

**MOONACHIE BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2018**

**MOONACHIE BOARD OF EDUCATION  
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA

## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

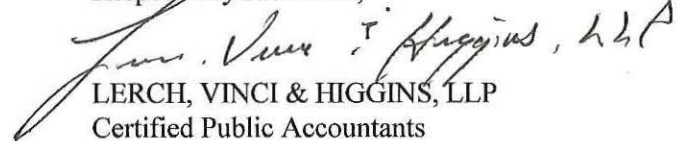
Honorable President and Members  
of the Board of Trustees  
Moonachie Board of Education  
Moonachie, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Moonachie Board of Education for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

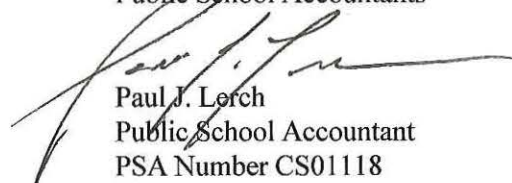
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
January 18, 2019

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Scope of Audit**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Chief School Administrator the activities of the Board of Education and the records of the various funds under the auspices of the Board of Education.

**Administrative Practices and Procedures**

**Insurance**

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the district's CAFR.

**Official Bonds**

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Laurel Spadevechhia	Business Administrator/Board Secretary	\$200,000
Ernest Turner	Treasurer	\$250,000

There is a Public Employees' Dishonesty Bond covering all other employees with multiple coverage of \$500,000.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate discrepancies with respect to signatures, certification or supporting documentation.

**Payroll Account**

All payrolls were approved by the Superintendent and were certified by the president of the Board, the Board Secretary/Business Administrator and the Treasurer of School Monies.

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium amounts withheld due to the General Fund. The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

**Finding** – Employee Chapter 78 health benefit contribution for the 3<sup>rd</sup> quarter 2017 in the amount of \$31,505 was incorrectly posted as a disbursement adjustment to the health benefit budget appropriation.

**Recommendation** – It is recommended that all employee health benefit contributions be posted to the budget appropriation account for health benefits as a budget refund.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

**Reserve for Encumbrances and Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Travel**

The district has adopted a policy regulating District travel in compliance with N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11.12.

**Board Secretary's Records**

The financial records, books of accounts and minutes maintained by the Board Secretary were in good condition.

Acknowledgement of the Board's receipt of the Board Secretary monthly financial reports was included in the minutes.

Bids received are summarized in the minutes.

The prescribed contracted order system was followed.

**Finding** – Our audit of the Board Secretary's records revealed the following:

- Miscellaneous receipts were not identified in the receipt report by source/description.
- The intergovernmental accounts receivable for the Extraordinary Aid award and Non-Public Transportation award were not recorded on the District's financial records at June 30<sup>th</sup>. The financial statements have been adjusted to reflect these intergovernmental account receivables at year end.
- There were several federal and state lunch reimbursements that were incorrectly recorded as intergovernmental accounts receivable in the General Fund and should have been recorded as an interfund payable to the Food Service Fund. The financial statements have been adjusted to reflect these amounts due to the Food Service Fund.

**Recommendation** – It is recommended that:

- The District identify all miscellaneous receipts by source and description when posting in the computer software system.
- All intergovernmental accounts receivable are recorded in the General Fund at year end.
- The federal and state lunch reimbursements that are due to the Food Service Fund are recorded as interfund payables to the Food Service Fund.

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

**Board Secretary's Records (Continued)**

**Finding** - The withdrawal from Maintenance Reserve in the amount of \$300,000 was approved in the 2017/18 original budget and appropriated to the required maintenance budget accounts. These funds are restricted to be used for the required maintenance and are not to be transferred to any other budget line account as per N.J.A.C. 6A:26A-4. The district transferred out of the required maintenance budget lines \$178,525 during the year. Auditor reversed the transfers and the unexpended balance was returned to Maintenance Reserve at year end. These entries created over expenditures in certain budget lines.

**Recommendation** - The District's appropriation of the Maintenance Reserve funds is to be in accordance with administrative code N.J.A.C. 6A:26A-4.

**Finding** – There were several budgetary line item over-expenditures that were caused by an audit adjustment, therefore no recommendation is warranted.

