)

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the School District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the School District's net position and how it has changed. Net position – the difference between the School District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources – is one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided, such as food services.

Fund Financial Statements

The fund financial statements provide more detailed information about the School District's funds, focusing on the significant funds – not the School District as a whole. Funds are used by the School District to keep track of specific sources of funding and spending on particular programs:

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The School District has two kinds of funds:

- *Governmental funds* – The School District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District's net position for fiscal years 2024 and 2023.

TABLE 1
Net Position

	Governmental Activities		Business-Type Activities		Totals		Change	% Change
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023		
Current and Other Assets	\$ 6,320,377.89	\$ 6,029,861.17	\$ 28,639.69	\$ 28,989.46	\$ 6,349,017.58	\$ 6,058,850.63	\$ 290,166.95	4.79%
Capital Assets	4,031,397.14	3,100,944.26	4,412.23	5,520.47	4,035,809.37	3,106,464.73	929,344.64	29.92%
Total Assets	10,351,775.03	9,130,805.43	33,051.92	34,509.93	10,384,826.95	9,165,315.36	1,219,511.59	13.31%
Deferred Outflow of Resources	327,932.00	143,807.00	-	-	327,932.00	143,807.00	184,125.00	128.04%
Long-Term Liabilities	1,577,201.64	1,509,755.89			1,577,201.64	1,509,755.89	67,445.75	4.47%
Other Liabilities	196,265.26	412,444.35	64,589.72	71,149.11	260,854.98	483,593.46	(222,738.48)	-46.06%
Total Liabilities	1,773,466.90	1,922,200.24	64,589.72	71,149.11	1,838,056.62	1,993,349.35	(155,292.73)	-7.79%
Deferred Inflow of Resources	150,883.00	250,655.00	-	-	150,883.00	250,655.00	(99,772.00)	-39.80%
Net Position:								
Net Investment in Capital Assets	3,271,761.72	2,214,746.34	4,412.23	5,520.47	3,276,173.95	2,220,266.81	1,055,907.14	47.56%
Restricted	6,365,704.97	4,563,358.50			6,365,704.97	4,563,358.50	1,802,346.47	39.50%
Unrestricted (Deficit)	(882,109.56)	323,652.35	(35,950.03)	(42,159.65)	(918,059.59)	281,492.70	(1,199,552.29)	-426.14%
Total Net Position	\$ 8,755,357.13	\$ 7,101,757.19	\$ (31,537.80)	\$ (36,639.18)	\$ 8,723,819.33	\$ 7,065,118.01	\$ 1,658,701.32	23.48%

This is the tenth year of implementation for Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68. Table 2 provides an illustration of the impact that GASBS 68 and 71 had to the School District's Unrestricted Net Position.

TABLE 2
Statement of Net Position - Effect of Pension and OPEB Related Items

	June 30, 2024	June 30, 2023	Change	% Change
Deferred Outflows Related to Pensions	\$ 327,932.00	\$ 143,807.00	\$ 184,125.00	128.04%
Less: Accounts Payable Related to Pensions	(83,416.00)	(72,090.00)	(11,326.00)	15.71%
Less: Net Pension Liability	(781,262.00)	(564,595.00)	(216,667.00)	38.38%
Less: Deferred Inflows Related to Pensions	(150,883.00)	(250,655.00)	99,772.00	-39.80%
	<u>\$ (687,629.00)</u>	<u>\$ (743,533.00)</u>	<u>\$ 55,904.00</u>	<u>-7.52%</u>

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2024 and 2023.

TABLE 3
Change in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>			
Revenues:	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:								
Charges for Services	\$ 18,052.00	\$ -	\$ 52,393.60	\$ 42,907.46	\$ 70,445.60	\$ 42,907.46	\$ 27,538.14	64.18%
Federal & State Categorical Grants	1,854,035.13	1,912,311.94	89,765.42	74,826.30	1,943,800.55	1,987,138.24	(43,337.69)	-2.18%
Capital Grants and Contributions	26,421.00				26,421.00	-	26,421.00	100.00%
General Revenues:								
Property Taxes	6,241,594.00	6,124,316.00			6,241,594.00	6,124,316.00	117,278.00	1.91%
Federal & State Grants	5,410,828.25	5,168,702.36			5,410,828.25	5,168,702.36	242,125.89	4.68%
Miscellaneous	297,721.71	152,693.18			297,721.71	152,693.18	145,028.53	94.98%
Total Revenues	<u>13,848,652.09</u>	<u>13,358,023.48</u>	<u>142,159.02</u>	<u>117,733.76</u>	<u>13,990,811.11</u>	<u>13,475,757.24</u>	<u>515,053.87</u>	<u>3.82%</u>
Expenses:								
Instruction:								
Regular	2,853,083.15	2,791,048.75			2,853,083.15	2,791,048.75	62,034.40	2.22%
Special Education	771,182.25	745,783.23			771,182.25	745,783.23	25,399.02	3.41%
Other Special Instruction	328,888.96	328,521.47			328,888.96	328,521.47	367.49	0.11%
Student Services:								
Tuition	3,046,103.84	3,207,264.87			3,046,103.84	3,207,264.87	(161,161.03)	-5.02%
Student and Instruction Related Services	765,886.41	650,465.61			765,886.41	650,465.61	115,420.80	17.74%
School Administrative Services	240,119.21	231,961.08			240,119.21	231,961.08	8,158.13	3.52%
General Administrative Services	372,230.48	354,166.12			372,230.48	354,166.12	18,064.36	5.10%
Plant Operations and Maintenance	774,595.09	638,009.94			774,595.09	638,009.94	136,585.15	21.41%
Pupil Transportation	610,772.88	526,824.11			610,772.88	526,824.11	83,948.77	15.93%
Unallocated Benefits	2,036,257.13	2,003,874.42			2,036,257.13	2,003,874.42	32,382.71	1.62%
Interest on Long-Term Debt	23,437.50	27,187.50			23,437.50	27,187.50	(3,750.00)	-13.79%
Transfer to Charter School	188,718.00	163,875.00			188,718.00	163,875.00	24,843.00	15.16%
Unallocated Depreciation	183,777.25	254,621.95			183,777.25	254,621.95	(70,844.70)	-27.82%
Food Service			137,057.64	117,158.74	137,057.64	117,158.74	19,898.90	16.98%
Total Expenses	<u>12,195,052.15</u>	<u>11,923,604.05</u>	<u>137,057.64</u>	<u>117,158.74</u>	<u>12,332,109.79</u>	<u>12,040,762.79</u>	<u>291,347.00</u>	<u>2.42%</u>
Increase in Net Position	<u>1,653,599.94</u>	<u>1,434,419.43</u>	<u>5,101.38</u>	<u>575.02</u>	<u>1,658,701.32</u>	<u>1,434,994.45</u>	<u>223,706.87</u>	<u>15.59%</u>
Beginning Net Position	<u>7,101,757.19</u>	<u>5,667,337.76</u>	<u>(36,639.18)</u>	<u>(37,214.20)</u>	<u>7,065,118.01</u>	<u>5,630,123.56</u>	<u>1,434,994.45</u>	<u>25.49%</u>
Ending Net Position	<u>\$ 8,755,357.13</u>	<u>\$ 7,101,757.19</u>	<u>\$ (31,537.80)</u>	<u>\$ (36,639.18)</u>	<u>\$ 8,723,819.33</u>	<u>\$ 7,065,118.01</u>	<u>\$ 1,658,701.32</u>	<u>23.48%</u>

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Cont'd)

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

Governmental Activities

In 2023-2024, Governmental Activities Revenues were \$13,848,652.09 or 98.98% of total revenues.

In 2022-2023, Governmental Activities Revenues were \$13,358,023.48 or 99.13% of total revenues.

The increase in Governmental Activities Revenue of \$490,628.61 from fiscal year 2023 to fiscal year 2024 was mainly related to an increase in State Aid Revenues and the local tax levy.

In 2023-2024, General Revenues - Property Taxes of \$6,241,594.00 made up 45.07% and General Revenues - Federal and State Grants of \$5,410,828.25 made up 39.07% of Governmental Activities Revenues.

In 2022-2023, General Revenues - Property Taxes of \$6,124,316.00 made up 45.85% and General Revenues - Federal and State Grants of \$5,168,702.36 made up 38.69% of Governmental Activities Revenues.

In 2023-2024, the School District's Governmental Activities expenditures increased by \$271,125.15 or 2.27%. This increase was mainly due to an increase in out-of-district tuition expenditures.

Business-Type Activities

In 2023-2024 Business-Type Activities Revenues were \$142,159.02 or 1.02% of total revenues.

In 2022-2023 Business-Type Activities Revenues were \$117,733.76 or .87% of total revenues.

Charges for Services for Business-Type Activities were \$52,393.60 in 2023-2024 compared to \$42,907.46 in 2022-2023, an increase of \$9,486.14, or 22.11%.

Operating Grants and Contributions for Business-Type Activities were \$89,765.42 in 2023-2024 compared to \$74,826.30 in 2022-2023, an increase of \$14,939.12 or 19.97%.

Expenses for Business-Type Activities were \$137,057.64 in 2023-2024 compared to \$117,158.74 in 2022-2023, an increase of \$19,898.90 or 16.98%.

General Fund Budgeting Highlights

During the fiscal 2024 school year, no amendments were necessary to the original budget.

The final budgetary basis revenue estimate was \$11,460,313.00, which was the same as the original budget, and actual revenues were \$13,564,027.77.

The 2023-2024 General Fund and Debt Service Fund Tax Levy was \$6,241,594.00, an increase of \$117,278.00 or 1.91% from the 2022-2023 General Fund and Debt Service Fund Tax Levy of \$6,124,316.00.

The School District reported revenues and expenses of \$259,480.22, \$1,145,100.00, \$13,059.00, \$315,208.00, and \$711.00 in reimbursed T.P.A.F. Social Security Aid, T.P.A.F. Normal Pension Contributions, T.P.A.F. Non-contributory Insurance, T.P.A.F. Post-Retirement Medical Contributions and T.P.A.F. Long-Term Disability Insurance, respectively.

The final budgetary basis expenditure appropriation estimate was \$15,751,378.65, which was the same as the original budget.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Cont'd)

CAPITAL ASSETS

At the end of fiscal years 2024 and 2023, the School District had \$4,035,809.37 and \$3,106,464.73, respectively, in capital assets less accumulated depreciation. Table 4 reflects the balances of capital assets, net of accumulated depreciation.

TABLE 4
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Land	\$ 153,671.00	\$ 153,671.00
Equipment	570,196.01	580,949.90
Building and Improvements	3,177,929.42	2,252,307.26
Land Improvements	<u>134,012.94</u>	<u>119,536.57</u>
Total Capital Assets	<u>\$ 4,035,809.37</u>	<u>\$ 3,106,464.73</u>

Depreciation expense was \$321,735.64 and \$343,685.96 for fiscal years ended 2024 and 2023, respectively.

DEBT ADMINISTRATION

Long-term Debt - At the end of the current fiscal year, the School District had bonded debt outstanding of \$750,000.00, maturing on July 15, 2030.

FUND BALANCES – FUND LEVEL STATEMENTS

Governmental Funds - As of the end of the current fiscal year, the School District's governmental funds reported combining ending fund balances of \$6,217,164.05, an increase of \$516,459.31 in comparison with the prior year.

Of the combined ending fund balances of \$6,217,164.05, \$229,211.00 constitutes an unassigned deficit fund balance. The remainder of fund balance is made up of restricted for capital reserves of \$3,436,713.00, restricted for maintenance reserves of \$81,183.00, other restricted of \$2,847,808.97, assigned for subsequent year's expenditures of \$73,857.00, and assigned for other purposes of \$6,813.08.

Proprietary Funds - As of the end of the current fiscal year, the School District's proprietary fund had a deficit of \$35,950.03 in unrestricted net position.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited) (Cont'd)

FACTORS ON THE SCHOOL DISTRICT'S FUTURE

For the 2023-2024 school year, the Merchantville School District was able to sustain its budget through the borough tax levy, federal aid, state aid and miscellaneous revenue sources. 44.61% of total revenue is from local tax levy and 52.11% of the Merchantville School District's revenue is from federal and state aid (restricted and not restricted).

In conclusion, the Borough of Merchantville Board of Education and Administration have committed themselves to financial excellence for many years. Additionally, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District will continue with sound fiscal management to meet the challenges of the future.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator/Board Secretary at:

Merchantville Board of Education
130 S. Centre Street
Merchantville, New Jersey 08109

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 5,616,807.95		\$ 5,616,807.95
Receivables	643,146.59	\$ 19,705.08	662,851.67
Inventory		8,934.61	8,934.61
Restricted Cash and Cash Equivalents	60,423.35		60,423.35
Capital Assets, net	4,031,397.14	4,412.23	4,035,809.37
Total Assets	10,351,775.03	33,051.92	10,384,826.95
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions	327,932.00	-	327,932.00
LIABILITIES:			
Accounts Payable:			
Other	101,891.75	10,368.27	112,260.02
Related to Pensions	83,416.00		83,416.00
Payroll Deductions and Withholdings Payable	6,912.43		6,912.43
Unemployment Compensation Claims Payable	1,623.11		1,623.11
Internal Balances	(54,221.45)	54,221.45	
Payable to State Government	47,008.00		47,008.00
Accrued Interest	9,635.42		9,635.42
Noncurrent Liabilities:			
Due within One Year	115,000.00		115,000.00
Due beyond One Year	1,462,201.64		1,462,201.64
Total Liabilities	1,773,466.90	64,589.72	1,838,056.62
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	150,883.00	-	150,883.00
NET POSITION:			
Net Investment in Capital Assets	3,271,761.72	4,412.23	3,276,173.95
Restricted for:			
Unemployment	39,834.54		39,834.54
Student Activities	18,965.70		18,965.70
Other Purposes	2,789,008.73		2,789,008.73
Maintenance	81,183.00		81,183.00
Capital Projects	3,436,713.00		3,436,713.00
Unrestricted (Deficit)	(882,109.56)	(35,950.03)	(918,059.59)
Total Net Position (Deficit)	\$ 8,755,357.13	\$ (31,537.80)	\$ 8,723,819.33

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular Instruction	\$ 2,853,083.15	\$ 860.84	\$ 524,003.92		\$ (2,328,218.39)		\$ (2,328,218.39)
Special Education Instruction	771,182.25				(771,182.25)		(771,182.25)
Other Special Instruction	328,888.96				(328,888.96)		(328,888.96)
Support Services:							
Instruction/Tuition	3,046,103.84		259,592.99		(2,786,510.85)		(2,786,510.85)
Health Services	71,023.09				(71,023.09)		(71,023.09)
Support Services - Students	537,865.16	17,191.16		\$ 26,421.00	(494,253.00)		(494,253.00)
Support Services - Instructional Staff	103,253.22				(103,253.22)		(103,253.22)
Educational Media / Library	53,744.94				(53,744.94)		(53,744.94)
General Administration	372,230.48				(372,230.48)		(372,230.48)
School Administration	64,118.30				(64,118.30)		(64,118.30)
Operations and Maintenance	774,595.09				(774,595.09)		(774,595.09)
Central Services	150,764.71				(150,764.71)		(150,764.71)
Administration Information Technology	25,236.20				(25,236.20)		(25,236.20)
Care and Upkeep of Grounds							
Student Transportation	610,772.88				(610,772.88)		(610,772.88)
Unallocated Benefits	2,036,257.13		1,070,438.22		(965,818.91)		(965,818.91)
Debt Service:							
Interest and Other Charges	23,437.50				(23,437.50)		(23,437.50)
Transfer of Funds to Charter School	188,718.00				(188,718.00)		(188,718.00)
Unallocated Depreciation	183,777.25				(183,777.25)		(183,777.25)
Total Governmental Activities	12,195,052.15	18,052.00	1,854,035.13	26,421.00	(10,296,544.02)	\$ -	(10,296,544.02)
Business-Type Activities:							
Food Service	137,057.64	52,393.60	89,765.42			5,101.38	5,101.38
Total Business-Type Activities	137,057.64	52,393.60	89,765.42	-	-	5,101.38	5,101.38
Total Government	\$ 12,332,109.79	\$ 70,445.60	\$ 1,943,800.55	\$ 26,421.00	(10,296,544.02)	5,101.38	(10,291,442.64)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes					6,127,127.00		6,127,127.00
Taxes Levied for Debt Service					114,467.00		114,467.00
Federal and State Aid not Restricted					5,410,828.25		5,410,828.25
Miscellaneous Income					297,721.71		297,721.71
Total General Revenues					11,950,143.96	-	11,950,143.96
Change in Net Position					1,653,599.94	5,101.38	1,658,701.32
Net Position (Deficit) -- July 1					7,101,757.19	(36,639.18)	7,065,118.01
Net Position (Deficit) -- June 30					\$ 8,755,357.13	\$ (31,537.80)	\$ 8,723,819.33

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 5,658,265.60	\$ 18,965.70			\$ 5,677,231.30
Interfund Accounts Receivable	537,797.77				537,797.77
Receivables from Other Governments	84,080.39	559,066.20			643,146.59
Total Assets	<u>\$ 6,280,143.76</u>	<u>\$ 578,031.90</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,858,175.66</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 67,108.97	\$ 34,782.78			\$ 101,891.75
Payroll Deductions and Withholdings Payable	6,912.43				6,912.43
Unemployment Compensation Claims Payable	1,623.11				1,623.11
Interfund Accounts Payable		483,576.32			483,576.32
Payable to State Government		47,008.00			47,008.00
Total Liabilities	<u>75,644.51</u>	<u>565,367.10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>641,011.61</u>
Fund Balances:					
Restricted:					
Capital Reserve	1,000,416.00				1,000,416.00
Capital Reserve -- Designated for Subsequent Year's Expenditures	2,436,297.00				2,436,297.00
Maintenance Reserve	56.00				56.00
Maintenance Reserve -- Designated for Subsequent Year's Expenditures	81,127.00				81,127.00
Excess Surplus -- Designated for Subsequent Year's Expenditures	990,000.00				990,000.00
Excess Surplus	1,799,008.73				1,799,008.73
Unemployment Compensation	39,834.54				39,834.54
Student Activities		18,965.70			18,965.70
Assigned:					
Subsequent Year's Expenditures	73,857.00				73,857.00
Other Purposes	6,813.08				6,813.08
Unassigned (Deficit)	(222,910.10)	(6,300.90)			(229,211.00)
Total Fund Balances	<u>6,204,499.25</u>	<u>12,664.80</u>	<u>-</u>	<u>-</u>	<u>6,217,164.05</u>
Total Liabilities and Fund Balances	<u>\$ 6,280,143.76</u>	<u>\$ 578,031.90</u>	<u>\$ -</u>	<u>\$ -</u>	

