

MOONACHIE BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Moonachie, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Moonachie Board of Education

Moonachie, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Business Office

**MOONACHIE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-vi
Organizational Chart	vii
Roster of Officials	viii
Consultants and Advisors	ix

FINANCIAL SECTION

Independent Auditor's Report	1-3
------------------------------	-----

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-17
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1	Statement of Net Position	18
A-2	Statement of Activities	19

B. Fund Financial Statements

Governmental Funds

B-1	Balance Sheet	20-21
B-2	Statement of Revenues, Expenditures, and Changes in Fund Balances	22
B-3	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	23

Proprietary Funds

B-4	Statement of Net Position	24
B-5	Statement of Revenues, Expenses, and Changes in Net Position	25
B-6	Statement of Cash Flows	26

Notes to the Financial Statements	27-68
--	--------------

**MOONACHIE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	69-75
C-2	Budgetary Comparison Schedule – Special Revenue Fund	76

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule – Budgetary Comparison Schedule	77
-----	---	----

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	78
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	79
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	80
L-4	Notes to Required Supplementary Information	81
L-5	Required Supplementary Information – Schedule of Changes in District’s Proportionate Share of Total OPEB Liability	82
L-6	Notes to Required Supplementary Information – OPEB Liability	83

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures - Special Revenue Fund – Budgetary Basis	84-85
E-2	Preschool Education Expansion Aid Schedule of Expenditures – Preschool - All Programs - Budgetary Basis	86
E-3	Special Revenue Fund – Schedule of Student Activities Receipts and Disbursements	87

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures - Not Applicable	88
F-2	Summary Schedule of Project Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis – Not Applicable	88

G. Proprietary Funds

<i>Enterprise Fund</i>		
G-1	Combining Statement of Net Position – Not Applicable	89
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	89
G-3	Combining Statement of Cash Flows – Not Applicable	89

**MOONACHIE BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

H. Fiduciary Funds – Not Applicable

I. Long-Term Debt

I-1	Schedule of Serial Bonds – Not Applicable	90
I-2	Schedule of Obligations under Capital Leases	90
I-3	Budgetary Comparison Schedule – Not Applicable	91
I-4	Schedule of Obligations Under Lease Purchases – Not Applicable	91

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	92
J-2	Changes in Net Position	93-94
J-3	Fund Balances – Governmental Funds	95
J-4	Changes in Fund Balances - Governmental Funds	96
J-5	General Fund Other Local Revenue by Source	97
J-6	Assessed Value and Actual Value of Taxable Property	98
J-7	Property Tax Rates	99
J-8	Principal Property Taxpayers	100
J-9	Property Tax Levies and Collections	101
J-10	Ratios of Outstanding Debt by Type	102
J-11	Ratios of Net General Bonded Debt Outstanding	103
J-12	Computation of Direct and Overlapping Outstanding Debt	104
J-13	Legal Debt Margin Information	105
J-14	Demographic and Economic Statistics	106
J-15	Principal Employers	107
J-16	Full-Time Equivalent District Employees by Function/Program	108
J-17	Operating Statistics	109
J-18	School Building Information	110
J-19	Schedule of Required Maintenance for School Facilities	111
J-20	Schedule of Insurance	112

K. SINGLE AUDIT SECTION

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	113-114
K-2	Report on Compliance for each Major State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	115-117
K-3	Schedule of Expenditures of Federal Awards	118-119
K-4	Schedule of Expenditures of State Financial Assistance	120
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	121-122
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	123-124
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	125
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	126
K-7	Summary Schedule of Prior Year Findings	127

INTRODUCTORY SECTION

Moonachie Public School

Business Office

Robert L. Craig School
20 West Park Street
Moonachie, NJ 07074

James Knipper
Superintendent/Principal
JKnipper@moonachieschool.org

Office: (201) 641-5833
Fax: (201) 641-3723

February 2, 2022

Honorable President and
Members of the Board of Education
Moonachie School District
20 West Park Street
Moonachie, New Jersey 07074

Dear Board Members:

The comprehensive annual financial report of the Moonachie School District (the "District") for the fiscal year ended June 30, 2021 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 Moonachie Board of Education. 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 for the financial position and results of operations 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.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the "Independent Auditor's Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis (MD&A), the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act as amended, US Uniform Guidance and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". 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.

1) REPORTING ENTITY AND ITS SERVICES: The Moonachie School District is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Moonachie Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8 for regular and special education handicapped youngsters. The District completed the 2019-2020 fiscal year with an average daily enrollment of 333 students, which is an increase of 15 students compared to the previous year's average daily enrollment. In addition, the District is in a sending/receiving relationship for its 9-12th grade students with the Wood-Ridge School District. The following details the changes in the student enrollment of the Moonachie School District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021	348	4.51%
2020	333	4.73%
2019	318	1.6%
2018	313	(1.6%)
2017	318	4.61%
2016	304	3.05%
2015	295	2.43%
2014	288	4.35%
2013	276	(2.12)%
2012	282	(1.05)%

2) ECONOMIC CONDITION AND OUTLOOK: The Borough of Moonachie has reached a point of stabilized growth and this trend is anticipated to continue.