**Treasurer's Records**

The Treasurer did perform cash reconciliations for the general operating account, payroll account, payroll agency account and the food service accounts. The Treasurer's records were in agreement with the Board Secretary's records.

**Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)**

The E.S.E.A. financial exhibits are contained within the Special Revenue section of the CAFR. This section of the CAFR documents the financial position pertaining to projects under Title I and IV of the Elementary and Secondary Education Act, as amended.

Our examination of the E.S.E.A./ESSA funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

**Other Special Federal and/or State Projects**

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 located in the CAFR.

Our audit of the Federal and State funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

**T.P.A.F. Reimbursements**

Our audit procedures included a test of the semi-monthly reimbursement forms filed with the Department of Education for District employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Financial Planning, Accounting and Reporting (Continued)**

**TPAF Reimbursement to the State for Federal Salary Expenditures**

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 60 day grant liquidations period, but prior to the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) is \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent). The District has appointed Ernes Turner as a Qualified Purchasing Agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is currently \$19,000.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the Board of Education may establish that the bid threshold may be up to \$40,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the Treasurer of School Monies as the qualified purchasing agent.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did not note any individual payments, contracts, or agreements and aggregate amounts for similar services/goods were made for the performance of work or purchased goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did reveal, however, that the district purchased items through the use of State contracts.

**School Food Service Fund**

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The financial transactions and statistical records of the school food services were maintained in satisfactory condition.

Cash receipts and bank records were reviewed for timely deposit.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were correctly maintained and properly applied in determining the cost of food supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education.

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**School Food Service Fund (Continued)**

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled Enterprise Funds.

The Statement of Revenues, Expenses and Changes in Fund Net Assets (CAFR Schedule B-5) does separate program and non-program revenue and program and non-program cost of goods sold.

Net cash resources did not exceed three months average expenditures.

**Finding-** The District had an Administrative Review of the National School Lunch program. The review disclosed six findings. A Corrective action plan was prepared by the District and approved by the State.

**Finding –** The federal and state lunch reimbursements for the Food Service Fund are deposited into the General Fund and are not being turned over to the Food Service Fund on a timely basis.

**Recommendation –** It is recommended that the federal and state lunch reimbursements be turned over to the Food Service Fund on a monthly basis.

**Student Body Activity Fund**

The Board has a policy which clearly established the regulation of student activity funds.

All receipts tested were deposited in a timely manner. All cash disbursements tested had proper supporting documentation.

**Finding –** Our audit of the cash receipt cycle in the Student Activity Account revealed that there was a \$5,000 donation from Lowes.

**Recommendation –** It is recommended that all donations be recorded in the Special Revenue Fund as a local program grant/donation with an offsetting appropriation.

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private school for the handicapped, low income and bilingual education. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with one exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.



**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Miscellaneous**

**Testing for Lead of all Drinking Water in Educational Facilities**

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

**Follow Up On Prior Year Findings**

Corrective action has been taken.

**Management Suggestions**

The District currently utilizes store cards without a written board policy, it is suggested that the board formally adopt a policy on the use of store cards.

**MOONACHIE BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL/MILK COUNT ACTIVITY  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOT APPLICABLE**

# MOONACHIE BOARD OF EDUCATION NET CASH RESOURCE SCHEDULE

## Proprietary Funds - Food Service FYE 2018

### Net Cash Resources:

\*

<b>Current Assets</b>		
Cash & Cash Equiv.	\$	1,141
Due from Other Gov'ts		7,911
Accounts Receivable		79,789
Investments		
<b>Current Liabilities</b>		
Less Accounts Payable		(25,411)
Less Accruals		
Less Due to Other Funds		
Less Deferred Revenue		
<b>Net Cash Resources</b>	<b>\$</b>	<b><u>63,430</u></b>
		<b>(A)</b>

### Net Adj. Total Operating Expense:

Tot. Operating Exp.		221,184
Less Depreciation		<u>0</u>
<b>Adj. Tot. Oper. Exp.</b>	<b>\$</b>	<b><u>221,184</u></b>
		<b>(B)</b>

### Average Monthly Operating Expense:

B / 10	<b>\$</b>	<b><u>22,118</u></b>
		<b>(C)</b>

### Three times monthly Average:

3 X C	<b>\$</b>	<b><u>66,355</u></b>
		<b>(D)</b>

TOTAL IN BOX A	<b>\$</b>	<b><u>63,430</u></b>
LESS TOTAL IN BOX D	<b>\$</b>	<b><u>66,355</u></b>
NET	<b>\$</b>	<b><u>(2,925)</u></b>

D is greater than A, cash does not exceed 3 X average monthly operating expenses.