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 \$9,939,852.37, and the accumulated depreciation is \$5,908,455.23.	4,031,397.14
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.	(795,939.64)
Interest on long term debt in the statement of activities is accrued, regardless when due.	(9,635.42)
Net Pension Liability	(781,262.00)
Accounts Payable related to the April 1, 2025 Required PERS pension contribution that is not to be liquidated with current financial resources.	(83,416.00)
Deferred Outflows of Resources - Related to Pensions	327,932.00
Deferred Inflows of Resources - Related to Pensions	(150,883.00)
Net Position of Governmental Activities	<u>\$ 8,755,357.13</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 6,127,127.00			\$ 114,467.00	\$ 6,241,594.00
Tuition Charges	860.84				860.84
Miscellaneous	297,721.71				297,721.71
State Sources	7,110,336.02	\$ 286,384.15		35,533.00	7,432,253.17
Federal Sources	653.00	521,498.21			522,151.21
Local Sources		17,191.16			17,191.16
Total Revenues	13,536,698.57	825,073.52	\$ -	150,000.00	14,511,772.09
EXPENDITURES:					
Current:					
Regular Instruction	2,313,612.10	524,003.92			2,837,616.02
Special Education Instruction	771,182.25				771,182.25
Other Special Instruction	328,888.96				328,888.96
Support Services and Undistributed Costs:					
Tuition	2,769,319.69				2,769,319.69
Student and Instruction Related Services		276,784.15			276,784.15
Health Services	71,023.09				71,023.09
Support Services - Students	537,865.16				537,865.16
Support Services - Instructional Staff	103,253.22				103,253.22
Educational Media / Library	53,744.94				53,744.94
General Administration	364,487.48				364,487.48
School Administration	64,118.30				64,118.30
Operations and Maintenance	660,955.07				660,955.07
Central Services	150,764.71				150,764.71
Administration Information Technology	25,236.20				25,236.20
Student Transportation	610,772.88				610,772.88
Unallocated Benefits	2,779,502.38				2,779,502.38
Debt Service:					
Principal				125,000.00	125,000.00
Interest and Other Charges				25,000.00	25,000.00
Capital Outlay	1,224,659.28	26,421.00			1,251,080.28
Transfer of Funds to Charter Schools	188,718.00				188,718.00
Total Expenditures	13,018,103.71	827,209.07	-	150,000.00	13,995,312.78
Net Change in Fund Balances	518,594.86	(2,135.55)	-	-	516,459.31
Fund Balance -- July 1	5,685,904.39	14,800.35			5,700,704.74
Fund Balance -- June 30	\$ 6,204,499.25	\$ 12,664.80	\$ -	\$ -	\$ 6,217,164.05

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Governmental Funds	\$ 516,459.31
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	\$ (320,627.40)
Capital Outlays	<u>1,251,080.28</u>
	930,452.88
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.	
	125,000.00
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)	
	1,562.50
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	
	24,221.25
Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.	
	<u>55,904.00</u>
Change in Net Position of Governmental Activities	<u>\$ 1,653,599.94</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2024

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Accounts Receivable:	
State	\$ 236.45
Federal	5,146.42
Other	14,322.21
Inventories	8,934.61
	<hr/>
Total Current Assets	28,639.69
	<hr/>
Noncurrent Assets:	
Equipment	33,028.00
Less Accumulated Depreciation	(28,615.77)
	<hr/>
Total Noncurrent Assets	4,412.23
	<hr/>
Total Assets	33,051.92
	<hr/>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	54,221.45
Accounts Payable	10,368.27
	<hr/>
Total Current Liabilities	64,589.72
	<hr/>
NET POSITION:	
Net Investment in Capital Assets	4,412.23
Unrestricted (Deficit)	(35,950.03)
	<hr/>
Total Net Position (Deficit)	\$ (31,537.80)
	<hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Breakfast	\$ 628.00
School Lunch	28,656.00
Daily Sales - Non-Reimbursable Programs	12,865.05
Miscellaneous	10,244.55
	<hr/>
Total Operating Revenues	52,393.60
	<hr/>
OPERATING EXPENSES:	
Salaries and Fringe Benefits	42,242.28
Purchased Professional/Technical Services	24,195.00
Other Purchased Services	6,074.42
General Supplies	4,383.47
Depreciation	1,108.24
Cleaning, Repairs and Maintenance	380.06
Insurance	2,017.47
Miscellaneous	1,165.65
Cost of Sales - Reimbursable	50,079.25
Cost of Sales - Non Reimbursable	5,411.80
	<hr/>
Total Operating Expenses	137,057.64
	<hr/>
Operating Income / (Loss)	(84,664.04)
	<hr/>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	2,572.14
State School Lunch Program EIE	646.80
State School Brekafast Program	172.20
State School Brekafast Program EIE	112.80
Federal Sources:	
National School Lunch Program	64,087.90
National School Lunch Program - Healthy Hunger Free Kids Act	1,922.24
National School Breakfast Program	6,120.73
Food Distribution Program	14,130.61
	<hr/>
Total Nonoperating Revenues	89,765.42
	<hr/>
Change in Net Position	5,101.38
	<hr/>
Net Position (Deficit) -- July 1	(36,639.18)
	<hr/>
Net Position (Deficit) -- June 30	\$ (31,537.80)
	<hr/> <hr/>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 46,884.20
Payments to Employees	(42,242.28)
Payments to Suppliers	<u>(101,156.01)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(96,514.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	3,655.01
Federal Sources	<u>92,859.08</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>96,514.09</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents -- July 1	<u>-</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating Income (Loss)	\$ (84,664.04)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	1,108.24
(Increase) Decrease in Inventories	(889.50)
Increase (Decrease) in Accounts Payable	4,546.55
Increase (Decrease) in Interfund Payable	<u>(11,105.94)</u>
Total Adjustments	<u>(11,850.05)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (96,514.09)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Notes to Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Borough of Merchantville School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Camden, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through 8 at its one schools. The School District has an approximate enrollment at June 30, 2024 of 396.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Camden County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to governmental entities, state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District reports the following major governmental funds (cont'd):

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

New Jersey school districts are limited as to the types of investments and types of financial institutions in which they may invest. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Lease Receivable

Lease receivables recorded on the government-wide financial statement, in the governmental funds, and in the proprietary fund types represents a contract that conveys control of the right to use the School District's (lessor) nonfinancial asset. At the commencement of the lease term, the lessor recognizes a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The School District was not a lessor during the fiscal year ended June 30, 2024.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2024. The School District had no prepaid expenses for the fiscal year ended June 30, 2024.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Short-Term Interfund Receivables / Payables**

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Capital Assets

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease and subscription assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Subscription assets are recorded as expenditures in the governmental fund financial statements. Subscription assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related subscription liability, plus any payments associated with the arrangement made to the vendor at the commencement of the subscription term and capitalizable initial implementation costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated using the straight-line method over the useful life of the assets. Lease and subscription assets are amortized in a systematic and rational manner over the shorter of the lease and subscription term or the useful life of the underlying assets. The useful lives of the School District's capital assets are as follows:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	5-20 years	N/A
Buildings and Improvements	10-40 years	N/A
Equipment	5-20 years	12 years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position and the balance sheet for governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: defined benefit pension plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2024 and 2023 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences

Compensated absences are payments to employees for accumulated time such as paid vacation, paid holidays, sick pay, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation or amortization of intangible capital assets, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal year ending June 30, 2025:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2024, the School District's bank balances of \$6,470,741.09 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,433,510.78
Uninsured and Uncollateralized	<u>37,230.31</u>
Total	<u>\$ 6,470,741.09</u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$500.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the fiscal year is as follows:

Beginning Balance July 1, 2023		\$ 2,436,297.24
Increased by:		
Interest Earnings	\$ 415.76	
Deposits:		
Unexpended Capital Project Funds	2,000,000.00	
Board Resolution on June 3, 2024	<u>1,000,000.00</u>	
Total Deposits		<u>3,000,415.76</u>
		5,436,713.00
Decreased by:		
Withdrawals:		
Included in Adopted Budget		<u>2,000,000.00</u>
Ending Balance June 30, 2024		<u><u>\$ 3,436,713.00</u></u>

The June 30, 2024 LRFP balance of local support costs of uncompleted projects at June 30, 2024 is \$9,721,875.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of accounts (fees for services), and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major funds, and in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Fund</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards	\$ -	\$ 559,066.20	\$ 559,066.20	\$ 5,146.42	\$ 5,146.42	\$ 564,212.62
State Awards	84,080.39		84,080.39	236.45	236.45	84,316.84
Other				14,322.21	14,322.21	14,322.21
Total	<u>\$ 84,080.39</u>	<u>\$ 559,066.20</u>	<u>\$ 643,146.59</u>	<u>\$ 19,705.08</u>	<u>\$ 19,705.08</u>	<u>\$ 662,851.67</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2024 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 1,155.14
Supplies	859.42
Commodities	<u>6,920.05</u>
Total	<u>\$ 8,934.61</u>

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 153,671.00	\$ -	\$ -	\$ 153,671.00
Total Capital Assets, not being Depreciated	<u>153,671.00</u>	<u>-</u>	<u>-</u>	<u>153,671.00</u>
Capital Assets, being Depreciated:				
Land Improvements	170,059.00	27,110.50		197,169.50
Buildings and Improvements	7,546,183.05	1,143,816.00		8,689,999.05
Equipment	<u>818,859.04</u>	<u>80,153.78</u>		<u>899,012.82</u>
Total Capital Assets, being Depreciated	<u>8,535,101.09</u>	<u>1,251,080.28</u>	<u>-</u>	<u>9,786,181.37</u>
Total Capital Assets, Cost	<u>8,688,772.09</u>	<u>1,251,080.28</u>	<u>-</u>	<u>9,939,852.37</u>
Less Accumulated Depreciation:				
Land Improvements	(50,522.43)	(12,634.13)		(63,156.56)
Buildings and Improvements	(5,293,875.79)	(218,193.84)		(5,512,069.63)
Equipment	<u>(243,429.61)</u>	<u>(89,799.43)</u>		<u>(333,229.04)</u>
Total Accumulated Depreciation	<u>(5,587,827.83)</u>	<u>(320,627.40)</u>	<u>-</u>	<u>(5,908,455.23)</u>
Total Capital Assets, being Depreciated, Net	<u>2,947,273.26</u>	<u>930,452.88</u>	<u>-</u>	<u>3,877,726.14</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,100,944.26</u>	<u>\$ 930,452.88</u>	<u>\$ -</u>	<u>\$ 4,031,397.14</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 33,028.00	\$ -	\$ -	\$ 33,028.00
Total Capital Assets, being Depreciated	<u>33,028.00</u>	<u>-</u>	<u>-</u>	<u>33,028.00</u>
Less Accumulated Depreciation for:				
Equipment	<u>(27,507.53)</u>	<u>(1,108.24)</u>		<u>(28,615.77)</u>
Total Accumulated Depreciation	<u>(27,507.53)</u>	<u>(1,108.24)</u>	<u>-</u>	<u>(28,615.77)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 5,520.47</u>	<u>\$ (1,108.24)</u>	<u>\$ -</u>	<u>\$ 4,412.23</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:

Regular Instruction	\$ 15,467.13
Plant Operations and Maintenance	113,640.02
General Administration	7,743.00
Unallocated	<u>183,777.25</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 320,627.40</u>
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Business-Type Activities:

Food Service	<u>\$ 1,108.24</u>
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Total Depreciation Expense - Business-Type Activities	<u>\$ 1,108.24</u>
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Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2024</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 875,000.00	\$ -	\$ (125,000.00)	\$ 750,000.00	\$ 115,000.00
Other Liabilities:					
Net Pension Liability	564,595.00	511,357.00	(294,690.00)	781,262.00	
Compensated Absences	<u>70,483.84</u>	<u>7,347.11</u>	<u>(31,891.31)</u>	<u>45,939.64</u>	
Governmental Activities					
Long-term Liabilities	<u>\$ 1,510,078.84</u>	<u>\$ 518,704.11</u>	<u>\$ (451,581.31)</u>	<u>\$ 1,577,201.64</u>	<u>\$ 115,000.00</u>

The bonds payable are generally liquidated by the debt service fund, while net pension liability and compensated absences are liquidated by the general fund.

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

On July 15, 2015, the School District issued \$1,626,000.00 general obligation bonds at interest rates varying from 3.00% to 3.25% for various improvements and renovations to the Merchantville Elementary School as well as its playground and parking areas and to acquire the necessary equipment as well as undertake any associated site work. The final maturity of these bonds is July 15, 2030. The bonds will be paid from property taxes.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Bonds Payable (Cont'd) - Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 115,000.00	\$ 21,400.00	\$ 136,400.00
2026	115,000.00	17,950.00	132,950.00
2027	110,000.00	14,575.00	124,575.00
2028	110,000.00	11,275.00	121,275.00
2029	100,000.00	8,062.50	108,062.50
2030-2031	<u>200,000.00</u>	<u>6,500.00</u>	<u>206,500.00</u>
Total	<u>\$ 750,000.00</u>	<u>\$ 79,762.50</u>	<u>\$ 829,762.50</u>

Bonds Authorized but not Issued - As of June 30, 2024, the School District had no authorizations to issue additional bonded debt.

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Empower (formerly Prudential Financial).

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

Teachers' Pension and Annuity Fund - The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The membership tiers for PERS are the same as previously noted for TPAF.

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. The State's contribution is based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 30.69% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2024 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$1,080,982.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$267,298.86.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2023. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and an amortization of the unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2024 was 15.39% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2023, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2024 was \$72,090.00, and was paid by April 1, 2024. School District employee contributions to the Plan during the fiscal year ended June 30, 2024 were \$40,647.55.

Note 8: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the School District, under Chapter 133, P.L. 2001, for the fiscal year ended June 30, 2024 was .45% of the School District's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2024 was \$2,436.00. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the School District, to the pension plan for the year ended June 30, 2023 was \$1,188.00.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2024, employee contributions totaled \$18,581.88, and the School District recognized pension expense, which equaled the required contributions, of \$6,558.37. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2024, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	13,239,821.00
	<u>\$ 13,239,821.00</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. For the June 30, 2023 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2023 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was .0259438148%, which was a decrease of .0020818594% from its proportion measured as of June 30, 2022.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2023 measurement date, was \$325,264.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The School District reported a liability of \$781,262.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2023 measurement date, the School District's proportion was .0053938294%, which was an increase of .0016526555% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2024, the School District recognized pension (benefit) expense of \$16,186.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2023 measurement date.

For the fiscal year ended June 30, 2024, the State's proportionate share of the pension (benefit) expense, associated with the School District, under Chapter 133, P.L. 2001, calculated by the Plan as of June 30, 2023 measurement date, was \$2,436.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Deferred Outflows and Inflows of Resources - At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows Resources</u>
Differences between Expected and Actual Experience	\$ 7,470.00	\$ 3,194.00
Changes of Assumptions	1,716.00	47,348.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,598.00	-
Changes in Proportion and Differences between Contribution and Proportionate Share of Contributions	231,732.00	100,341.00
Contributions Subsequent to the Measurement Date	83,416.00	-
	<u>\$ 327,932.00</u>	<u>\$ 150,883.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$83,416.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	
2025	\$ (29,226.00)
2026	6,424.00
2027	64,428.00
2028	47,571.00
2029	4,436.00
	<u>\$ 93,633.00</u>

The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2019	5.00	-
June 30, 2019	5.21	-	June 30, 2020	5.00	-
June 30, 2020	5.16	-	June 30, 2021	5.00	-
June 30, 2021	-	5.13	June 30, 2022	5.00	-
June 30, 2022	-	5.04	June 30, 2023	5.00	-
June 30, 2023	5.08	-			
Changes of Assumptions			Changes in Proportion		
Year of Pension Plan Deferral:			Year of Pension Plan Deferral:		
June 30, 2018	-	5.63	June 30, 2018	5.63	5.63
June 30, 2019	-	5.21	June 30, 2019	5.21	5.21
June 30, 2020	-	5.16	June 30, 2020	5.16	5.16
June 30, 2021	5.13	-	June 30, 2021	5.13	5.13
June 30, 2022	-	5.04	June 30, 2022	5.04	5.04
			June 30, 2023	5.08	5.08

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2022. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 4.25%	2.75% - 6.55%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2023 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2023, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2023 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Employer	15,612,152.00	13,239,821.00	11,241,755.00
	<u>\$ 15,612,152.00</u>	<u>\$ 13,239,821.00</u>	<u>\$ 11,241,755.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2023, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 1,017,037.00	\$ 781,262.00	\$ 580,587.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

Contributions - The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey (the "State") in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms - At June 30, 2023, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	152,383
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>369,595</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2024 was \$14,302,863.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. For the June 30, 2023 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was .0273155220%, which was an increase of .0011592196% from its proportion measured as of June 30, 2022.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2022, which was rolled forward to June 30, 2023, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases	2.75% to 4.25%	2.75% to 6.55%	3.25% to 16.25%

* based on service years

Mortality Rates - Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Experience Studies - The actuarial assumptions used in the June 30, 2022 valuation, which was rolled forward to June 30, 2023, were based on the results of actuarial experience studies for the periods July 1, 2018 to June 30, 2021 for TPAF, PERS, and PFRS.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate - The discount rate for June 30, 2023 measurement date was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability**

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2023		\$ 13,247,242.00
Changes for the Year:		
Service Cost	\$ 499,974.00	
Interest Cost	503,729.00	
Difference between Expected and Actual Experience	402,845.00	
Changes in Assumptions	28,829.00	
Member Contributions	12,909.00	
Gross Benefit Payments	(392,665.00)	
Net Changes		<u>1,055,621.00</u>
Balance at June 30, 2024		<u>\$ 14,302,863.00</u>

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2022 to June 30, 2023 due to changes in the census and premium and claims experience.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2022 to June 30, 2023 due to the combined effect of the discount rate change; and changes in the trend update.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a discount rate of 3.65%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 16,767,651.00</u>	<u>\$ 14,302,863.00</u>	<u>\$ 12,323,924.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2023, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the Employer	<u>\$ 11,873,581.00</u>	<u>\$ 14,302,863.00</u>	<u>\$ 17,481,584.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability**

OPEB Expense - For the fiscal year ended June 30, 2024, the School District recognized \$482,547.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2023 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2024, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 2,086,829.00	\$ 3,767,231.00
Changes of Assumptions	2,033,885.00	3,947,079.00
Changes in Proportion	<u>2,200,514.00</u>	<u>622,801.00</u>
	<u>\$ 6,321,228.00</u>	<u>\$ 8,337,111.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2025	\$ (520,152.00)
2026	(520,152.00)
2027	(425,119.00)
2028	(110,987.00)
2029	203,925.00
Thereafter	<u>(643,398.00)</u>
	<u>\$ (2,015,883.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2024, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,145,100.00, \$13,059.00, \$315,208.00, and \$711.00, respectively.

Note 11: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30.</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
					<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2024	\$ -	\$ 8,062.53	\$ 392.22	\$ 23,694.30	\$ 1,623.11	\$ 39,834.54
2023	-	7,888.98	204.61	3,059.98	17,254.88	39,442.32
2022	-	6,692.05	46.45		12,425.88	39,237.71

Joint Insurance Fund - The School District is a member of the Burlington County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation
General Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Educator's Legal Liability
Pollution Legal Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Property and Crime
Excess General Liability and Automobile Liability
Excess Workers' Compensation
Excess Educators Legal Liability

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

Burlington County Insurance Pool JIF
P.O. Box 449
Marlton, New Jersey 08053

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

**Seeley Agency
Lincoln Investment Planning
Vanguard Funds
Equitable**

Note 13: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. Upon retirement with not less than fifteen (15) years of service in the District, the District shall pay the employee for unused sick leave in accordance with the district's agreement with the employee union. Vacation days not used by the end of the year may only be carried forward with the approval of the Chief School Administrator.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2024, the liability for compensated absences reported on the government-wide statement of net position was \$45,939.64.

Note 14: INTERFUND RECEIVABLES AND PAYABLES

Interfunds - The composition of interfund balances as of June 30, 2024 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 537,797.77	
Special Revenue		\$ 483,576.32
Food Service		54,221.45
Totals	<u>\$ 537,797.77</u>	<u>\$ 537,797.77</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2025, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: DEFICIT FUND BALANCES

The School District has a deficit unassigned fund balance of (\$222,910.10) in the general fund and (\$6,300.90) in the special revenue fund as of June 30, 2024 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of (\$229,211.00) is less than the June state aid payments.

Note 18: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Capital Reserve Account - As of June 30, 2024, the balance in the capital reserve account is \$3,436,713.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). Additionally, \$2,436,297.00 of the \$3,436,713.00 capital reserve balance has been designated for utilization in the 2024-2025 budget.

For Maintenance Reserve Account - As of June 30, 2024, the balance in the maintenance reserve account is \$81,183.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Additionally, \$81,127.00 of the \$81,183.00 capital reserve balance has been designated for utilization in the 2024-2025 budget.

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$1,799,008.73. Additionally, \$990,000.00 of excess fund balance generated during 2022-2023 has been restricted and designated for utilization in the 2024-2025 budget.

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2024 a restricted fund balance from employer contributions in the amount of \$39,834.54 for future unemployment claims.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2024 is \$18,965.70.

Note 18: FUND BALANCES (CONT'D)**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2025 \$73,857.00 of general fund balance at June 30, 2024.

Other Purposes - As of June 30, 2024, the School District had \$6,813.08 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2024, the fund balance of the general fund was a deficit of (\$222,910.10), thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of (\$222,910.10) is less than the last state aid payment.

Special Revenue Fund - As of June 30, 2024, the fund balance of the special revenue fund was a deficit of (\$6,300.90), thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of (\$6,300.90) is equal to the June state aid payments.

Note 19: TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

The Borough of Merchantville has entered into various property tax abatement agreements with properties having aggregate assessed valuations of \$9,449,000.00. Based on the School District's 2024 certified tax rate of \$2.585, abated taxes totaled \$244,256.65 of which the Borough remitted \$38,027.00 to the School District.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 6,127,127.00		\$ 6,127,127.00	\$ 6,127,127.00	
Tuition				860.84	\$ 860.84
Maintenance Reserve Interest	80.00		80.00	56.00	(24.00)
Capital Reserve Interest	500.00		500.00	415.76	(84.24)
Interest on Investment				48,069.69	48,069.69
Other Restricted Miscellaneous Revenues				392.22	392.22
Unrestricted Miscellaneous Revenues				248,788.04	248,788.04
Total - Local Sources	6,127,707.00	\$ -	6,127,707.00	6,425,709.55	298,002.55
State Sources:					
School Choice Aid	278,176.00		278,176.00	278,176.00	
Transportation Aid	111,609.00		111,609.00	111,609.00	
Extraordinary Aid				52,599.00	52,599.00
Special Education Categorical Aid	472,283.00		472,283.00	472,283.00	
Equalization Aid	4,337,510.00		4,337,510.00	4,337,510.00	
Security Aid	133,028.00		133,028.00	133,028.00	
State Reimbursement Non-Public Transportation				5,005.00	5,005.00
State Reimbursement Homeless				13,897.00	13,897.00
On-behalf TPAF Pension Contributions (non-budgeted)				1,145,100.00	1,145,100.00
On-behalf TPAF Non-Contributory Group Insurance (non-budgeted)				13,059.00	13,059.00
On-behalf TPAF Post-Retirement Medical Contributions (non-budgeted)				315,208.00	315,208.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				711.00	711.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				259,480.22	259,480.22
Total - State Sources	5,332,606.00	-	5,332,606.00	7,137,665.22	1,805,059.22
Federal Sources:					
P-EBT Administrative				653.00	653.00
Total - Federal Sources	-	-	-	653.00	653.00
Total Revenues	11,460,313.00	-	11,460,313.00	13,564,027.77	2,103,714.77

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 55,000.00	\$ 10,507.00	\$ 65,507.00	\$ 9,766.00	\$ 55,741.00
Kindergarten	200,000.00		200,000.00	199,572.02	427.98
Grades 1-5	1,070,000.00	(43,007.00)	1,026,993.00	993,625.37	33,367.63
Grades 6-8	792,176.00	(69,131.00)	723,045.00	674,257.80	48,787.20
Regular Programs - Home Instruction:					
Salaries of Teachers	3,200.00		3,200.00	1,462.00	1,738.00
Purchased Professional - Educational Services	8,000.00	(4,514.00)	3,486.00	3,040.00	446.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	25,000.00	2,312.00	27,312.00	23,042.87	4,269.13
Purchased Professional - Educational Services	17,000.00		17,000.00	900.00	16,100.00
Purchased Technical Services	50,500.00	(50,500.00)			
Other Purchased Services (400-500 Series)	61,495.00	(36,036.00)	25,459.00	24,522.81	936.19
General Supplies	289,182.87	102,819.00	392,001.87	383,423.23	8,578.64
Total Regular Programs	2,571,553.87	(87,550.00)	2,484,003.87	2,313,612.10	170,391.77
Special Education Programs - Instruction:					
Resource Room / Resource Center:					
Salaries of Teachers	500,000.00	(29,519.00)	470,481.00	458,753.21	11,727.79
Other Salaries for Instruction	240,000.00	3,573.00	243,573.00	243,572.51	0.49
General Supplies	3,000.00	972.00	3,972.00	3,935.02	36.98
Total Resource Room / Resource Center	743,000.00	(24,974.00)	718,026.00	706,260.74	11,765.26
Preschool Disabilities - Full Time:					
Salaries of Teachers		64,922.00	64,922.00	64,921.51	0.49
Total Preschool Disabilities - Full Time	-	64,922.00	64,922.00	64,921.51	0.49
Total Special Education - Instruction	743,000.00	39,948.00	782,948.00	771,182.25	11,765.75
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	340,000.00	(6,476.00)	333,524.00	268,469.58	65,054.42
General Supplies	3,000.00	(936.00)	2,064.00		2,064.00
Total Basic Skills / Remedial - Instruction	343,000.00	(7,412.00)	335,588.00	268,469.58	67,118.42

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 10,000.00		\$ 10,000.00		\$ 10,000.00
Contracted Substitutes	2,000.00		2,000.00		2,000.00
General Supplies	200.00		200.00		200.00
Total Bilingual Education - Instruction	12,200.00	\$ -	12,200.00	\$ -	12,200.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	42,000.00		42,000.00	32,387.56	9,612.44
Supplies and Materials	1,000.00		1,000.00		1,000.00
Total School Sponsored Cocurricular Activities - Instruction	43,000.00	-	43,000.00	32,387.56	10,612.44
School Sponsored Athletics - Instruction:					
Salaries	40,000.00		40,000.00	20,070.00	19,930.00
Purchased Services (300-500 series)	6,000.00		6,000.00	4,651.00	1,349.00
Supplies and Materials	5,000.00		5,000.00	3,310.82	1,689.18
Other Objectives	1,800.00		1,800.00		1,800.00
Total School Sponsored Athletics - Instruction	52,800.00	-	52,800.00	28,031.82	24,768.18
Total Instruction	3,765,553.87	(55,014.00)	3,710,539.87	3,413,683.31	296,856.56
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within State - Regular	2,000,000.00	(12,124.00)	1,987,876.00	1,940,047.00	47,829.00
Tuition to Other LEAs Within State - Special	640,000.00	(28,398.00)	611,602.00	457,220.88	154,381.12
Tuition to County Voc. School Dist.-Regular	32,000.00	12,124.00	44,124.00	44,124.00	
Tuition to CSSD and Regional Day Schools	422,400.00	(125,469.00)	296,931.00	127,151.50	169,779.50
Tuition to Private Schools for the Disabled - Within State	600,000.00	(89,680.00)	510,320.00	200,776.31	309,543.69
Total Undistributed Expenditures - Instruction	3,694,400.00	(243,547.00)	3,450,853.00	2,769,319.69	681,533.31

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Health Services:					
Salaries	\$ 80,000.00	\$ 11,052.00	\$ 91,052.00	\$ 67,079.00	\$ 23,973.00
Purchased Professional and Technical Services	3,000.00		3,000.00	3,000.00	
Other Purchased Services		195.00	195.00	195.00	
Supplies and Materials	4,000.00	(185.80)	3,814.20	749.09	3,065.11
Total Undistributed Expenditures - Health Services	87,000.00	11,061.20	98,061.20	71,023.09	27,038.11
Undistributed Expenditures - Other Support Services -					
Students - Related Services:					
Salaries	82,000.00		82,000.00	81,989.00	11.00
Purchased Professional - Educational Services	85,000.00	85,193.00	170,193.00	162,293.36	7,899.64
Supplies and Materials	2,010.20	2,304.80	4,315.00	4,282.99	32.01
Total Undistributed Expenditures - Other Support Services -					
Students - Related Services	169,010.20	87,497.80	256,508.00	248,565.35	7,942.65
Undistributed Expenditures - Other Support Services -					
Students - Extra Services:					
Purchased Professional - Educational Services	35,000.00	(35,000.00)			
Total Undistributed Expenditures - Other Support Services -					
Students - Extra Services	35,000.00	(35,000.00)	-	-	-
Undistributed Expenditures - Other Support Services -					
Students - Guidance:					
Salaries of Other Professional Staff	50,000.00	62,581.00	112,581.00	58,374.87	54,206.13
Total Undistributed Expenditures - Other Support Services -					
Students - Guidance	50,000.00	62,581.00	112,581.00	58,374.87	54,206.13

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:					
Salaries of Other Professional Staff	\$ 210,000.00		\$ 210,000.00	\$ 202,605.75	\$ 7,394.25
Purchased Professional - Educational Services	15,000.00	\$ 11,305.00	26,305.00	24,964.03	1,340.97
Supplies and Materials	6,941.20	(4,864.00)	2,077.20	1,635.16	442.04
Other Objects	3,000.00	(1,280.00)	1,720.00	1,720.00	
Total Undistributed Expenditures - Other Support Services -					
Students - Child Study Team:	234,941.20	5,161.00	240,102.20	230,924.94	9,177.26
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	120,000.00		120,000.00	98,960.16	21,039.84
Purchase Professional- Educational Service		7,187.00	7,187.00	1,593.25	5,593.75
Other Purchased Services	3,000.00	(300.00)	2,700.00	2,699.81	0.19
Supplies and Materials	2,000.00	(2,000.00)			
Total Undistributed Expenditures - Improvement of Instruction Services	125,000.00	4,887.00	129,887.00	103,253.22	26,633.78
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries		55,014.00	55,014.00	53,744.94	1,269.06
Total Undistributed Expenditures - Educational Media Services / School Library	-	55,014.00	55,014.00	53,744.94	1,269.06
Undistributed Expenditures - Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	7,300.00	(3,717.00)	3,583.00		3,583.00
Total Undistributed Expenditures - Instructional Staff Training Services	7,300.00	(3,717.00)	3,583.00	-	3,583.00

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 255,000.00	\$ 5,000.00	\$ 260,000.00	\$ 253,430.95	\$ 6,569.05
Legal Services	12,000.00		12,000.00	10,984.29	1,015.71
Audit Fees	32,000.00	16,800.00	48,800.00	48,800.00	
Other Purchased Professional Services	12,050.00		12,050.00	7,020.36	5,029.64
Purchased Technical Service	3,000.00	5,789.00	8,789.00	5,788.60	3,000.40
Communications / Telephone	30,220.97	(2,023.00)	28,197.97	26,692.05	1,505.92
BOE Other Purchased Services	500.00	(221.00)	279.00		279.00
Other Purchased Services (400-500 series)	14,000.00	(7,408.00)	6,592.00	188.50	6,403.50
General Supplies	2,500.00		2,500.00	167.90	2,332.10
Miscellaneous Expenditures	6,000.00		6,000.00	4,965.00	1,035.00
BOE Membership Dues and Fees	4,000.00	4,563.00	8,563.00	6,062.83	2,500.17
Total Undistributed Expenditures - Support Services - General Administration	371,270.97	22,500.00	393,770.97	364,100.48	29,670.49
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	5,000.00		5,000.00	4,999.92	0.08
Salaries of Secretarial and Clerical Assistants	55,000.00		55,000.00	52,195.20	2,804.80
Unused Vacation Payment to Terminated/Retired Staff - Normal Retirements	9,000.00	(1,857.00)	7,143.00	1,380.00	5,763.00
Supplies and Materials	3,000.00	2,183.00	5,183.00	2,984.18	2,198.82
Other Objects	1,500.00	2,174.00	3,674.00	2,559.00	1,115.00
Total Undistributed Expenditures - Support Services - School Administration	73,500.00	2,500.00	76,000.00	64,118.30	11,881.70
Undistributed Expenditures - Central Services:					
Purchased Professional Service	141,000.00		141,000.00	140,775.00	225.00
Purchased Technical Service	7,500.00	1,402.00	8,902.00	8,901.65	0.35
Miscellaneous Purchased Services	500.00	1,489.00	1,989.00	1,030.00	959.00
Supplies and Materials		94.00	94.00	58.06	35.94
Total Undistributed Expenditures - Central Services	149,000.00	2,985.00	151,985.00	150,764.71	1,220.29
Undistributed Expenditures - Administration Information Technology:					
Salaries	20,000.00	5,237.00	25,237.00	25,236.20	0.80
Supplies and Materials	2,300.00	(2,300.00)			
Total Undistributed Expenditures - Administration Information Technology	22,300.00	2,937.00	25,237.00	25,236.20	0.80

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	\$ 35,000.00	\$ 812.00	\$ 35,812.00	\$ 35,811.12	\$ 0.88
Cleaning, Repair and Maintenance Services	192,912.00	(21,588.00)	171,324.00	109,808.77	61,515.23
General Supplies	37,500.00	(14,190.00)	23,310.00	3,213.46	20,096.54
Total Undistributed Expenditures - Required Maintenance for School Facilities	265,412.00	(34,966.00)	230,446.00	148,833.35	81,612.65
Undistributed Expenditures - Operation and Maintenance of Plant Services:					
Salaries	260,000.00	(24,541.00)	235,459.00	182,657.46	52,801.54
Purchased Professional and Technical Services		970.00	970.00	970.00	
Cleaning, Repair and Maintenance Services	45,612.00	59,507.00	105,119.00	104,319.00	800.00
Other Purchased Property Services	6,000.00		6,000.00	5,712.00	288.00
Insurance	40,000.00		40,000.00	39,743.00	257.00
General Supplies	70,979.41		70,979.41	58,666.80	12,312.61
Energy (Electricity)	75,000.00	10,000.00	85,000.00	65,221.58	19,778.42
Energy (Natural Gas)	85,000.00	(10,970.00)	74,030.00	36,313.88	37,716.12
Other Objects	500.00		500.00	374.00	126.00
Total Undistributed Expenditures - Operation and Maintenance of Plant Services	583,091.41	34,966.00	618,057.41	493,977.72	124,079.69
Undistributed Expenditures - Student Transportation Services:					
Management Fee - ESC & CTSA Trans. Program	40,000.00		40,000.00	34,213.93	5,786.07
Non-public	25,000.00		25,000.00	9,902.50	15,097.50
Charter	10,000.00		10,000.00	1,909.25	8,090.75
Choice	5,000.00	1,408.00	6,408.00	6,407.50	0.50
Contracted Services (Special Education) - Vendors	10,000.00	4,787.00	14,787.00	14,786.84	0.16
Contracted Services (Regular Education) - ESCs & CTSA's	290,000.00	53,357.00	343,357.00	343,356.24	0.76
Contracted Services (Special Education) - ESCs & CTSA's	370,000.00	(59,552.00)	310,448.00	200,196.62	110,251.38
Total Undistributed Expenditures - Student Transportation Services	750,000.00	-	750,000.00	610,772.88	139,227.12

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Unallocated Benefits:					
Social Security Contributions	\$ 100,000.00	\$ 51,985.00	\$ 151,985.00	\$ 151,984.46	\$ 0.54
Other Retirement Contributions - PERS	70,000.00	8,649.00	78,649.00	78,648.37	0.63
Unemployment Compensation	10,000.00		10,000.00		10,000.00
Workmen's Compensation	50,000.00		50,000.00	45,904.00	4,096.00
Health Benefits	1,225,000.00	(59,567.00)	1,165,433.00	713,656.90	451,776.10
Tuition Reimbursement	22,000.00		22,000.00	20,004.00	1,996.00
Other Employee Benefits	40,000.00	(1,067.00)	38,933.00	35,746.43	3,186.57
Total Unallocated Benefits	1,517,000.00	-	1,517,000.00	1,045,944.16	471,055.84
On-behalf Contributions (non-budgeted):					
On-behalf TPAF Pension Contributions (non-budgeted)				1,145,100.00	(1,145,100.00)
On-behalf TPAF Non-Contributory Group Insurance (non-budgeted)				13,059.00	(13,059.00)
On-behalf TPAF Post-Retirement Medical Contributions (non-budgeted)				315,208.00	(315,208.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				711.00	(711.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				259,480.22	(259,480.22)
Total On-behalf Contributions	-	-	-	1,733,558.22	(1,733,558.22)
Interest Deposit to Maintenance Reserve	80.00	-	80.00	-	80.00
Total Undistributed Expenditures	8,134,305.78	(25,140.00)	8,109,165.78	8,172,512.12	(63,346.34)
Total Current Expense	11,899,859.65	(80,154.00)	11,819,705.65	11,586,195.43	233,510.22
Capital Outlay:					
Interest Deposit to Capital Reserve	500.00	-	500.00	-	500.00
Equipment:					
Technology Equipment		56,342.00	56,342.00	56,341.78	0.22
Undistributed Expenditures - Security		23,812.00	23,812.00	15,535.00	8,277.00
Total Equipment	-	80,154.00	80,154.00	71,876.78	8,277.22

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

General Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Modifications / Transfers	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES (CONT'D):					
Capital Outlay (Cont'd):					
Facilities Acquisition and Constructing Services:					
Architect / Engineer Services	\$ 156,928.00		\$ 156,928.00	\$ 27,110.50	\$ 129,817.50
Construction Services	3,438,407.00		3,438,407.00	1,143,816.00	2,294,591.00
Assessment for Debt Service on SDA Funding	387.00		387.00	387.00	
Total Facilities Acquisition and Constructing Services	3,595,722.00	\$ -	3,595,722.00	1,171,313.50	2,424,408.50
Total Capital Outlay	3,596,222.00	80,154.00	3,676,376.00	1,243,190.28	2,433,185.72
Transfer of Funds to Charter Schools	255,297.00		255,297.00	188,718.00	66,579.00
Total Expenditures	15,751,378.65	-	15,751,378.65	13,018,103.71	2,733,274.94
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,291,065.65)	-	(4,291,065.65)	545,924.06	4,836,989.71
Fund Balance -- July 1	6,189,089.29	-	6,189,089.29	6,189,089.29	-
Fund Balance -- June 30	\$ 1,898,023.64	\$ -	\$ 1,898,023.64	\$ 6,735,013.35	\$ 4,836,989.71
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 1,000,416.00	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,436,297.00	
Maintenance Reserve				56.00	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				81,127.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				990,000.00	
Excess Surplus - Current Year				1,799,008.73	
Unemployment Compensation				39,834.54	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				73,857.00	
Year-End Encumbrances				6,813.08	
Unassigned Fund Balance				307,604.00	
				6,735,013.35	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments Not Recognized on GAAP Basis				530,514.10	
Fund Balance per Governmental Funds (GAAP)				\$ 6,204,499.25	