**MOONACHIE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-2019 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	A.S.S.A.		Workpapers				Selected from		Register		Registers								
	On Roll	On Roll	On Roll	On Roll			On Roll	On Roll	On Roll	On Roll	On Roll	On Roll							
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared							
Half Day Preschool 3 Years Old	-		-		-	-	-		-		-								
Full Day Preschool 3 Years Old	-		-		-	-	-		-		-								
Half Day Preschool 4 Years Old	12		12		-	-	12		12		-								
Full Day Preschool 4 Years Old	-		-		-	-	-		-		-								
Half Day Kindergarten					-	-					-								
Full Day Kindergarten	30		30		-	-	30		30		-								
Grade 1	25		25		-	-	25		25		-								
Grade 2	25		25		-	-	25		25		-								
Grade 3	26		26		-	-	26		26		-								
Grade 4	20		20		-	-	20		20		-								
Grade 5	31		31		-	-	31		31		-								
Grade 6	32		32		-	-	32		32		-								
Grade 7	33		33		-	-	33		33		-								
Grade 8	33		33		-	-	33		33		-								
Grade 9	-		-		-	-	-		-		-								
Grade 10	-		-		-	-	-		-		-								
Grade 11	-		-		-	-	-		-		-								
Grade 12	-		-		-	-	-		-		-								
Post- Graduate					-	-					-								
Adult High School (15+ Credits)					-	-					-								
Adult High School (1-14 Credits)					-	-					-								
Subtotal	267	-	267	-	-	-	267	-	267	-	-	-	-	-	-	-	-	-	-
Sp Ed - Elementary	31		31		-	-	31		31		-		27	27	-	1	1	1	-
Sp Ed - Middle School	14		14		-	-	14		14		-		12	12	-	-	-	-	-
Sp Ed - High School	-		-		-	-	-		-		-		-	-	-	5	4	4	-
Subtotal	45	-	45	-	-	-	45	-	45	-	-		39	39	-	6	5	5	-
County Vocational - Regular					-						-								
County Vocational - F.T. Post-Second					-						-								
Subtotal	-	-	-	-	-	-	-	-	-	-	-		-	-	-	-	-	-	-
Totals	312	-	312	-	-	-	312	-	312	-	-	-	39	39	-	6	5	5	-
Percentage Error					0.00%						0.00%		0.00%			0.00%		0.00%	

[illegible]

	Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old	4	4	-	1	1	-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	8	8	-	2	2	-
Grade 1	19	19	-	5	5	-
Grade 2	13	13	-	3	3	-
Grade 3	12	12	-	4	4	-
Grade 4	9	9	-	2	2	-
Grade 5	20	20	-	5	5	-
Grade 6	19	19	-	4	4	-
Grade 7	14	14	-	4	4	-
Grade 8	17	17	-	4	4	-
Grade 9	17	17	-	5	5	-
Grade 10	11	11	-	2	2	-
Grade 11	11	11	-	3	3	-
Grade 12	6	6	-	1	1	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>180</b>	<b>180</b>	<b>-</b>	<b>45</b>	<b>45</b>	<b>-</b>
Sp Ed - Elementary	20	20	-	5	5	-
Sp Ed - Middle School	11	11	-	3	3	-
Sp Ed - High School	13	13	-	2	2	-
<b>Subtotal</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>
County Vocational - Regular						
County Vocational - F.T. Post-Second						
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>224</b>	<b>224</b>	<b>-</b>	<b>55.0</b>	<b>55.0</b>	<b>-</b>
Percentage Error			0.00%			0.00%