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information - Part II
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers / Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable / (Unfavorable)</u>
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ 3,000.00		\$ 3,000.00	\$ 17,191.16	\$ 14,191.16
Total - Local Sources	3,000.00	\$ -	3,000.00	17,191.16	14,191.16
State Sources:					
Preschool Education Aid	63,009.00		63,009.00	63,009.00	
Nonpublic Aid	183,347.00	62,287.00	245,634.00	198,625.95	(47,008.05)
SDA Emergent and Capital Needs		26,421.00	26,421.00	26,421.00	
Total - State Sources	246,356.00	88,708.00	335,064.00	288,055.95	(47,008.05)
Federal Sources:					
Title I, Part A	86,555.00	43,008.00	129,563.00	125,339.00	(4,224.00)
Title II, Part A	26,443.00	10,483.00	36,926.00	20,800.00	(16,126.00)
Title IV	8,046.00	2,761.00	10,807.00	9,817.71	(989.29)
I.D.E.A., Part B, Basic	130,443.00	38,145.00	168,588.00	159,530.49	(9,057.51)
I.D.E.A., Part B, Preschool Incentive		7,096.00	7,096.00	7,096.00	
Education Stabilization Fund:					
A.R.P. ESSER		98,651.64	98,651.64	98,651.64	
A.R.P. ESSER - Accelerated Learning Coach and Educator Support		31,241.00	31,241.00	31,241.00	
A.R.P. ESSER - Evidence Based Summer Learning and Enrichment		24,975.00	24,975.00	24,975.00	
A.R.P. ESSER - Evidence Based Comprehensive Beyond the School Day		40,000.00	40,000.00	40,000.00	
A.R.P. ESSER - NJTSS Mental Health Support		4,047.37	4,047.37	4,047.37	
Total - Federal Sources	251,487.00	300,408.01	551,895.01	521,498.21	(30,396.80)
Total Revenues	500,843.00	389,116.01	889,959.01	826,745.32	(63,213.69)

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Special Revenue Fund

Required Supplementary Information - Part II

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget Transfers / Modifications	Final Budget	Actual	Variance Final to Actual Favorable / (Unfavorable)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 120,081.62	\$ 64,727.37	\$ 184,808.99	\$ 184,808.99	
Purchased Professional and Technical Services	77,881.69	27,623.31	105,505.00	84,371.84	\$ 21,133.16
Other Purchased Services (400-500 series)	107,771.11	24,031.89	131,803.00	131,803.00	
Supplies and Materials	8,184.11	54,159.51	62,343.62	61,354.33	989.29
General Supplies	46,303.16	4,242.84	50,546.00	50,161.76	384.24
Textbooks	10,619.08	884.92	11,504.00	11,504.00	
Total Instruction	370,840.76	175,669.85	546,510.61	524,003.92	22,506.69
Support Services:					
Personal Services - Salaries	4,143.40	116,702.00	120,845.40	120,845.40	
Personal Services - Employee Benefits	25,200.87	11,292.13	36,493.00	36,493.00	
Purchased Professional and Technical Services	49,114.89	25,271.11	74,386.00	49,202.49	25,183.51
Purchased Professional - Educational Services	48,543.08	29,535.92	78,079.00	52,588.35	25,490.65
Supplies and Materials		4,224.00	4,224.00		4,224.00
Student Activities	3,000.00		3,000.00	17,654.91	(14,654.91)
Total Support Services	130,002.24	187,025.16	317,027.40	276,784.15	40,243.25
Facilities Acquisition and Construction Services:					
Noninstructional Equipment	-	26,421.00	26,421.00	26,421.00	-
Total Expenditures	500,843.00	389,116.01	889,959.01	827,209.07	62,749.94
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	(463.75)	\$ (463.75)
Fund Balance, July 1				19,429.45	
Fund Balance, June 30				\$ 18,965.70	
Recapitulation:					
Restricted Fund Balance - Student Activities				\$ 18,965.70	
Reconciliation to Governmental Funds Statements (GAAP)					
Fiscal Year 2024 Last State Aid Payments not recognized on GAAP Basis				(6,300.90)	
Fund Balance per Governmental Funds (GAAP)				\$ 12,664.80	

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Required Supplementary Information - Part II

Budgetary Comparison Schedule

Note to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules (C-series)	\$ 13,564,027.77	\$ 826,745.32
The last State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2023.	503,184.90	4,629.10
The last State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2024.	<u>(530,514.10)</u>	<u>(6,300.90)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 13,536,698.57</u>	<u>\$ 825,073.52</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-series)	\$ 13,018,103.71	\$ 827,209.07
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 13,018,103.71</u>	<u>\$ 827,209.07</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net Pension Liability	0.0053938294%	0.0037411739%	0.0043300570%	0.0042836527%	0.0049312976%
School District's Proportionate Share of the Net Pension Liability	\$ 781,262.00	\$ 564,595.00	\$ 512,960.00	\$ 698,552.00	\$ 888,545.00
School District's Covered Payroll (Plan Measurement Period)	\$ 338,764.00	\$ 293,016.00	\$ 333,076.00	\$ 325,656.00	\$ 377,540.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	230.62%	192.68%	154.01%	214.51%	245.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	Measurement Date Ending June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's Proportion of the Net Pension Liability	0.0042402713%	0.0047036183%	0.0041316513%	0.0033533713%	0.0031974116%
School District's Proportionate Share of the Net Pension Liability	\$ 834,888.00	\$ 1,094,927.00	\$ 1,223,677.00	\$ 752,765.00	\$ 598,643.00
School District's Covered Payroll (Plan Measurement Period)	\$ 312,952.00	\$ 340,196.00	\$ 298,876.00	\$ 245,524.00	\$ 233,912.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	268.39%	321.85%	409.43%	306.60%	255.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Ten Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 83,416.00	\$ 72,090.00	\$ 47,178.00	\$ 50,710.00	\$ 46,861.00
Contributions in Relation to the Contractually Required Contribution	<u>(83,416.00)</u>	<u>(72,090.00)</u>	<u>(47,178.00)</u>	<u>(50,710.00)</u>	<u>(46,861.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 541,966.00	\$ 469,003.00	\$ 335,822.00	\$ 315,160.00	\$ 328,709.00
Contributions as a Percentage of School District's Covered Payroll	15.39%	15.37%	14.05%	16.09%	14.26%
	Fiscal Year Ended June 30,				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 47,967.00	\$ 42,177.00	\$ 43,574.00	\$ 36,705.00	\$ 28,830.00
Contributions in Relation to the Contractually Required Contribution	<u>(47,967.00)</u>	<u>(42,177.00)</u>	<u>(43,574.00)</u>	<u>(36,705.00)</u>	<u>(28,830.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 308,134.00	\$ 326,400.00	\$ 311,104.00	\$ 309,567.00	\$ 278,662.00
Contributions as a Percentage of School District's Covered Payroll	15.57%	12.92%	14.01%	11.86%	10.35%

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of the School District's Proportionate Share of the Net Pension Liability
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Plan Years

	Measurement Date Ending June 30,				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>14,012,212.00</u>	<u>14,459,683.00</u>	<u>13,128,010.00</u>	<u>16,125,409.00</u>	<u>14,865,230.00</u>
	<u>\$ 14,012,212.00</u>	<u>\$ 14,459,683.00</u>	<u>\$ 13,128,010.00</u>	<u>\$ 16,125,409.00</u>	<u>\$ 14,865,230.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 3,615,160.00	\$ 3,470,024.00	\$ 3,479,400.00	\$ 3,351,556.00	\$ 3,085,624.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	387.60%	416.70%	377.31%	481.13%	481.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%
	Measurement Date Ending June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the School District's Net Pension Liability	<u>16,200,349.00</u>	<u>15,548,398.00</u>	<u>19,667,188.00</u>	<u>16,285,513.00</u>	<u>12,693,563.00</u>
	<u>\$ 16,200,349.00</u>	<u>\$ 15,548,398.00</u>	<u>\$ 19,667,188.00</u>	<u>\$ 16,285,513.00</u>	<u>\$ 12,693,563.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 3,062,284.00	\$ 2,831,116.00	\$ 2,732,216.00	\$ 3,002,640.00	\$ 3,073,676.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	529.03%	549.20%	719.83%	542.37%	412.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Notes to Required Supplementary Information - Part III
 For the Fiscal Year Ended June 30, 2024

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	4.86%	2023	7.00%	2018	7.00%
2022	7.00%	2017	4.25%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.22%	2021	7.00%	2016	7.65%
2020	5.40%	2015	4.13%	2020	7.00%	2015	7.90%
2019	5.60%	2014	4.68%	2019	7.00%	2014	7.90%

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Changes in Assumptions:

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Schedule of Changes in the School District's
 Total OPEB Liability and Related Ratios
 Last Seven Plan Years

	<u>Measurement Date Ending June 30,</u>			
<u>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Changes for the Year:				
Service Cost	\$ 499,974.00	\$ 656,914.00	\$ 736,159.00	\$ 367,932.00
Interest Cost	503,729.00	351,067.00	386,237.00	350,871.00
Changes in Benefit Terms			(15,848.00)	
Difference Between Expected and Actual Experience	402,845.00	1,240,529.00	(3,082,395.00)	3,783,036.00
Changes in Assumptions	28,829.00	(3,553,692.00)	14,689.00	3,131,718.00
Member Contributions	12,909.00	11,156.00	9,874.00	9,047.00
Gross Benefit Payments	(392,665.00)	(347,742.00)	(304,246.00)	(298,472.00)
Net Change in Total Non-Employer OPEB Liability	1,055,621.00	(1,641,768.00)	(2,255,530.00)	7,344,132.00
Total Non-Employer OPEB Liability - July 1	13,247,242.00	14,889,010.00	17,144,540.00	9,800,408.00
Total Non-Employer OPEB Liability - June 30	<u>\$ 14,302,863.00</u>	<u>\$ 13,247,242.00</u>	<u>\$ 14,889,010.00</u>	<u>\$ 17,144,540.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 3,791,655.00</u>	<u>\$ 3,523,342.00</u>	<u>\$ 3,176,439.00</u>	<u>\$ 3,248,172.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	377.22%	375.99%	468.73%	527.82%
	<u>Measurement Date Ending June 30,</u>			
<u>Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Changes for the Year:				
Service Cost	\$ 329,654.00	\$ 403,803.00	\$ 484,284.00	
Interest Cost	412,539.00	481,731.00	415,959.00	
Changes in Benefit Terms				
Difference Between Expected and Actual Experience	(1,270,842.00)	(2,124,618.00)		
Changes in Assumptions	146,125.00	(1,202,042.00)	(1,676,497.00)	
Gross Benefit Payments	8,918.00	9,680.00	11,247.00	
Member Contributions	(300,843.00)	(280,094.00)	(305,425.00)	
Net Change in Total Non-Employer OPEB Liability	(674,449.00)	(2,711,540.00)	(1,070,432.00)	
Total Non-Employer OPEB Liability - July 1	10,474,857.00	13,186,397.00	14,256,829.00	
Total Non-Employer OPEB Liability - June 30	<u>\$ 9,800,408.00</u>	<u>\$ 10,474,857.00</u>	<u>\$ 13,186,397.00</u>	
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 3,062,365.00</u>	<u>\$ 2,955,622.00</u>	<u>\$ 2,852,420.00</u>	
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	320.03%	354.40%	462.29%	

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Notes to Required Supplementary Information - Part IV
 For the Fiscal Year Ended June 30, 2024

Changes in Benefit Terms:

None.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%
2020	2.21%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included trend update.

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.00%.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

		Every Student Succeeds Act (E.S.S.A.)			I.D.E.A. Part B, Basic	I.D.E.A. Part B, Preschool	Preschool Education Aid	NJ Nonpublic Technology Aid	NJ Nonpublic Textbook Aid, Ch. 194, L. 1979	Total Brought Forward
	Total	Title I - Part A	Title II - Part A	Title IV						
REVENUES:										
Federal Sources	\$ 521,498.21	\$ 125,339.00	\$ 20,800.00	\$ 9,817.71	\$ 159,530.49	\$ 7,096.00				\$ 198,915.01
State Sources	288,055.95						\$ 63,009.00	\$ 9,386.76	\$ 11,504.00	204,156.19
Local Sources	17,191.16									17,191.16
Total Revenues	826,745.32	125,339.00	20,800.00	9,817.71	159,530.49	7,096.00	63,009.00	9,386.76	11,504.00	420,262.36
EXPENDITURES:										
Instruction:										
Salaries of Teachers	184,808.99	82,646.00					63,009.00			39,153.99
Purchased Professional and Technical Services	84,371.84									84,371.84
Other Purchased Services (400-500 series)	131,803.00				131,803.00					
Supplies and Materials	61,354.33	200.00		9,817.71						51,336.62
General Supplies	50,161.76							9,386.76		40,775.00
Textbooks	11,504.00								11,504.00	
Total Instruction	524,003.92	82,846.00	-	9,817.71	131,803.00	-	63,009.00	9,386.76	11,504.00	215,637.45
Support Services:										
Personal Services - Salaries	120,845.40	6,000.00				7,096.00				107,749.40
Personal Services - Employee Benefits	36,493.00	36,493.00								
Purchased Professional and Technical Services	49,202.49		20,800.00		27,727.49					675.00
Purchased Professional - Educational Services	52,588.35									52,588.35
Student Activities	17,654.91									17,654.91
Total Support Services	276,784.15	42,493.00	20,800.00	-	27,727.49	7,096.00	-	-	-	178,667.66
Facilities Acquisition and Construction Services:										
Noninstructional Equipment	26,421.00									26,421.00
Facilities Acquisition and Construction Services	26,421.00	-	-	-	-	-	-	-	-	26,421.00
Total Expenditures	827,209.07	125,339.00	20,800.00	9,817.71	159,530.49	7,096.00	63,009.00	9,386.76	11,504.00	420,726.11
Excess (Deficiency) of Revenues Over (Under) Expenditures	(463.75)	-	-	-	-	-	-	-	-	(463.75)
Fund Balance, July 1	19,429.45	-	-	-	-	-	-	-	-	19,429.45
Fund Balance, June 30	\$ 18,965.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,965.70

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

		Chapter 192			Chapter 193					
	Total	NJ Nonpublic Comp Ed	NJ Nonpublic ESL	NJ Nonpublic Transportation	NJ Nonpublic Supplementary Instruction	NJ Nonpublic Examination & Classification	NJ Nonpublic Speech	NJ Nonpublic Nursing Services Aid, (Chapter 226)	NJ Nonpublic Security Aid	Total Brought Forward
REVENUES:										
Federal Sources	\$ 198,915.01									\$ 198,915.01
State Sources	204,156.19	\$ 58,075.40	\$ 2,655.24	\$ 5,469.20	\$ 15,776.60	\$ 24,832.55	\$ 6,510.00	\$ 23,641.20	\$ 40,775.00	26,421.00
Local Sources	17,191.16									17,191.16
Total Revenues	420,262.36	58,075.40	2,655.24	5,469.20	15,776.60	24,832.55	6,510.00	23,641.20	40,775.00	242,527.17
EXPENDITURES:										
Instruction:										
Salaries of Teachers	39,153.99									39,153.99
Purchased Professional and Technical Services	84,371.84	58,075.40	2,655.24					23,641.20		
Other Purchased Services (400-500 series)										
Supplies and Materials	51,336.62									51,336.62
General Supplies	40,775.00								40,775.00	
Textbooks										
Total Instruction	215,637.45	58,075.40	2,655.24	-	-	-	-	23,641.20	40,775.00	90,490.61
Support Services:										
Personal Services - Salaries	107,749.40									107,749.40
Personal Services - Employee Benefits										
Purchased Professional and Technical Services	675.00									675.00
Purchased Professional - Educational Services	52,588.35			5,469.20	15,776.60	24,832.55	6,510.00			
Student Activities	17,654.91									17,654.91
Total Support Services	178,667.66	-	-	5,469.20	15,776.60	24,832.55	6,510.00	-	-	126,079.31
Facilities Acquisition and Construction Services:										
Noninstructional Equipment	26,421.00									26,421.00
Total Expenditures	420,726.11	58,075.40	2,655.24	5,469.20	15,776.60	24,832.55	6,510.00	23,641.20	40,775.00	242,990.92
Excess (Deficiency) of Revenues Over (Under) Expenditures	(463.75)	-	-	-	-	-	-	-	-	(463.75)
Fund Balance, July 1	19,429.45	-	-	-	-	-	-	-	-	19,429.45
Fund Balance, June 30	\$ 18,965.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,965.70

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Total Brought Forward	SDA Emergent and Capital Needs	Student Activity Fund	Educational Stabilization Fund				
				ARP ESSER	ARP ESSER Accelerated Learning Coach	ARP ESSER Summer Learning and Enrichment	ARP ESSER Mental Health	ARP ESSER Evidence-Based Comprehensive Beyond the School Day
REVENUES:								
Federal Sources	\$ 198,915.01			\$ 98,651.64	\$ 31,241.00	\$ 24,975.00	\$ 4,047.37	\$ 40,000.00
State Sources	26,421.00	\$ 26,421.00						
Local Sources	17,191.16		\$ 17,191.16					
Total Revenues	242,527.17	26,421.00	17,191.16	98,651.64	31,241.00	24,975.00	4,047.37	40,000.00
EXPENDITURES:								
Instruction:								
Salaries of Teachers	39,153.99			2,484.86		16,448.69		20,220.44
Purchased Professional and Technical Services								
Other Purchased Services (400-500 series)								
Supplies and Materials	51,336.62				23,030.75	8,526.31		19,779.56
General Supplies								
Textbooks								
Total Instruction	90,490.61	-	-	2,484.86	23,030.75	24,975.00	-	40,000.00
Support Services:								
Personal Services - Salaries	107,749.40			96,166.78	7,535.25		4,047.37	
Personal Services - Employee Benefits								
Purchased Professional and Technical Services	675.00				675.00			
Purchased Professional - Educational Services								
Student Activities	17,654.91		17,654.91					
Total Support Services	126,079.31	-	17,654.91	96,166.78	8,210.25	-	4,047.37	-
Facilities Acquisition and Construction Services:								
Noninstructional Equipment	26,421.00	26,421.00						
Facilities Acquisition and Construction Services	26,421.00	26,421.00	-	0.00	0.00	-	-	-
Total Expenditures	242,990.92	26,421.00	17,654.91	98,651.64	31,241.00	24,975.00	4,047.37	40,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(463.75)	-	(463.75)	-	-	-	-	-
Fund Balance, July 1	19,429.45	-	19,429.45	-	-	-	-	-
Fund Balance, June 30	\$ 18,965.70	\$ -	\$ 18,965.70	\$ -	\$ -	\$ -	\$ -	\$ -

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Special Revenue Fund
 Preschool Education Aid Schedule of Expenditures
 Preschool - All Programs
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 63,009.00	\$ -	\$ 63,009.00	\$ 63,009.00	\$ -
Total Instruction	63,009.00	-	63,009.00	63,009.00	-
Total Expenditures	<u>\$ 63,009.00</u>	<u>\$ -</u>	<u>\$ 63,009.00</u>	<u>\$ 63,009.00</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2023-24 Preschool Education Aid Allocation	<u>\$ 63,009.00</u>
Total Preschool Education Aid Funds Available for the 2023-24 Budget	63,009.00
Less: 2023-24 Budgeted Preschool Education Aid (Including prior year budget carryover)	<u>(63,009.00)</u>
2023-24 Carryover - Preschool Education Aid	<u>\$ -</u>

CAPITAL PROJECTS FUND

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2024

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2024
			Prior Years	Current Year	
Merchantville Elementary School Window Replacement Project	05/06/24	\$ 2,022,468.00			\$ 2,022,468.00
Merchantville Elementary School HVAC System Upgrades	05/06/24	316,010.63			316,010.63
Totals		<u>\$ 2,338,478.63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,338,478.63</u>
Reconciliation to Governmental Fund Statement (GAAP):					
Unexpended Balance as of June 30, 2024					\$ 2,338,478.63
SDA Grant Revenue Not Recognized on GAAP Basis					<u>(2,338,478.63)</u>
Fund Balance per Governmental Funds (GAAP)					<u>\$ -</u>

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Capital Projects Fund

Summary Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budgetary Basis

For the Fiscal Year Ended June 30, 2024

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 2,338,478.63
Excess (deficiency) or revenues over (under) expenditures	2,338,478.63
Fund Balance -- Beginning	-
Fund Balance -- Ending	<u>\$ 2,338,478.63</u>
Reconciliation to Governmental Fund Statement (GAAP):	
Unexpended Balance as of June 30, 2024	\$ 2,338,478.63
SDA Grant Revenue Not Recognized on GAAP Basis	<u>(2,338,478.63)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ -</u>

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis

Merchantville Elementary School Window Replacement Project

From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 2,022,468.00	\$ 2,022,468.00	\$ 2,022,468.00
Local Share - Transfer from General Fund				1,977,532.00
Total Revenues	\$ -	2,022,468.00	2,022,468.00	4,000,000.00
Expenditures and Other Financing Uses				
Purchased Professional Services				500,000.00
Construction Services				3,500,000.00
Total Expenditures	-	-	-	4,000,000.00
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 2,022,468.00	\$ 2,022,468.00	\$ -

Additional project information:

Project Number	3110-060-23-G5MH
Grant Date	5/6/2024
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 4,000,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 4,000,000.00

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	6/30/2026
Revised Target Completion Date	N/A

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance, and Project Status -- Budgetary Basis

Merchantville Elementary School HVAC System Upgrades

From Inception and for the Fiscal Year Ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 316,010.63	\$ 316,010.63	\$ 316,010.63
Local Share - Transfer from General Fund				308,989.37
Total Revenues	\$ -	316,010.63	316,010.63	625,000.00
Expenditures and Other Financing Uses				
Purchased Professional Services				60,250.00
Construction Services				564,750.00
Total Expenditures	-	-	-	625,000.00
Excess (deficiency) or revenues over (under) expenditures	\$ -	\$ 316,010.63	\$ 316,010.63	\$ -

Additional project information:

Project Number	3110-060-23-G5MI
Grant Date	5/6/2024
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 625,000.00
Additional Authorized Cost	-
Revised Authorized Cost	\$ 625,000.00

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	6/30/2026
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Net Position
 June 30, 2024

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Accounts Receivable:	
State	\$ 236.45
Federal	5,146.42
Other	14,322.21
Inventories	<u>8,934.61</u>
Total Current Assets	<u>28,639.69</u>
Noncurrent Assets:	
Equipment	33,028.00
Less Accumulated Depreciation	<u>(28,615.77)</u>
Total Noncurrent Assets	<u>4,412.23</u>
Total Assets	<u>33,051.92</u>
LIABILITIES:	
Current Liabilities:	
Interfund Accounts Payable:	
Due General Fund	54,221.45
Accounts Payable	<u>10,368.27</u>
Total Current Liabilities	<u>64,589.72</u>
Total Liabilities	<u>64,589.72</u>
NET POSITION:	
Net Investment in Capital Assets	4,412.23
Unrestricted (Deficit)	<u>(35,950.03)</u>
Total Net Position (Deficit)	<u><u>\$ (31,537.80)</u></u>

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Proprietary Fund
Business-Type Activities - Enterprise Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs:	
School Breakfast	\$ 628.00
School Lunch	28,656.00
Daily Sales - Non-Reimbursable Programs	12,865.05
Miscellaneous	10,244.55
	<u>52,393.60</u>
Total Operating Revenues	
OPERATING EXPENSES:	
Salaries and Fringe Benefits	42,242.28
Purchased Professional/Technical Services	24,195.00
Other Purchased Services	6,074.42
General Supplies	4,383.47
Depreciation	1,108.24
Cleaning, Repairs and Maintenance	380.06
Insurance	2,017.47
Miscellaneous	1,165.65
Cost of Sales - Reimbursable	50,079.25
Cost of Sales - Non Reimbursable	5,411.80
	<u>137,057.64</u>
Total Operating Expenses	
Operating Income / (Loss)	<u>(84,664.04)</u>
NONOPERATING REVENUES:	
State Sources:	
State School Lunch Program	2,572.14
State School Lunch Program EIE	646.80
State School Brekafast Program	172.20
State School Brekafast Program EIE	112.80
Federal Sources:	
National School Lunch Program	64,087.90
National School Lunch Program - Healthy Hunger Free Kids Act	1,922.24
National School Breakfast Program	6,120.73
Food Distribution Program	14,130.61
	<u>89,765.42</u>
Total Nonoperating Revenues	
Change in Net Position	5,101.38
Net Position (Deficit) -- July 1	<u>(36,639.18)</u>
Net Position (Deficit) -- June 30	<u><u>\$ (31,537.80)</u></u>

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Proprietary Fund
 Business-Type Activities - Enterprise Fund
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2024

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 46,884.20
Payments to Employees	(42,242.28)
Payments to Suppliers	<u>(101,156.01)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(96,514.09)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	3,655.01
Federal Sources	<u>92,859.08</u>
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>96,514.09</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-
Cash and Cash Equivalents -- July 1	<u>-</u>
Cash and Cash Equivalents -- June 30	<u><u>\$ -</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Operating Income (Loss)	<u>\$ (84,664.04)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:	
Depreciation	1,108.24
(Increase) Decrease in Accounts Receivable Other	(5,509.40)
(Increase) Decrease in Inventories	(889.50)
Increase (Decrease) in Accounts Payable	4,546.55
Increase (Decrease) in Interfund Payable	<u>(11,105.94)</u>
Total Adjustments	<u>(11,850.05)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ (96,514.09)</u></u>

LONG-TERM DEBT

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Schedule of Serial Bonds

For the Fiscal Year Ended June 30, 2024

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Retired</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>June 30, 2023</u>		<u>June 30, 2024</u>
School Renovations	07/15/15	\$ 1,626,000.00	7/15/2024	\$ 115,000.00	3.000%			
			7/15/2025	115,000.00	3.000%			
			7/15/2026	110,000.00	3.000%			
			7/15/2027	110,000.00	3.000%			
			7/15/2028	100,000.00	3.125%			
			7/15/2029	100,000.00	3.250%			
			7/15/2030	100,000.00	3.250%	\$ 875,000.00	\$ 125,000.00	\$ 750,000.00

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 114,467.00	\$ -	\$ 114,467.00	\$ 114,467.00	\$ -
Total - Local Sources	114,467.00	-	114,467.00	114,467.00	-
State Sources:					
Debt Service Aid Type II	35,533.00		35,533.00	35,533.00	
Total - State Sources	35,533.00	-	35,533.00	35,533.00	-
Total Revenues	150,000.00	-	150,000.00	150,000.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	25,000.00		25,000.00	25,000.00	
Redemption of Principal	125,000.00		125,000.00	125,000.00	
Total Expenditures	150,000.00	-	150,000.00	150,000.00	-
Net Change in Fund Balance	-	-	-	-	-
Fund Balance -- July 1	-	-	-	-	-
Fund Balance -- June 30	\$ -	\$ -	\$ -	\$ -	\$ -

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 3,271,761.72	\$ 2,214,746.34	\$ 1,788,883.27	\$ 1,478,565.26	\$ 1,398,430.93	\$ 1,403,690.88	\$ 1,446,807.00	\$ 1,539,198.00	\$ 1,331,095.00	\$ 761,201.00
Restricted for:										
Unemployment	39,834.54	39,442.32	39,237.71	39,191.26						
Student Activities	18,965.70	19,429.45	17,556.55	11,476.64						
Maintenance	81,183.00	81,127.00	81,046.00	80,965.00						
Capital Projects	3,436,713.00	2,436,297.24	2,663,999.00	1,330,000.00						
Other Purposes	2,789,008.73	1,987,062.49	1,981,941.41	1,950,698.94	2,433,514.66	2,082,952.14	1,787,523.00	1,471,732.00	832,295.00	403,764.00
Unrestricted (Deficit)	(882,109.56)	323,652.35	(905,326.18)	(924,326.31)	(1,038,492.68)	(1,002,572.76)	(777,284.00)	(973,496.00)	(772,291.00)	(398,185.00)
Total Governmental Activities Net Position	\$ 8,755,357.13	\$ 7,101,757.19	\$ 5,667,337.76	\$ 3,966,570.79	\$ 2,793,452.91	\$ 2,484,070.26	\$ 2,457,046.00	\$ 2,037,434.00	\$ 1,391,099.00	\$ 766,780.00
Business-type Activities										
Net Investment in Capital Assets	\$ 4,412.23	\$ 5,520.47	\$ 6,628.71	\$ 5,309.86	\$ 6,223.93	\$ 7,137.97	\$ 8,052.00	\$ 8,966.00	\$ 9,880.00	\$ 10,794.00
Unrestricted (Deficit)	(35,950.03)	(42,159.65)	(43,842.91)	(81,278.66)	(74,983.52)	(70,325.59)	(73,938.00)	(77,286.00)	(97,459.00)	(120,137.00)
Total Business-type Activities Net Position	\$ (31,537.80)	\$ (36,639.18)	\$ (37,214.20)	\$ (75,968.80)	\$ (68,759.59)	\$ (63,187.62)	\$ (65,886.00)	\$ (68,320.00)	\$ (87,579.00)	\$ (109,343.00)
Government-wide										
Net Investment in Capital Assets	\$ 3,276,173.95	\$ 2,220,266.81	\$ 1,795,511.98	\$ 1,483,875.12	\$ 1,404,654.86	\$ 1,410,828.85	\$ 1,454,859.00	\$ 1,548,164.00	\$ 1,340,975.00	\$ 771,995.00
Restricted for:										
Unemployment	39,834.54	39,442.32	39,237.71	39,191.26						
Student Activities	18,965.70	19,429.45	17,556.55	11,476.64						
Maintenance	81,183.00	81,127.00	81,046.00	80,965.00						
Capital Projects	3,436,713.00	2,436,297.24	2,663,999.00	1,330,000.00						
Other Purposes	2,789,008.73	1,987,062.49	1,981,941.41	1,950,698.94	2,433,514.66	2,082,952.14	1,787,523.00	1,471,732.00	832,295.00	403,764.00
Unrestricted (Deficit)	(918,059.59)	281,492.70	(949,169.09)	(1,005,604.97)	(1,113,476.20)	(1,072,898.35)	(851,222.00)	(1,050,782.00)	(869,750.00)	(518,322.00)
Total Government-wide Net Position	\$ 8,723,819.33	\$ 7,065,118.01	\$ 5,630,123.56	\$ 3,890,601.99	\$ 2,724,693.32	\$ 2,420,882.64	\$ 2,391,160.00	\$ 1,969,114.00	\$ 1,303,520.00	\$ 657,437.00

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report, Exhibit A-1.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities:										
Instruction:										
Regular	\$ 2,853,083.15	\$ 2,791,048.75	\$ 2,591,965.82	\$ 2,580,110.56	\$ 2,471,074.89	\$ 2,351,629.36	\$ 2,151,434.00	\$ 2,504,236.00	\$ 2,457,523.00	\$ 2,042,033.00
Special Education	771,182.25	745,783.23	554,501.17	493,427.26	493,312.16	470,182.03	355,114.00	379,968.00	397,674.00	295,357.00
Other Instruction	328,888.96	328,521.47	331,915.64	105,463.64	265,887.25	249,957.37	399,425.00	352,596.00	338,803.00	223,135.00
Support Services:										
Instruction/Tuition	3,046,103.84	3,207,264.87	3,116,136.15	2,972,159.23	2,966,477.37	2,780,610.58	1,976,886.00	1,575,220.00	1,411,543.00	1,396,059.00
Student & Instruction Related Services	765,886.41	650,465.61	602,707.04	535,867.08	516,019.07	408,484.03	758,267.00	795,731.00	697,750.00	632,683.00
School Administrative Services	240,119.21	231,961.08	230,467.07	221,665.50	218,742.16	214,464.13	244,994.00	284,332.00	269,881.00	245,353.00
General and Business Administrative Services	372,230.48	354,166.12	329,568.06	339,808.47	322,460.16	298,590.19	295,920.00	326,210.00	338,495.00	785,627.00
Plant Operations and Maintenance	774,595.09	638,009.94	514,599.27	448,128.09	606,423.93	544,500.16	499,259.00	763,064.00	776,552.00	547,024.00
Care and Upkeep of Grounds						5,307.36				
Pupil Transportation	610,772.88	526,824.11	474,361.54	352,125.45	634,802.30	588,214.12	398,451.00	373,791.00	294,634.00	252,501.00
Unallocated Employee Benefits	2,036,257.13	2,003,874.42	2,203,878.55	2,871,811.32	2,133,782.18	2,359,628.07	2,393,228.00	885,547.00	728,865.00	1,269,522.00
Interest on Long-term Debt	23,437.50	27,187.50	30,937.50	34,687.50	38,437.50	42,187.50	47,515.00	83,483.00	18,750.00	27,500.00
Transfer of Funds to Charter School	188,718.00	163,875.00	195,890.00	145,547.00	137,848.00	137,460.00	140,419.00	98,460.00	71,403.00	30,884.00
Unallocated Depreciation	183,777.25	254,621.95	237,597.38	229,495.36	119,352.95	119,353.00	209,048.00	121,371.00	120,644.00	115,265.00
Total Governmental Activities Expenses	12,195,052.15	11,923,604.05	11,414,525.19	11,330,296.46	10,924,619.92	10,570,567.90	9,869,960.00	8,544,009.00	7,922,517.00	7,862,943.00
Business-type Activities:										
Food Service	137,057.64	117,158.74	102,923.78	77,118.58	109,475.37	120,181.74	119,809.00	134,398.00	127,506.00	111,884.00
Total Business-type Activities Expenses	137,057.64	117,158.74	102,923.78	77,118.58	109,475.37	120,181.74	119,809.00	134,398.00	127,506.00	111,884.00
Total Government-wide Expenses	\$ 12,332,109.79	\$ 12,040,762.79	\$ 11,517,448.97	\$ 11,407,415.04	\$ 11,034,095.29	\$ 10,690,749.64	\$ 9,989,769.00	\$ 8,678,407.00	\$ 8,050,023.00	\$ 7,974,827.00
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 18,052.00		\$ 12,384.00							
Operating Grants and Contributions	1,854,035.13	\$ 1,912,311.94	751,492.17	\$ 1,602,154.93	\$ 999,690.12	\$ 1,275,924.45	\$ 4,715,010.00	\$ 3,659,902.00	\$ 3,518,741.00	\$ 3,442,206.00
Capital Grants and Contributions	26,421.00		362,615.99					373,062.00		
Total Governmental Activities Program Revenues	1,898,508.13	1,912,311.94	1,126,492.16	1,602,154.93	999,690.12	1,275,924.45	4,715,010.00	4,032,964.00	3,518,741.00	3,442,206.00
Business-type activities:										
Charges for services:										
Food Service	52,393.60	42,907.46	128.00	480.40	29,768.17	38,731.45	37,525.00	32,606.00	52,095.00	34,410.00
Operating Grants and Contributions:										
Food Service	89,765.42	74,826.30	141,550.38	69,428.97	74,135.23	84,148.67	84,718.00	84,599.00	97,175.00	70,003.00
Total Business-type Activities Program Revenues	142,159.02	117,733.76	141,678.38	69,909.37	103,903.40	122,880.12	122,243.00	117,205.00	149,270.00	104,413.00
Total Government-wide Program Revenues	\$ 2,040,667.15	\$ 2,030,045.70	\$ 1,268,170.54	\$ 1,672,064.30	\$ 1,103,593.52	\$ 1,398,804.57	\$ 4,837,253.00	\$ 4,150,169.00	\$ 3,668,011.00	\$ 3,546,619.00
Net (Expense)/Revenue										
Governmental Activities	\$ (10,296,544.02)	\$ (10,011,292.11)	\$ (10,288,033.03)	\$ (9,728,141.53)	\$ (9,924,929.80)	\$ (9,294,643.45)	\$ (5,154,950.00)	\$ (4,511,045.00)	\$ (4,403,776.00)	\$ (4,420,737.00)
Business-type Activities	5,101.38	575.02	38,754.60	(7,209.21)	(5,571.97)	2,698.38	2,434.00	(17,193.00)	21,764.00	(7,471.00)
Total Government-wide Net (Expense) Revenue	\$ (10,291,442.64)	\$ (10,010,717.09)	\$ (10,249,278.43)	\$ (9,735,350.74)	\$ (9,930,501.77)	\$ (9,291,945.07)	\$ (5,152,516.00)	\$ (4,528,238.00)	\$ (4,382,012.00)	\$ (4,428,208.00)

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes levied for general purposes, net	\$ 6,127,127.00	\$ 6,006,987.00	\$ 6,006,987.00	\$ 5,897,533.00	\$ 5,779,264.00	\$ 5,561,562.00	\$ 5,287,421.00	\$ 4,739,823.00	\$ 4,569,664.00	\$ 4,259,281.00
Taxes levied for debt service	114,467.00	117,329.00	120,191.00	123,053.00	125,914.00	128,775.00	132,412.00	301,255.00	253,547.00	261,802.00
Tuition received							16,001.00	24,623.00	6,800.00	4,104.00
Unrestricted grants and contributions	5,410,828.25	5,168,702.36	5,763,124.93	4,731,392.35	4,236,008.00	3,831,431.00			32,441.00	32,026.00
Other Local Government							24,723.00	91,679.00	165,643.00	36,314.00
Miscellaneous income	297,721.71	152,693.18	98,497.07	96,359.89	93,126.45	52,481.42	114,004.00			
Transfers										
Total Governmental Activities	11,950,143.96	11,445,711.54	11,988,800.00	10,848,338.24	10,234,312.45	9,574,249.42	5,574,561.00	5,157,380.00	5,028,095.00	4,593,527.00
Business-type Activities										
Transfers								36,452.00		
Total Business-type Activities	-	-	-	-	-	-	-	36,452.00	-	-
Total Government-wide	\$ 11,950,143.96	\$ 11,445,711.54	\$ 11,988,800.00	\$ 10,848,338.24	\$ 10,234,312.45	\$ 9,574,249.42	\$ 5,574,561.00	\$ 5,193,832.00	\$ 5,028,095.00	\$ 4,593,527.00
Change in Net Position										
Governmental Activities	\$ 1,653,599.94	\$ 1,434,419.43	\$ 1,700,766.97	\$ 1,120,196.71	\$ 309,382.65	\$ 279,605.97	\$ 419,611.00	\$ 646,335.00	\$ 624,319.00	\$ 172,790.00
Business-type Activities	5,101.38	575.02	38,754.60	(7,209.21)	(5,571.97)	2,698.38	2,434.00	19,259.00	21,764	(7,471.00)
Total Government-wide	\$ 1,658,701.32	\$ 1,434,994.45	\$ 1,739,521.57	\$ 1,112,987.50	\$ 303,810.68	\$ 282,304.35	\$ 422,045.00	\$ 665,594.00	\$ 646,083.00	\$ 165,319.00