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**MOONACHIE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 13, 2017  
SCHEDULE OF AUDITED ENROLLMENTS**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on ASSA as NOT Low Income	Reported on Workpapers as NOT low Income	Errors	Sample Selected From Workpapers	Verified to Application	Errors
Half Day Preschool 3 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	1	1	-	1	1	-
Grade 1	-	-	-	-	-	-
Grade 2	-	-	-	-	-	-
Grade 3	1	1	-	1	1	-
Grade 4	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-
Grade 6	1	1	-	1	1	-
Grade 7	1	1	-	1	1	-
Grade 8	-	-	-	-	-	-
Grade 9	-	-	-	-	0	-
Grade 10	2	2	-	1	1	-
Grade 11	1	1	-	1	1	-
Grade 12	1	1	-	1	1	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
Subtotal	8	8	-	7	7	0
Sp Ed - Elementary						-
Sp Ed - Middle School						-
Sp Ed - High School						-
Subtotal	0	-	-	-	-	-
County Vocational - Regular						
County Vocational - F.T. Post-Second						
Subtotal						
Totals	8	8	-	7	7	-
Percentage Error			0.00%			0.00%

**MOONACHIE BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

2017-2018 Total General Fund Expenditures		\$ 9,394,637
Decreased by:		
On-Behalf TPAF Pension & Social Security		717,335
Assets Acquired Under Capital Leases		<u>75,165</u>
Adjusted 2017-2018 General Fund Expenditures		8,602,137
2% of Adjusted 2017-2018 General Fund Expenditures		<u>172,043</u>
Enter Greater of 2% of Adjusted 2017-2018 General Fund Expenditures or \$250,000		250,000
Increased by:		
Allowable Adjustment		<u>30,432</u>
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 280,432</u>
 Total General Fund - Fund Balance at June 30, 2018		 \$ 1,273,129
Decreased by:		
Restricted:		
Reserved Excess Surplus Designated Subsequent Year Expenditures	\$ 273,053	
Capital Reserve	428,978	
Maintenance Reserve	195,752	
Assigned:		
Unreserved-Designated for Subsequent Year's Expenditures	28,182	
Year End Encumbrances	<u>29,074</u>	
		<u>955,039</u>
Total Unassigned Fund Balance for Excess Surplus Calculation		<u>\$ 318,090</u>
 Restricted Fund Balance - Excess Surplus		 <u>\$ 37,658</u>
 <b><u>Detail of Allowable Adjustments</u></b>		
Additional Nonpublic School Transportation Aid	\$ 5,510	
Extraordinary Aid	<u>24,922</u>	
		<u>\$ 30,432</u>
 <b><u>Recapitulation of Excess Surplus as of June 30, 2018</u></b>		
Reserved Excess Surplus		\$ 37,658
Reserved Excess Surplus Designated for Subsequent Year's Expenditures		<u>273,053</u>
		<u>\$ 310,711</u>

## **MOONACHIE BOARD OF EDUCATION RECOMMENDATIONS**

### **I. Administrative Practices and Procedures**

There are none.

### **II. Financial Planning, Accounting and Reporting**

It is recommended that --

1. All employee health benefit contributions be posted to the budget appropriation account for health benefits as a budget refund.
2. The District identify all miscellaneous receipts by source and description when posting in the computer software system.
3. All intergovernmental accounts receivable are recorded in the General Fund at year end.
4. The federal and state lunch reimbursements that are due to the Food Service Fund are recorded as interfund payables to the Food Service Fund.
5. The District's appropriation of the Maintenance Reserve funds is to be in accordance with administrative code N.J.A.C. 6A:26A-4.

### **III. School Purchasing Program**

There are none.

### **IV. School Food Services**

It is recommended that the federal and state lunch reimbursements be turned over to the Food Service Fund on a monthly basis.

### **V. Student Body Activities**

It is recommended that all donations be recorded in the Special Revenue Fund as a local program grant/donation with an offsetting appropriation.

### **VI. Application for State School Aid**

There are none.

### **VII. Pupil Transportation**

There are none.

### **VIII. Miscellaneous**

There are none.

### **IX. Status of Prior Years' Audit Findings/Recommendations**

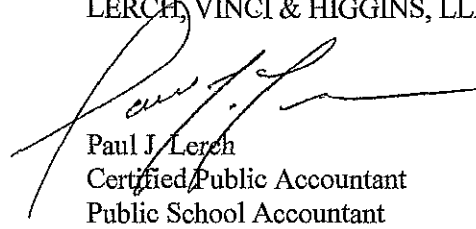
Prior year findings were reviewed and corrective action was taken.



## ACKNOWLEDGEMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,  
LERCH, VINCI & HIGGINS, LLP



Paul J. Lerch  
Certified Public Accountant  
Public School Accountant