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: Annual Comprehensive Financial Report, Exhibit A-2.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund										
Restricted for:										
Capital Reserve	\$ 3,436,713.00	\$ 2,436,297.24	\$ 2,663,999.00	\$ 1,330,000.00	\$ 510,000.00	\$ 260,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Maintenance Reserve	81,183.00	81,127.00	81,046.00	80,965.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00
Excess Surplus	1,799,008.73	997,062.08	990,000.41	991,940.94	958,757.66	884,757.14	858,195.00	839,328.00	542,404.00	199,891.00
Reserve for excess surplus- designated for subsequent year's expenditures	990,000.00	990,000.41	991,941.00	958,758.00	884,757.00	858,195.00	839,328.00	542,404.00	199,891.00	113,879.00
Unemployment Compensation	39,834.54	39,442.32	39,237.71	39,191.26						
Assigned to:										
Designated for Subsequent Year's Budget	73,857.00	181,321.59			18,119.00	36,750.00	73,147.00	23,481.00	454,087.00	
Other Purposes	6,813.08	1,119,743.65	7,758.24	4,095.46	62,252.83	24,712.00	1,990.00			315,740.00
Unassigned (Deficit)	<u>(222,910.10)</u>	<u>(159,089.90)</u>	<u>37,572.44</u>	<u>165,842.15</u>	<u>12,191.00</u>	<u>(22,437.20)</u>	<u>65,643.00</u>	<u>29,635.00</u>	<u>38,943.00</u>	<u>77,758.00</u>
Total General Fund	<u>\$ 6,204,499.25</u>	<u>\$ 5,685,904.39</u>	<u>\$ 4,811,554.80</u>	<u>\$ 3,570,792.81</u>	<u>\$ 2,526,077.49</u>	<u>\$ 2,121,976.94</u>	<u>\$ 1,928,303.00</u>	<u>\$ 1,524,848.00</u>	<u>\$ 1,325,325.00</u>	<u>\$ 797,268.00</u>
All Other Governmental Funds										
Restricted, Reported in:										
Capital Projects Fund										\$ 32,520.00
Student Activities	\$ 18,965.70	\$ 19,429.45	\$ 17,556.55	\$ 11,476.64						
Unassigned (Deficit)	<u>(6,300.90)</u>	<u>(4,629.10)</u>	<u>(5,840.10)</u>	<u>(4,466.70)</u>	<u>\$ (9,411.00)</u>	<u>\$ (4,328.80)</u>	<u>\$ -</u>	<u>\$ (114,004.00)</u>	<u>\$ (416,808.00)</u>	<u>(249.00)</u>
Total All Other Governmental Funds	<u>\$ 12,664.80</u>	<u>\$ 14,800.35</u>	<u>\$ 11,716.45</u>	<u>\$ 7,009.94</u>	<u>\$ (9,411.00)</u>	<u>\$ (4,328.80)</u>	<u>\$ -</u>	<u>\$ (114,004.00)</u>	<u>\$ (416,808.00)</u>	<u>\$ 32,271.00</u>

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues										
Tax Levy	\$ 6,241,594.00	\$ 6,124,316.00	\$ 6,127,178.00	\$ 6,020,586.00	\$ 5,905,178.00	\$ 5,655,954.00	\$ 5,419,833.00	\$ 5,041,078.00	\$ 4,823,211.00	\$ 4,521,083.00
Other local government units									32,441.00	32,026.00
Tuition Charges	860.84		12,384.00				16,001.00	24,623.00	6,800.00	4,104.00
Interest Earnings							5,110.00	2,827.00	1,678.00	
Miscellaneous	297,721.71	138,552.64	87,827.09	92,142.23	93,126.45	86,864.42	19,613.00	88,852.00	32,513.00	38,558.00
State Sources	7,432,253.17	7,023,067.04	6,273,656.60	5,162,769.40	4,733,954.49	4,302,726.65	4,387,406.00	3,760,149.00	3,272,279.00	3,186,667.00
Federal Sources	522,151.21	565,397.26	938,964.49	424,959.88	284,677.63	251,851.80	327,604.00	272,815.00	230,681.00	255,539.00
Local Sources	17,191.16	14,140.54	11,297.98	4,217.66						
Total Revenue	14,511,772.09	13,865,473.48	13,451,308.16	11,704,675.17	11,016,936.57	10,297,396.87	10,175,567.00	9,190,344.00	8,399,603.00	8,037,977.00
Expenditures										
Instruction:										
Regular Instruction	2,837,616.02	2,783,338.19	2,586,800.30	2,579,739.13	2,471,074.89	2,351,629.36	2,151,434.00	2,504,236.00	2,457,523.00	2,042,033.00
Special Education Instruction	771,182.25	745,783.23	554,501.17	493,427.26	493,312.16	470,182.03	355,114.00	379,968.00	397,674.00	295,357.00
Other Instruction	328,888.96	328,521.47	331,915.64	105,463.64	265,887.25	249,957.37	399,425.00	352,596.00	338,803.00	223,135.00
Support Services:										
Instruction/Tuition	2,769,319.69	2,892,127.02	2,941,847.34	2,846,414.90	2,966,477.37	2,780,610.58	1,976,886.00	1,575,220.00	1,411,543.00	1,396,059.00
Student & Instruction Related Services	1,042,670.56	965,603.46	776,995.85	661,611.41	516,019.07	408,484.03	758,267.00	795,731.00	697,750.00	632,683.00
School Administrative Services	64,118.30	60,916.33	62,790.17	57,514.20	58,912.71	58,633.63	244,994.00	284,332.00	269,881.00	245,353.00
General and Business Admin. Services	540,488.39	519,739.46	492,254.12	499,381.25	478,632.37	454,420.69	295,920.00	326,210.00	338,495.00	785,627.00
Plant Operations and Maintenance	660,955.07	563,236.14	484,575.92	437,753.53	488,576.97	429,965.16	499,259.00	763,064.00	776,552.00	547,024.00
Care and Upkeep of Grounds						5,307.36				
Pupil Transportation	610,772.88	526,824.11	474,361.54	352,125.45	634,802.30	588,214.12	398,451.00	373,791.00	294,634.00	252,501.00
Employee Benefits	2,779,502.38	2,642,447.29	2,670,552.09	2,156,278.11	1,830,777.93	1,755,005.23	1,564,038.00	174,195.00	93,769.00	732,709.00
Other Support Services							140,419.00	98,460.00	71,403.00	30,884.00
On-behalf TPAF pension contributions							633,146.00	476,277.00	438,507.00	360,447.00
Reimbursed TPAF Social Security contributions							181,245.00	180,196.00	173,178.00	171,430.00
Capital Outlay	1,251,080.28	641,878.29	475,855.52	199,954.20	110,597.20	65,771.88		70,507.00	2,072,946.00	121,387.00
Transfer of Funds to Charter Schools	188,718.00	163,875.00	195,890.00	145,547.00	137,848.00	137,460.00				
Debt Service:										
Principal	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	125,000.00	126,000.00	250,000.00	250,000.00	250,000.00
Interest and Other Charges	25,000.00	28,750.00	32,500.00	36,250.00	40,000.00	43,750.00	47,515.00	83,483.00	18,750.00	27,500.00
Total Expenditures	13,995,312.78	12,988,039.99	12,205,839.66	10,696,460.08	10,617,918.22	9,924,391.44	9,772,113.00	8,688,266.00	10,101,408.00	8,114,129.00
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	516,459.31	877,433.49	1,245,468.50	1,008,215.09	399,018.35	373,005.43	403,454.00	502,078.00	(1,701,805.00)	(76,152.00)
Other Financing Sources (Uses)										
Transfers In							114,004.00	249.00		
Transfers Out									187,309.00	
Bond proceeds									1,593,480.00	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	114,004.00	249.00	1,780,789.00	-
Net Change in Fund Balances	\$ 516,459.31	\$ 877,433.49	\$ 1,245,468.50	\$ 1,008,215.09	\$ 399,018.35	\$ 373,005.43	\$ 517,458.00	\$ 502,327.00	\$ 78,984.00	\$ (76,152.00)
Debt Service as a Percentage of										
Noncapital Expenditures	1.18%	1.25%	1.34%	1.54%	1.57%	1.71%	1.78%	3.87%	3.35%	3.47%

For the fiscal year ended June 30, 2021, the School District adopted GASBS No. 84, which required the School District to report several funds that were previously reported as fiduciary fund type as governmental activities and governmental fund type. Balances prior to June 30, 2021 are shown as originally reported and have not been restated for this adoption.

Source: District Records

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	For the Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Interest on Investments	\$ 48,933.67	\$ 24,080.99	\$ 4,508.59	\$ 1,700.65	\$ 13,718.04	\$ 11,909.42	\$ 5,110.00	\$ 2,827.00	\$ 1,678.00	
Tuition	1,533.70		12,384.00				16,001.00	24,623.00	6,800.00	\$ 4,104.00
Prior Year Tuition	12,366.55	22,658.10	6,309.00	37,359.47	37.80	11,044.40				
Pilot Program	38,027.00	37,255.00	36,504.00	35,776.00	35,069.00	34,383.00			32,441.00	32,026.00
Refund of Prior Year Expenditures	200.00	422.78	1,790.43	145.00		1,973.67				
Transportation Fees	1,340.00	4,500.00	7,000.00		2,000.00	1,400.00				
Insurance Claim	81,920.55									
JIF Incentives / Donations	4,500.00									
Sale of Used Equipment						12,705.20				
E-Rate Reimbursement	62,472.00	36,890.70	11,034.02	5,942.16	5,412.73					
Rent	6,202.00	1,012.50	5,205.00							
Voided Checks	7,222.56	1,718.35		2,464.00	6,850.61					
Miscellaneous	33,003.68	10,014.22	15,476.05	8,754.95	30,038.27	13,448.73	19,613.00	88,852.00	32,513.00	6,038.00
	<u>\$ 297,721.71</u>	<u>\$ 138,552.64</u>	<u>\$ 100,211.09</u>	<u>\$ 92,142.23</u>	<u>\$ 93,126.45</u>	<u>\$ 86,864.42</u>	<u>\$ 40,724.00</u>	<u>\$ 116,302.00</u>	<u>\$ 73,432.00</u>	<u>\$ 42,168.00</u>

Source: District Records.

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Apartment</u>	Total Assessed <u>Value</u>	Less: Tax-Exempt <u>Property</u>	Public <u>Utilities (1)</u>	Net Valuation <u>Taxable</u>	Estimated Actual (County Equalized) <u>Value</u>	Total Direct School Tax <u>Rate (2)</u>
2024	\$ 646,000.00	\$ 205,729,700.00	\$ 23,783,800.00	\$ 11,565,100.00	\$ 241,724,600.00	\$ 44,670,800.00	\$ -	\$ 241,724,600.00	\$ 341,403,719.00	\$ 2.585
2023	646,000.00	205,900,600.00	23,967,100.00	11,565,100.00	242,078,800.00	43,932,300.00	-	242,078,800.00	309,282,726.00	2.522
2022	646,000.00	205,126,700.00	23,953,400.00	11,565,100.00	241,291,200.00	43,770,000.00	-	241,291,200.00	274,495,010.00	2.507
2021	646,500.00	203,840,900.00	23,953,400.00	11,565,100.00	240,005,900.00	43,036,600.00	-	240,005,900.00	260,653,860.00	2.498
2020	761,000.00	202,910,000.00	23,953,400.00	11,598,800.00	239,223,200.00	42,065,000.00	-	239,223,200.00	249,957,852.00	2.416
2019	655,800.00	202,891,000.00	24,168,900.00	11,361,600.00	239,077,300.00	42,389,300.00	4,426,452.00	243,503,752.00	251,950,745.00	2.237
2018	786,800.00	203,697,900.00	24,619,800.00	11,628,400.00	240,732,900.00	41,755,800.00	4,383,322.00	245,116,222.00	254,512,458.00	2.145
2017	416,800.00	203,603,000.00	24,848,800.00	11,628,400.00	240,497,000.00	42,683,700.00	4,437,620.00	244,934,620.00	249,641,698.00	2.064
2016	352,200.00	202,921,000.00	24,831,800.00	11,794,300.00	239,899,300.00	43,508,600.00	4,516,714.00	244,416,014.00	238,288,344.00	1.956
2015	352,200.00	202,121,500.00	26,205,200.00	13,522,400.00	242,201,300.00	42,657,000.00	4,134,033.00	246,335,333.00	252,071,338.00	1.923

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

Source: Camden County Board of Taxation

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per \$100 of Assessed Value)
Unaudited

Fiscal Year Ended June 30,	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	<u>Basic Rate (1)</u>	<u>General Obligation Debt Service (2)</u>	<u>Total Direct School Tax Rate</u>	<u>Borough of Merchantville</u>	<u>Camden County</u>	
2024	\$ 2.538	\$ 0.047	\$ 2.585	\$ 1.812	\$ 0.932	\$ 5.329
2023	2.474	0.048	2.522	1.632	0.919	5.073
2022	2.458	0.049	2.507	1.460	0.891	4.858
2021	2.447	0.051	2.498	1.413	0.914	4.825
2020	2.364	0.052	2.416	1.322	0.905	4.643
2019	2.182	0.055	2.237	1.264	0.921	4.422
2018	2.090	0.055	2.145	1.220	0.925	4.290
2017	1.977	0.087	2.064	1.165	0.899	4.128
2016	1.882	0.074	1.956	1.106	0.850	3.912
2015	1.775	0.148	1.923	1.050	0.873	3.846

(1) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

(2) Rates for debt service are based on each year's requirements.

Source: Municipal Tax Collector

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2024			2015		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
63 Washington Place LLC	\$ 3,763,500.00	1	1.56%			
Bell Atlantic C/O Duff / Phelps	1,924,600.00	2	0.80%	\$ 6,362,220.00	1	2.60%
Stratagem Merchantville, LLC	1,900,000.00	3	0.79%	1,900,000.00	3	0.78%
42 W. Maple, LLC	1,199,800.00	4	0.50%	1,199,800.00	4	0.49%
Kaurene Family Investments, LLC / CVS	1,101,400.00	5	0.46%	1,101,400.00	7	0.45%
Marvis Group LLC	1,050,400.00	6	0.43%			
26-28 S. Centre Street Associates, LLC	945,400.00	7	0.39%	945,400.00	9	0.39%
607 West Maple LLC	921,800.00	8	0.38%			
Dean Capital LLC	900,000.00	9	0.37%			
17 E Maple LLC	850,000.00	10	0.34%			
Three Brothers Real Estate, LLC				1,050,400.00	8	0.43%
Prospect Norse				1,132,600.00	5	0.46%
Federal National Mortgage Assn				1,116,100.00	6	0.46%
Emanuel at Maple LLC				3,763,500.00	2	1.54%
Ounjian Richard ET AL				921,800.00	10	0.38%
Total	<u>\$ 14,556,900.00</u>		<u>6.01%</u>	<u>\$ 19,493,220.00</u>		<u>7.97%</u>

Source: Municipal Tax Assessor and Abstract of Ratables

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Purpose Taxes Levied for the Fiscal Year	<u>Collected within the Fiscal Year of the Levy (1)</u>		Collections in Subsequent Years
		<u>Amount</u>	<u>Percentage of Levy</u>	
2024	\$ 6,127,127.00	\$ 6,127,127.00	100%	-
2023	6,006,987.00	6,006,987.00	100%	-
2022	6,006,987.00	6,006,987.00	100%	-
2021	5,897,533.00	5,897,533.00	100%	-
2020	5,779,264.00	5,779,264.00	100%	-
2019	5,527,179.00	5,527,179.00	100%	-
2018	5,253,705.00	5,253,705.00	100%	-
2017	4,706,754.00	4,706,754.00	100%	-
2016	4,569,664.00	4,569,664.00	100%	-
2015	4,259,281.00	4,259,281.00	100%	-

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District records including the Certificate and Report of School Taxes (A4F form)

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Leases	Leases				
2024	\$ 750,000.00	\$ -	\$ -	\$ 750,000.00	N/A	N/A	
2023	875,000.00	-	-	875,000.00	N/A	\$ 228.88	
2022	1,000,000.00	-	-	1,000,000.00	0.434%	262.33	
2021	1,125,000.00	-	-	1,125,000.00	0.480%	295.82	
2020	1,250,000.00	-	-	1,250,000.00	0.576%	338.66	
2019	1,375,000.00	-	-	1,375,000.00	0.666%	371.52	
2018	1,500,000.00	-	-	1,500,000.00	0.748%	404.64	
2017	1,626,000.00	-	-	1,626,000.00	0.887%	438.16	
2016	1,876,000.00	-	-	1,876,000.00	1.050%	504.84	
2015	911,551.00	-	-	911,551.00	0.523%	245.37	

(1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita by municipality-estimated based upon Census Bureau midyear population estimates

N/A At the time of ACFR completion, this data was not yet available

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Ratios of Net General Bonded Debt Outstanding

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding (1)	Percentage of Actual Taxable Value of Property (2)	Per Capita (3)
	General Obligation Bonds	Deductions			
2024	\$ 750,000.00	\$ -	\$ 750,000.00	0.31%	N/A
2023	875,000.00	-	875,000.00	0.36%	\$ 228.88
2022	1,000,000.00	-	1,000,000.00	0.41%	262.33
2021	1,125,000.00	-	1,125,000.00	0.47%	295.82
2020	1,250,000.00	-	1,250,000.00	0.52%	338.66
2019	1,375,000.00	-	1,375,000.00	0.56%	371.52
2018	1,500,000.00	-	1,500,000.00	0.61%	404.64
2017	1,626,000.00	-	1,626,000.00	0.66%	438.16
2016	1,876,000.00	-	1,876,000.00	0.77%	504.84
2015	911,551.00	-	911,551.00	0.37%	245.37

Sources:

(1) District Records

(2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation

(3) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

N/A At the time of ACFR completion, this data was not yet available

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Merchantville Borough</u>
Municipal Debt: (1)				
Borough of Merchantville School District	\$ 750,000.00	\$ 750,000.00		
Borough of Merchantville	<u>7,599,174.87</u>	<u>899,866.37</u>	<u>\$ 6,699,308.50</u>	<u>\$ 6,699,308.50</u>
	<u>8,349,174.87</u>	<u>1,649,866.37</u>	<u>6,699,308.50</u>	<u>6,699,308.50</u>
Overlapping Debt Apportioned to the Municipality:				
County of Camden: (2)				
General:				
Bonds	63,215,195.86	25,514,196.41	37,700,999.45	242,059.30
Notes	27,980,000.00		27,980,000.00	179,645.62
Loan Agreement	335,270,000.00		335,270,000.00	2,152,601.36
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>225,287,066.74</u>	<u>225,287,066.74</u>		
	<u>651,752,262.60</u>	<u>250,801,263.15</u>	<u>400,950,999.45</u>	<u>2,574,306.28</u>
	<u>\$ 660,101,437.47</u>	<u>\$ 252,451,129.52</u>	<u>\$ 407,650,307.95</u>	<u>\$ 9,273,614.78</u>

Sources:

- (1) Borough of Merchantville Annual Debt Statement - December 31, 2023.
- (2) Camden County.
- (3) Includes Reserve for Payment of Bonds, Other Accounts Receivable and General Obligation Pension Refunding Bonds.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such Debt is allocated as a proportion of the Borough's share of the total 2023 Equalized Value, which is 0.6421%
The source for this computation was the 2023 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

										Legal Debt Margin Calculation for Fiscal Year 2024	
										<u>Equalized Valuation Basis (1)</u>	
										2023	\$ 341,004,085.00
										2022	307,494,839.00
										2021	272,331,669.00
										[A]	<u>\$ 920,830,593.00</u>
Average equalized valuation of taxable property										[A/3]	<u>\$ 306,943,531.00</u>
Debt limit (3% of average equalization value) (2)										[B]	\$ 9,208,305.93
Total Net Debt Applicable to Limit										[C]	<u>750,000.00</u>
Legal Debt Margin										[B-C]	<u>\$ 8,458,305.93</u>
Fiscal Year Ended June 30,											
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Debt limit	\$ 9,208,305.93	\$ 8,403,728.19	\$ 7,836,097.69	\$ 7,603,948.03	\$ 7,483,597.96	\$ 7,467,702.43	\$ 9,760,976.00	\$ 9,796,772.00	\$ 9,785,027.00	\$ 10,077,586.00	
Total net debt applicable to limit (3)	<u>750,000.00</u>	<u>875,000.00</u>	<u>1,000,000.00</u>	<u>1,125,000.00</u>	<u>1,250,000.00</u>	<u>1,375,000.00</u>	<u>1,500,000.00</u>	<u>1,626,000.00</u>	<u>1,876,000.00</u>	<u>500,000.00</u>	
Legal debt margin	<u>\$ 8,458,305.93</u>	<u>\$ 7,528,728.19</u>	<u>\$ 6,836,097.69</u>	<u>\$ 6,478,948.03</u>	<u>\$ 6,233,597.96</u>	<u>\$ 6,092,702.43</u>	<u>\$ 8,260,976.00</u>	<u>\$ 8,170,772.00</u>	<u>\$ 7,909,027.00</u>	<u>\$ 9,577,586.00</u>	
Total net debt applicable to the limit as a percentage of debt limit	8.14%	10.41%	12.76%	14.79%	16.70%	18.41%	15.37%	16.60%	19.17%	4.96%	

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
 (2) Limit set by NJSA 18A:24-19 for a K through 8 district.
 (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2024	N/A	N/A	N/A	N/A
2023	3,823	N/A	N/A	5.60%
2022	3,812	\$ 230,584,068.00	\$ 60,489.00	4.00%
2021	3,803	234,424,526.00	61,642.00	8.20%
2020	3,691	217,141,530.00	58,830.00	11.60%
2019	3,701	206,441,780.00	55,780.00	4.40%
2018	3,707	200,559,821.00	54,103.00	5.10%
2017	3,711	183,293,712.00	49,392.00	5.50%
2016	3,716	178,680,144.00	48,084.00	6.00%
2015	3,715	174,181,490.00	46,886.00	7.50%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income by municipality-estimated based upon the 2020/2010 Census published by the US Bureau of Economic Analysis.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

(N/A) At the time of ACFR completion, this data was not yet available

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Principal Non-Governmental Employers in Camden County
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
The Cooper Health System	7,000	1	34.73%	6,000	1	23.58%
Virtua Health System	2,500	2	12.40%	4,000	2	15.72%
Campbell Soup Company	2,300	3	11.41%	2,000	6	7.86%
Virtua Our Lady of Lourdes Hospital	2,000	4	9.92%	2,300	5	9.04%
American Water	2,000	5	9.92%			
TD Bank	1,300	6	6.45%			
Jefferson Health System	1,256	7	6.23%			
Aluminum Shapes	1,000	8	4.96%	1,300	9	5.11%
Lockheed Martin	800	9	3.97%			
J&J Snack Foods Corp				2,700	3	10.61%
United Parcel Service				2,500	4	9.82%
Bancroft NeuroHealth				1,950	7	7.66%
Kennedy Health System				1,500	8	5.89%
L-3 Communications Systems East				1,200	10	4.72%
	<u>20,156</u>		<u>100.00%</u>	<u>25,450</u>		<u>100.00%</u>

Source: The County of Camden
Philadelphia Business Journal, Book of Lists
Information for the Borough is not available

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	For the Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Instruction										
Regular	24	24	24	26	26	25	26	26	31	28
Special Education	18	20	20	18	18	15	12	14	5	4
Support Services:										
Student & Instruction Related Services	8	7	6	5	5	5	5	5	3	10
School Administrative Services	2	2	2	2	2	1	1	1	3	1
General and Business Administrative Services	1	1	1	2	2	2	2	3	4	2
Plant Operations and Maintenance	3	4	4	5	5	5	5		1	1
Total	<u>56</u>	<u>58</u>	<u>57</u>	<u>58</u>	<u>58</u>	<u>53</u>	<u>51</u>	<u>49</u>	<u>47</u>	<u>46</u>

* Information Unavailable

Source: District Personnel Records

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u>	<u>District Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Pupil / Teacher Ratio Merchantville Elementary</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2024	402	\$ 12,594,232.50	\$ 31,328.94	-2.36%	41	1:10	395.6	370.1	10.81%	93.56%
2023	380	12,192,411.70	32,085.29	7.85%	44	1:10	378.8	352.7	-6.59%	93.10%
2022	389	11,572,484.14	29,749.32	17.15%	44	1:10	357.0	336.0	-15.74%	94.11%
2021	407	10,335,255.88	25,393.75	8.03%	34	1:12	405.5	387.8	-4.28%	95.64%
2020	440	10,342,321.02	23,505.28	2.61%	34	1:13	423.7	411.9	2.36%	97.21%
2019	423	9,689,869.56	22,907.49	-0.24%	34	1:12	413.9	394.5	-0.89%	95.31%
2018	418	9,598,598.00	22,963.15	7.55%	38	1:11	417.6	399.6	7.55%	95.69%
2017	388	8,284,276.00	21,351.23	2.08%	40	1:10	388.3	368.6	4.66%	94.93%
2016	371	7,759,712.00	20,915.67	3.29%	36	1:10	371.0	356.8	-2.73%	96.17%
2015	381	7,715,242.00	20,249.98	8.34%	33	1:12	381.4	362.6	0.37%	95.07%

* Information Unavailable

Sources: District records

- (1) Operating expenditures equal total expenditures less debt service and capital outlay.
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years
Unaudited

For the Fiscal Year Ended June 30,										
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>District Building</u>										
<u>Elementary</u>										
Merchantville Elementary (1936)										
Square Feet	85,758	85,758	85,758	85,758	85,758	85,758	85,758	85,758	85,758	85,758
Capacity (students)	574	574	574	574	574	574	574	574	574	574
Enrollment	402	380	389	407	440	423	418	388	371	381
Number of Schools at June 30, 2024										
Elementary = 1										
Middle School = 0										
Senior High School = 0										
Other = 0										
Source: District records -- June Monthly Enrollment Report										

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

* School Facilities	For the Fiscal Year Ended June 30,									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Merchantville School	<u>\$ 148,833.35</u>	<u>\$ 114,669.00</u>	<u>\$ 109,097.73</u>	<u>\$ 66,213.08</u>	<u>\$ 127,987.01</u>	<u>\$ 130,801.78</u>	<u>\$ 130,857.00</u>	<u>\$ 284,853.00</u>	<u>\$ 127,437.00</u>	<u>\$ 88,237.00</u>
Total School Facilities	<u>\$ 148,833.35</u>	<u>\$ 114,669.00</u>	<u>\$ 109,097.73</u>	<u>\$ 66,213.08</u>	<u>\$ 127,987.01</u>	<u>\$ 130,801.78</u>	<u>\$ 130,857.00</u>	<u>\$ 284,853.00</u>	<u>\$ 127,437.00</u>	<u>\$ 88,237.00</u>

* School Facilities as defined under EFCFA.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District Records

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Insurance Schedule

June 30, 2024

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Atlantic Cape May Counties Association of School Business Officials		
Joint Insurance Fund (ACCASBO JIF)		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000.00	\$ 500.00
Crime - JIF Self Insured Retention	250,000.00	500.00
General Liability / Auto Liability - JIF Self Insured Retention	250,000.00	
Educators Legal Liability - JIF Self Insured Retention	250,000.00	
Workers Compensation - JIF Self Insured Retention	250,000.00	
School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)**		
Property / Inland Marine / Automobile Physical Damage	175,000,000.00	
Crime	500,000.00	
Workers Compensation	Statutory	
- Employers Liability	10,000,000.00	
General Liability / Auto Liability	27,000,000.00	
Educators' Legal Liability	27,000,000.00	
Travelers Insurance Company		
Boiler and Machinery	125,000,000.00	1,000.00
Beazley / Lloyd's of London Insurance		
Environmental / Pollution Legal Liability	3,000,000.00	25,000.00 - 250,000.00
Starr Indemnity & Liability Company		
Cyber Liability	2,000,000.00	50,000.00 - 100,000.00
Lloyd's of London Insurance		
Crisis Protection & Disaster Management Services	1,000,000.00	10,000.00
Non-JIF coverage - applicable Insurance Carrier will be specific to your district		
Business Administrator / Board Secretary	200,000.00	

Source: District records

SINGLE AUDIT SECTION

Exhibit K-1**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Education
Borough of Merchantville School District
Merchantville, New Jersey 08109

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Borough of Merchantville School District, in the County of Camden, State of New Jersey, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated January 15, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Merchantville School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Merchantville School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance*, as items *Finding No. 2024-001 and Finding No. 2024-002* that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Merchantville School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as items Finding No. 2024-001 and Finding No. 2024-002.

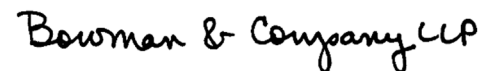
The Borough of Merchantville School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

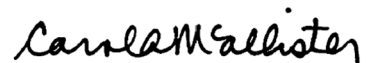
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 238400

Voorhees, New Jersey
January 15, 2025

Exhibit K-2**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE STATE OF NEW JERSEY CIRCULAR 15-08-OMB****INDEPENDENT AUDITOR'S REPORT**

The Honorable President and
Members of the Board of Education
Borough of Merchantville School District
Merchantville, New Jersey 08109

Report on Compliance for Each Major State Program***Opinion on Each Major State Program***

We have audited the Borough of Merchantville School District's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2024. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Merchantville School District, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and State of New Jersey Circular 15-08-OMB are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major and state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the New Jersey Circular 15-08-OMB and which is described in the accompanying *Schedule of Findings and Questioned Costs* and *Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item *Finding No. 2024-003*. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough of Merchantville School District's response to the noncompliance finding identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

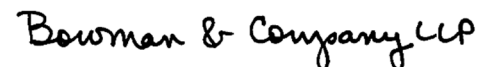
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs and Independent Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* as item Finding No. 2024-003, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the Borough of Merchantville School District's response to the internal control over compliance finding identified in our audit described in the accompanying *Schedule of Findings and Questioned Costs*. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Public School Accountant No. CS 234800

Voorhees, New Jersey
January 15, 2025

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BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period	
						From	To
General Fund:							
U.S. Department of Agriculture							
Passed-through N.J. State Department of Agriculture:							
P-EBT Administrative Cost	10.649	COVID-19	AM22CPLFS000C015	100-115-3350-010	\$ 653.00	7/1/2023	9/30/2024
Total General Fund							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.							
Title I Grants to Local Educational Agencies	84.010	N/A	S010A230030	ESSA-3110-24	125,280.00	7/1/2023	9/30/2024
Title I Grants to Local Educational Agencies	84.010	N/A	S010A220030	ESSA-3110-23	108,194.00	7/1/2022	9/30/2023
Total Title I Grants to Local Educational Agencies							
Supporting Effective Instruction State Grants	84.367	84.367A	S367A230029	ESSA-3110-24	18,864.00	7/1/2023	9/30/2024
Supporting Effective Instruction State Grants	84.367	84.367A	S367A220029	ESSA-3110-23	18,062.00	7/1/2022	9/30/2023
Total Supporting Effective Instruction State Grants							
Student Support and Academic Enrichment Program	84.424	84.424A	S424A230031	ESSA-3110-24	10,000.00	7/1/2023	9/30/2024
Student Support and Academic Enrichment Program	84.424	84.424A	S424A220031	ESSA-3110-23	10,000.00	7/1/2022	9/30/2023
Total Student Support and Academic Enrichment Program							
Special Education Cluster (IDEA):							
Special Education - Grants to States (IDEA, Part B)	84.027	84.027A	H027A230100	IDEA-3110-24	161,311.00	7/1/2023	9/30/2024
Special Education - Grants to States (IDEA, Part B)	84.027	84.027A	H027A220100	IDEA-3110-23	155,852.00	7/1/2022	9/30/2023
Total Special Education - Grants to States (IDEA, Part B)							
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	H173A230114	IDEA-3110-24	7,096.00	7/1/2023	9/30/2024
Special Education - Preschool Grants (IDEA Preschool)	84.173	N/A	H173A220114	IDEA-3110-23	7,202.00	7/1/2022	9/30/2023
Total Special Education - Grants to States (IDEA Preschool)							
Total Special Education Cluster (IDEA)							
Education Stabilization Fund (ESF):							
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)							
Learning Acceleration	84.425D	COVID-19, 84.425D	S425D210027	Unavailable	25,000.00	3/13/2020	9/30/2023
Mental Health	84.425D	COVID-19, 84.425D	S425D210027	Unavailable	45,000.00	3/13/2020	9/30/2023
American Rescue Plan Act							
Elementary and Secondary Emergency Relief Fund (ESSER)	84.425U	COVID-19, 84.425U	S425U210027	Unavailable	612,324.00	3/13/2020	9/30/2024
Accelerated Learning Coach and Educator Support	84.425U	COVID-19, 84.425U	S425U210027	Unavailable	52,242.00	3/13/2020	9/30/2024
Evidence Based Summer Learning and Enrichment	84.425U	COVID-19, 84.425U	S425U210027	Unavailable	40,000.00	3/13/2020	9/30/2024
Evidence Based Comprehensive Beyond the School Day	84.425U	COVID-19, 84.425U	S425U210027	Unavailable	40,000.00	3/13/2020	9/30/2024
NJTSS Mental Health Support Staffing	84.425U	COVID-19, 84.425U	S425U210027	Unavailable	45,000.00	3/13/2020	9/30/2024
Total Education Stabilization Fund							
Total Special Revenue Fund							
Enterprise Fund:							
U.S. Department of Agriculture:							
Passed-through State Department of Agriculture:							
Child Nutrition Cluster:							
Non-Cash Assistance:							
National School Lunch Program - Food Distribution Program	10.555	N/A	241NJ304N1099	Unavailable	14,130.61	7/1/2023	6/30/2024
Total Non-Cash Assistance National School Lunch Program							
Cash Assistance:							
National School Lunch Program (NSLP):							
National School Lunch Program	10.555	N/A	241NJ304N1099	Unavailable	64,087.90	7/1/2023	6/30/2024
Healthy Hunger-Free Kids Act	10.555	N/A	241NJ304N1099	Unavailable	1,922.24	7/1/2023	6/30/2024
National School Lunch Program	10.555	N/A	231NJ304N1099	Unavailable	52,961.89	7/1/2022	6/30/2023
Healthy Hunger-Free Kids Act	10.555	N/A	231NJ304N1099	Unavailable	1,620.08	7/1/2022	6/30/2023
Total Cash Assistance National School Lunch Program							
Total National School Lunch Program							
School Breakfast Program (SBP):							
School Breakfast Program	10.553	N/A	241NJ304N1099	Unavailable	6,120.73	7/1/2023	6/30/2024
School Breakfast Program	10.553	N/A	231NJ304N1099	Unavailable	2,823.70	7/1/2022	6/30/2023
Total School Breakfast Program							
Total Cash Assistance							
Total Child Nutrition Cluster							
Total Enterprise Fund							

(a) see note 6 in the notes to the schedules of expenditures of federal awards and state financial assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

These funds were not audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) since the total of all grant award expenditures was less than \$750,000.

Balance June 30, 2023	Carryover / (Walkover) Amount	Cash Received	Budgetary Expenditures			Passed- Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance, June 30, 2024		
			Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ -	\$ -	\$ 653.00	\$ (653.00)	\$ -	\$ (653.00)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	653.00	(653.00)	-	(653.00)	-	-	-	-	-	-
(103,911.00)		103,911.00	(125,339.00)		(125,339.00)				(125,339.00)		
(103,911.00)	-	103,911.00	(125,339.00)	-	(125,339.00)	-	-	-	(125,339.00)	-	-
(11,527.58)		11,528.00	(20,800.00)		(20,800.00)		(0.42)		(20,800.00)		
(11,527.58)	-	11,528.00	(20,800.00)	-	(20,800.00)	-	(0.42)	-	(20,800.00)	-	-
(9,250.01)		9,250.00	(9,817.71)		(9,817.71)		0.01		(9,817.71)		
(9,250.01)	-	9,250.00	(9,817.71)	-	(9,817.71)	-	0.01	-	(9,817.71)	-	-
(154,575.30)		154,575.00	(159,530.49)		(159,530.49)		0.30		(159,530.49)		
(154,575.30)	-	154,575.00	(159,530.49)	-	(159,530.49)	-	0.30	-	(159,530.49)	-	-
(7,202.00)		7,202.00	(7,096.00)		(7,096.00)				(7,096.00)		
(7,202.00)	-	7,202.00	(7,096.00)	-	(7,096.00)	-	-	-	(7,096.00)		-
(161,777.30)	-	161,777.00	(166,626.49)	-	(166,626.49)	-	0.30	-	(166,626.49)	-	-
(10,252.00)		10,252.00									
(35,531.00)		35,531.00									
(172,095.36)		172,096.00	(98,651.64)		(98,651.64)				(98,651.00)		
(21,001.00)		21,001.00	(31,241.00)		(31,241.00)				(31,241.00)		
(8,244.00)		8,244.00	(24,975.00)		(24,975.00)				(24,975.00)		
(37,568.63)			(40,000.00)		(40,000.00)				(40,000.00)		
			(4,047.37)		(4,047.37)				(41,616.00)		
(284,691.99)	-	247,124.00	(198,915.01)	-	(198,915.01)	-	-	-	(236,483.00)	-	-
(571,157.88)	-	533,590.00	(521,498.21)	-	(521,498.21)	-	(0.11)	-	(559,066.20)	-	-
		14,130.61	(14,130.61)		(14,130.61)						
-	-	14,130.61	(14,130.61)	-	(14,130.61)	-	-	-	-	-	-
(10,880.84)		59,723.45	(64,087.90)		(64,087.90)				(4,364.45)		
(333.12)		1,797.36	(1,922.24)		(1,922.24)				(124.88)		
(11,213.96)	-	72,734.77	(66,010.14)	-	(66,010.14)	-	-	-	(4,489.33)	-	-
(11,213.96)	-	86,865.38	(80,140.75)	-	(80,140.75)	-	-	-	(4,489.33)	-	-
(530.06)		5,463.64	(6,120.73)		(6,120.73)				(657.09)		
(530.06)	-	5,993.70	(6,120.73)	-	(6,120.73)	-	-	-	(657.09)	-	-
(11,744.02)	-	78,728.47	(72,130.87)	-	(72,130.87)	-	-	-	(5,146.42)	-	-
(11,744.02)	-	92,859.08	(86,261.48)	-	(86,261.48)	-	-	-	(5,146.42)	-	-
(11,744.02)	-	92,859.08	(86,261.48)	-	(86,261.48)	-	-	-	(5,146.42)	-	-
\$ (582,901.90)	\$ -	\$ 627,102.08	\$ (608,412.69)	\$ -	\$ (608,412.69)	\$ -	\$ (0.11)	\$ -	\$ (564,212.62)	\$ -	\$ -

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance, June 30, 2023		Carryover / (Walkover) Amount	
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor		
General Fund:								
New Jersey Department of Education:								
State Aid - Public:								
Equalization Aid	495-034-5120-078	\$ 4,337,510.00	7/1/2023	6/30/2024	\$ -	\$ -	\$ -	
Special Education Categorical Aid	495-034-5120-089	472,283.00	7/1/2023	6/30/2024				
School Choice Aid	495-034-5120-068	278,176.00	7/1/2023	6/30/2024				
Security Aid	495-034-5120-084	133,028.00	7/1/2023	6/30/2024				
Equalization Aid	495-034-5120-078	4,154,788.00	7/1/2022	6/30/2023	(408,907.32)			
Special Education Categorical Aid	495-034-5120-089	446,058.00	7/1/2022	6/30/2023	(43,900.29)			
School Choice Aid	495-034-5120-068	267,232.00	7/1/2022	6/30/2023	(26,300.53)			
Security Aid	495-034-5120-084	133,028.00	7/1/2022	6/30/2023	(13,092.39)			
Total State Aid - Public					(492,200.53)	-	-	
Transportation Aid:								
Transportation Aid	495-034-5120-014	111,609.00	7/1/2023	6/30/2024				
Transportation Aid	495-034-5120-014	111,609.00	7/1/2022	6/30/2023	(10,984.37)			
Nonpublic Transportation Aid	495-034-5120-014	5,005.00	7/1/2023	6/30/2024				
Nonpublic Transportation Aid	495-034-5120-014	2,808.00	7/1/2022	6/30/2023	(2,808.00)			
Total Transportation Aid					(13,792.37)	-	-	
Extraordinary Aid:								
Extraordinary Aid	495-034-5120-044	52,599.00	7/1/2023	6/30/2024				
Extraordinary Aid	495-034-5120-044	91,287.00	7/1/2022	6/30/2023	(91,287.00)			
Total Extraordinary Aid					(91,287.00)	-	-	
Reimbursed TPAF Social Security Contributions:								
Reimbursed TPAF Social Security Contributions	495-034-5094-003	259,480.22	7/1/2023	6/30/2024				
Total Reimbursed TPAF Social Security Contributions					-	-	-	
On-Behalf T.P.A.F. Contributions (non budgeted):								
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non budgeted)	495-034-5094-002	1,145,100.00	7/1/2023	6/30/2024				
On-Behalf T.P.A.F. Post-Retirement Medical (non budgeted)	495-034-5094-001	315,208.00	7/1/2023	6/30/2024				
On-Behalf T.P.A.F. Long-Term Disability Insurance (non budgeted)	495-034-5094-004	711.00	7/1/2023	6/30/2024				
On-Behalf T.P.A.F. Non-Contributory Insurance (non budgeted)	495-034-5094-004	13,059.00	7/1/2023	6/30/2024				
Total On-Behalf T.P.A.F. Pension Contributions (non budgeted)					-	-	-	
Payments for Institutionalized Children - Unknown District of Residence:								
Payments for Institutionalized Children	495-034-5120-005	13,897.00	7/1/2023	6/30/2024				
Total General Fund					(597,279.90)	-	-	
Special Revenue Fund:								
New Jersey Department of Education:								
N.J. Nonpublic Textbook Aid:								
Textbook Aid	100-034-5120-064	11,504.00	7/1/2023	6/30/2024				
Textbook Aid	100-034-5120-064	13,596.00	7/1/2022	6/30/2023		1,794.00		
Total N.J. Nonpublic Textbook Aid					-	1,794.00	-	
N.J. Nonpublic Nursing Aid:								
Nursing Aid	100-034-5120-070	23,880.00	7/1/2023	6/30/2024				
Nursing Aid	100-034-5120-070	23,072.00	7/1/2022	6/30/2023		231.00		
Total N.J. Nonpublic Nursing Aid					-	231.00	-	
N.J. Nonpublic Technology Initiative:								
Technology Aid	100-034-5120-373	9,751.00	7/1/2023	6/30/2024				
Technology Aid	100-034-5120-373	8,652.00	7/1/2022	6/30/2023		186.00		
Total N.J. Nonpublic Technology Initiative					-	186.00	-	
N.J. Nonpublic Security Aid:								
Security Aid	100-034-5120-509	40,795.00	7/1/2023	6/30/2024				
Security Aid	100-034-5120-509	42,230.00	7/1/2022	6/30/2023				
Total N.J. Nonpublic Security Aid					-	-	-	

									(Memo Only)
Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	Balance, June 30, 2024			Budgetary Receivable	Cumulative Total Expenditures
					(Accounts Receivable)	Unearned Revenue	Due to Grantor		
\$ 3,905,993.00	\$ (4,337,510.00)	\$ -	\$ -	\$ -	\$ (431,517.00)	\$ -	\$ -	\$ 431,517.00	\$ 4,337,510.00
425,297.94	(472,283.00)				(46,985.06)			46,985.06	472,283.00
250,501.67	(278,176.00)				(27,674.33)			27,674.33	278,176.00
119,793.71	(133,028.00)				(13,234.29)			13,234.29	133,028.00
408,907.32									4,154,788.00
43,900.29									446,058.00
26,300.53									267,232.00
13,092.39									133,028.00
5,193,786.85	(5,220,997.00)	-	-	-	(519,410.68)	-	-	519,410.68	10,222,103.00
100,505.58	(111,609.00)				(11,103.42)			11,103.42	111,609.00
10,984.37	(5,005.00)				(5,005.00)				111,609.00
2,808.00									5,005.00
114,297.95	(116,614.00)	-	-	-	(16,108.42)	-	-	11,103.42	2,808.00
91,287.00	(52,599.00)				(52,599.00)				231,031.00
91,287.00	(52,599.00)	-	-	-	(52,599.00)	-	-	-	52,599.00
259,480.22	(259,480.22)								91,287.00
259,480.22	(259,480.22)	-	-	-	-	-	-	-	143,886.00
1,145,100.00	(1,145,100.00)								259,480.22
315,208.00	(315,208.00)								259,480.22
711.00	(711.00)								
13,059.00	(13,059.00)								1,145,100.00
1,474,078.00	(1,474,078.00)	-	-	-	-	-	-	-	315,208.00
13,897.00	(13,897.00)					-		-	711.00
7,146,827.02	(7,137,665.22)	-	-	-	(588,118.10)	-	-	530,514.10	13,059.00
11,504.00	(11,504.00)			1,794.00					1,474,078.00
11,504.00	(11,504.00)	-	-	1,794.00	-	-	-	-	13,897.00
23,880.00	(23,641.20)		0.20	231.00			239.00		7,146,827.02
23,880.00	(23,641.20)	-	0.20	231.00	-	-	239.00	-	11,504.00
9,751.00	(9,386.76)		(0.24)	186.00			364.00		11,802.00
9,751.00	(9,386.76)	-	(0.24)	186.00	-	-	364.00	-	23,880.00
40,795.00	(40,775.00)						20.00		23,880.00
40,795.00	(40,775.00)	-	-	-	-	-	20.00	-	23,880.00

(Continued)

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance, June 30, 2023		Carryover / (Walkover) Amount	
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor		
Special Revenue Fund (Continued):								
New Jersey Department of Education (Continued):								
N.J. Nonpublic Auxiliary Services Aid:								
Auxiliary Services:								
Compensatory Education	100-034-5120-067	\$ 77,321.00	7/1/2023	6/30/2024	\$ -	\$ -	\$ -	
Transportation	100-034-5120-067	16,916.00	7/1/2023	6/30/2024				
English as a Second Language	100-034-5120-067	4,304.00	7/1/2023	6/30/2024				
Auxiliary Services:								
Compensatory Education	100-034-5120-067	75,112.00	7/1/2022	6/30/2023		12,849.00		
Transportation	100-034-5120-067	18,219.00	7/1/2022	6/30/2023		9,520.00		
English as a Second Language	100-034-5120-067	5,813.00	7/1/2022	6/30/2023		2,506.00		
Total N.J. Nonpublic Auxiliary Services Aid						-	24,875.00	-
N.J. Nonpublic Handicapped Aid:								
Handicapped Services:								
Supplemental Instruction	100-034-5120-066	21,063.00	7/1/2023	6/30/2024				
Examination & Classification	100-034-5120-066	30,335.00	7/1/2023	6/30/2024				
Corrective Speech	100-034-5120-066	9,765.00	7/1/2023	6/30/2024				
Handicapped Services:								
Supplemental Instruction	100-034-5120-066	15,033.00	7/1/2022	6/30/2023		2,313.00		
Examination & Classification	100-034-5120-066	19,148.00	7/1/2022	6/30/2023		2,086.00		
Corrective Speech	100-034-5120-066	9,300.00	7/1/2022	6/30/2023		5,208.00		
Total N.J. Nonpublic Handicapped Aid						-	9,607.00	-
Preschool Education Aid	495-034-5120-086	63,009.00	7/1/2023	6/30/2024				
Preschool Education Aid	495-034-5120-086	46,291.00	7/1/2022	6/30/2023	(4,629.10)			
Total Preschool Education Aid						(4,629.10)	-	-
New Jersey Schools Development Authority (SDA):								
Capital Maintenance and Emergent Project Grant	N/A	9,366.00	7/1/2021	6/30/2022				
Capital Maintenance and Emergent Project Grant	N/A	8,778.00	7/1/2022	6/30/2023				
Capital Maintenance and Emergent Project Grant	N/A	8,277.00	7/1/2023	6/30/2024				
Total New Jersey Schools Development Authority (SDA)						-	-	-
Total Special Revenue Fund						(4,629.10)	36,693.00	-
Debt Service Fund:								
New Jersey Department of Education:								
Debt Service Aid	495-034-5120-075	35,533.00	7/1/2023	6/30/2024				
Total Debt Service Aid						-	-	-
Enterprise Fund:								
New Jersey Department of Agriculture:								
State School Reduced Breakfast Program	24-495-010-3350-023	172.20	7/1/2023	6/30/2024				
Working Class Families State Supplement - EIE Breakfast	24-495-010-3350-006	112.80	7/1/2023	6/30/2024				
State School Lunch Program	24-495-010-3350-023	1,585.74	7/1/2023	6/30/2024				
State School Reduced Lunch Program	24-495-010-3350-023	986.40	7/1/2023	6/30/2024				
Working Class Families State Supplement - EIE Lunch	24-495-010-3350-023	646.80	7/1/2023	6/30/2024				
State School Breakfast Program	23-495-010-3350-023	96.90	7/1/2022	6/30/2023	(24.90)			
State School Lunch Program	23-495-010-3350-023	1,807.86	7/1/2022	6/30/2023	(362.62)			
Total Enterprise Fund						(387.52)	-	-
Total State Financial Assistance						\$ (602,296.52)	\$ 36,693.00	\$ -
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:								
General Fund (Non-Cash Assistance):								
New Jersey Department of the Education:								
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non budgeted)	495-034-5094-002	1,145,100.00	7/1/2023	6/30/2024				
On-Behalf T.P.A.F. Post-Retirement Medical (non budgeted)	495-034-5094-001	315,208.00	7/1/2023	6/30/2024				
On-Behalf T.P.A.F. Long-Term Disability Insurance (non budgeted)	495-034-5094-004	711.00	7/1/2023	6/30/2024				
On-Behalf T.P.A.F. Non-Contributory Insurance (non budgeted)	495-034-5094-004	13,059.00	7/1/2023	6/30/2024				

(a) see note 6 in the notes to the schedules of expenditures of federal awards and state financial assistance

The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Balance, June 30, 2024								(Memo Only)	
Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments (a)	Repayment of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 77,321.00	\$ (58,075.40)	\$ -	\$ 0.40	\$ -	\$ -	\$ -	\$ 19,246.00	\$ -	\$ 58,075.00
16,916.00	(5,469.20)		0.20				11,447.00		5,469.00
4,304.00	(2,655.24)		0.24				1,649.00		2,655.00
				12,849.00					62,263.00
				9,520.00					8,699.00
				2,506.00					3,307.00
98,541.00	(66,199.84)	-	0.84	24,875.00	-	-	32,342.00	-	140,468.00
21,063.00	(15,776.60)		(0.40)				5,286.00		15,777.00
30,335.00	(24,832.55)		(0.45)				5,502.00		24,833.00
9,765.00	(6,510.00)						3,255.00		6,510.00
				2,313.00					12,720.00
				2,086.00					17,062.00
				5,208.00					4,092.00
61,163.00	(47,119.15)	-	(0.85)	9,607.00	-	-	14,043.00	-	80,994.00
56,708.10	(63,009.00)				(6,300.90)			6,300.90	63,009.00
4,629.10									46,291.00
61,337.20	(63,009.00)	-	-	-	(6,300.90)	-	-	6,300.90	109,300.00
9,366.00	(9,366.00)								9,366.00
8,778.00	(8,778.00)								8,778.00
8,277.00	(8,277.00)								8,277.00
26,421.00	(26,421.00)	-	-	-	-	-	-	-	26,421.00
333,392.20	(288,055.95)	-	(0.05)	36,693.00	(6,300.90)	-	47,008.00	6,300.90	527,829.00
35,533.00	(35,533.00)								35,533.00
35,533.00	(35,533.00)	-	-	-	-	-	-	-	35,533.00
156.30	(172.20)				(15.90)				172.20
105.75	(112.80)				(7.05)				112.80
1,482.19	(1,585.74)				(103.55)				1,585.74
918.80	(986.40)				(67.60)				986.40
604.45	(646.80)				(42.35)				646.80
24.90									96.90
362.62									1,807.86
3,655.01	(3,503.94)	-	-	-	(236.45)	-	-	-	1,904.76
\$ 7,519,407.23	\$ (7,464,758.11)	\$ -	\$ (0.05)	\$ 36,693.00	\$ (594,655.45)	\$ -	\$ 47,008.00	\$ 536,815.00	\$ 12,909,741.98
	1,145,100.00								
	315,208.00								
	711.00								
	13,059.00								
	1,474,078.00								
	<u>\$ (5,990,680.11)</u>								

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance ("the schedules") include federal and state award activity of the Borough of Merchantville School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the debt service fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedules are presented at the federal and state participation level; thus, any matching portion is not included.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund, special revenue fund, debt service fund, and proprietary fund (enterprise fund - food service) on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$27,329.20 for the general fund and \$1,671.80 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

The revenues reported on a GAAP basis from the basic financial statements with a reconciliation to the reported amounts on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 653.00	\$ 7,110,336.02	\$ 7,110,989.02
Special Revenue	521,498.21	286,384.15	807,882.36
Debt Service		35,533.00	35,533.00
Food Service	86,261.48	3,503.94	89,765.42
GAAP Basis Revenues	608,412.69	7,435,757.11	8,044,169.80
GAAP Adjustments:			
State Aid Payments		29,001.00	29,001.00
Total Awards and Financial Assistance Expended	<u>\$ 608,412.69</u>	<u>\$ 7,464,758.11</u>	<u>\$ 8,073,170.80</u>

Note 4: RELATIONSHIP TO STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

Note 5: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2024, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent rounding adjustments.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Schedule of Findings and Questioned Costs For the Fiscal Year Ended June 30, 2024

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
---------------------------------	------------

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified?	X	yes	none reported
---	---	-----	---------------

Noncompliance material to financial statements noted? X yes no

Federal Awards

NOT APPLICABLE

Internal control over major programs:

	yes	no
Material weakness(es) identified?		

Significant deficiency(ies) identified?	yes	none reported

Type of auditor's report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?

yes no

Identification of major programs:

Assistance Listing Number(s)**FAIN Number(s)****Name of Federal Program or Cluster**

Dollar threshold used to distinguish between type A and type B programs: \$

Auditee qualified as low-risk auditee?	yes	no

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? X yes _____ none reported

Type of auditor's report issued on compliance for major programs _____ Unmodified

Any audit findings disclosed that are required to be reported in
accordance with New Jersey Circular 15-08-OMB? X yes _____ no

Identification of major programs:

State Grant / Project #

Name of State Program

495-034-5120-078

State Aid - Public:
Equalization Aid

495-034-5120-089

Special Education Categorical Aid

495-034-5120-084

Security Aid

495-034-5120-068

School Choice Aid

495-034-5094-003

Reimbursed TPAF Social Security Contributions

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? X yes _____ no

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

Finding No. 2024-001**Criteria or Specific Requirement**

School Districts must complete the District Report of Transported Resident Students (DRTRS) in accordance with instructions provided by the Office of School Finance, Department of Education. School Districts must complete a set of supporting workpapers that document the compilation of data and provide an audit trail for testing the student counts reported on the DRTRS.

Condition

The School District's reported student count in the Regular – Public School Students category of the October 2023 DRTRS could not be verified to supporting documents.

Context

During our testing of DRTRS, we noted the following:

1. 8 sampled students reported under “Regular – Public School Students” should not have been categorized under this line because of their special education status or special transportation needs.
2. 4 sampled students reported under “Regular – Public School Students” could not be verified to supporting documentation to determine the accuracy of their DRTRS reporting status.

The sample was not statistically valid.

Effect or Potential Effect

The School District's DRTRS reporting is not accurate.

Cause

Procedures were not consistently followed to allow for an accurate compilation of information from various departments in order to correctly report the information on the DRTRS.

Recommendation

The School District should implement procedures and maintain adequate workpapers to support student counts reported in each category to ensure students are correctly reported on the DRTRS required by the Office of School Finance, Department of Education, State of New Jersey.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 2- Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-002

Criteria or Specific Requirement

N.J.S.A. 18A:17-9. The Chief School Administrator or board designee other than the Board Secretary shall prepare the monthly reconciliation of bank account statements and in conjunction with the Board Secretary take any steps necessary to bring the cash record balance and reconciled bank balance into agreement prior to completion of the Board Secretary's monthly report.

The Board Secretary shall report to the Board, at each regular meeting, but not more often than once each month, the amount of total appropriations and the cash receipts for each account, the amount for which warrants have been drawn against each account, the amounts of orders or contractual obligations incurred and chargeable against each account year to date and since the date of his last report, the cash and appropriation balances for each account and fund, and the reconciled bank account balances in the manner and form prescribed by the commissioner.

N.J.S.A. 18A:17-36. At the close of the school year and not later than August 1 of each year, the Treasurer's Report and the Board Secretary's Report shall be filed with the county superintendent in the manner and form prescribed by the commissioner.

Condition

The Board Secretary's and Treasurer's reports were not presented monthly to the board and were not submitted to the executive county superintendent as prescribed (*N.J.S.A. 18A:17-9* and *18A:17-36*).

Context

The Board Secretary's Report and Treasurer's Report for the months of July 2023 through May 2024 were approved by the Board of Education on August 5, 2024. As such, it was determined that Board Secretary's Report and Treasurer's Report for the 2023-2024 school year were not filed with the executive county superintendent on or prior to August 1, 2024.

Effect or Potential Effect

Delay or failure to submit monthly report can hinder the Board's ability to make informed decisions about budgeting, spending and financial planning.

Cause

Procedures have not been designed to reconcile accounts and present reports to the board on a monthly basis.

Recommendation

The School District should establish procedures to ensure Board Secretary's and Treasurer's reports are prepared and presented monthly to the board and submitted to the executive county superintendent as prescribed (*N.J.S.A. 18A:17-9* and *18A:17-36*).

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not Applicable.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2024

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

Finding No. 2024-003

Information on the State Program

New Jersey Department of Education, State Aid Public, 7/1/2023 – 6/30/2024

Equalization Aid	495-034-5120-078	Special Education Categorical Aid	495-034-5120-089
School Choice Aid	495-034-5120-068	Security Aid	495-034-5120-084

Criteria or Specific Requirement

For October 13, 2023, Free/Reduced lunch counts on the ASSA can include eligible students registered in the district as of October 13, 2023, that submitted Free/Reduced Lunch Applications in 2022-2023 and have not submitted applications in 2023-2024.

Prior year eligibility information (carryover) used to identify low-income students cannot include direct certification since School Districts are required to update their direct certification lists prior to the enrollment count.

Condition

Several students reported as “low income” lacked appropriate qualifying documentation (Free and Reduced Lunch Application or Direct Certification).

Questioned Costs

Unknown.

Context

The School District reported 194 low income resident students; our sample for the low income test included 101 free students and 20 reduced students.

During our testing, we noted the following: 1) 6 free students were only supported by Direct Certification from previous school year; 2) 1 free student was only supported by a lunch application submitted and approved after October 13, 2023; and 3) 1 student was reported as free; however, the School District could not provide any supporting documentation.

Effect or Potential Effect

The Office of School Finance used the October 13, 2023 ASSA data in the calculation of 2024-25 state aid, and for other purposes such as calculation of School Choice Aid, and federal entitlement programs.

Cause

Management Oversight.

Identification as a Repeat Finding

Not applicable.

Recommendation

The School District should develop and implement procedures to ensure the low income category on the A.S.S.A. Report only includes students with appropriate qualifying documentation.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF MERCHANTVILLE SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2023-001

Condition

The School District's reported student count in the Regular – Public School Students category of the October 2022 DRTRS could not be verified to supporting documents.

Current Status

The condition continues to exist, see Finding No. 2024-001.

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

FEDERAL AWARDS

Not applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.