3) MAJOR INITIATIVES: The Moonachie School District implemented the following initiatives during the 2020-2021 school year:

*The District applied for and was subsequently awarded the Pre-School Education Expansion Aid grant provided by the State of New Jersey in October, 2018. Due to this major initiative, the Moonachie School District transitioned our current ½ day pre-school program into a full-day program effective January 2nd, 2019. Administration has also reapplied and was awarded this grant for the next three academic years. The awarded monies allows the district to purchase a state approved Pre-K curriculum, trainings, staffing, and age appropriate instructional materials. In 2020-2021, the district applied and was awarded the creation of an additional Pre-K 3 Year Old classroom to accommodate 15 more district preschool children. Our PreK program continues to grow and prepare our youngest students for a successful educational journey.

*The District continues to implement renaissance STAR diagnostic assessments in reading and math for all students in grades K-8. Data is collected and analyzed for student progress throughout the year. The entire school received benchmark assessments 3 times a year, with intervention students receiving an additional 2 progress-monitoring assessments. Students are recommended

for interventions (during the school day) through our 3-tiered RTI process, as well as before and/or after school tutoring.

3) MAJOR INITIATIVES: (Continued)

*The District has continued our Targeted Ongoing Professional Development plan with two separate consultants, one for ELA and one for Math. The teachers receive intensive training 5-times a year in each content. The teachers are heavily trained on Tier 1 instructional best practices. The practices are: Reciprocal Teaching, Socratic Seminar, Close Reading, Mathematics Discussions, & Math Reasoning. Teachers are observed, coached, and provided the tools to ensure implementation and growth within each practice. The consultants are highly recommended professors of education from Rutgers University and The College of New Jersey. This vision and implementation has played a major part in the continued academic growth of our students.

*The District has continued to expand our Targeted Ongoing Professional Development model into Special Education. As of 2020-2021 School Year, the district is a fully inclusive district. Our Special Education consultant provides our inclusion with Professional Development in best practices surrounding age-appropriate modifications for special education students. The consultant observes our teachers and provides immediate coaching for instructional growth. We have expanded our model this year to include the de-escalation cycle and co-teaching practices.

*The District has continued to expand our Targeted ongoing Professional Development model into Science. Our Science consultant provides our science instructors Professional Development in best practices surrounding the NGSS. The consultant, a professor from Rutgers University, is observing our teachers, providing immediate coaching feedback, setting growth goals, and analyzing student work.

*With support of the American Rescue Plan (ESSR-III) grant, the District plans to partner with a Family Outreach consultant. The vision for this community based and professional development model is to bridge the Home-School-Community Connection. We plan to host family Curriculum sessions, in helping our families become effective Learning Coaches to support their student's academic growth.

*The District has expanded our Tiered PBIS program by implementing a Tier 3 Trauma Informed Behavior Team. This team discusses extreme student's behaviors, usually a result of experiencing trauma. Our Special Education consultant doubles as a point of contact to guide our team in making Trauma Informed Behavioral Intervention Plans for most at risk students. This Tier 3 component is the final piece to our School Wide PBIS system. Tier 1 consists of our House System, Tier 2 is our Teacher Mentor Check-In Check-Out program, and finally our Tier 3 provides intensive behavioral supports for our most at risk students.

*The District supported the implementation of the 21st Century Learning Grant, in partnership with the Meadowlands YMCA, to offer free before/after school care and academic remediation and enrichment. The District works in partnership with the YMCA program to ensure an Extended School Day approach, whereas students receive homework help and instruction on topics covered in class. Furthermore, the 21st Century Learning Grant has afforded our District to implement a Saturday Tutoring Program. Saturday Tutoring is offered to our current K-8 students, and will be expanded to support students in high school who may be struggling and/or are looking for PSAT Prep support. Additionally, this year we created a SACC program through the YMCA partnership for grades 1 & 2. Finally, we have expanded our after school programming to include High School Students and provide them a safe place to complete assignments.

*The District's STEAM Team has been increasingly successful. The Team placed 2nd in the State STEAM Tank competition.

*The district focused on decreasing our Chronic Absenteeism. As COVID-19, international travel restrictions, and exposure Quarantines continue, we are working with families on Asynchronous and Synchronous learning options, when applicable.

*The District was able to utilize our Federal Grants to fulfill our 1-to-1 initiative. Grades K-3 all are furnished with new Apple iPads, while grades 4-8 have Apple Mac Books.

*In partnership with the 21st Century Learning Grant, the District has implemented the research based LEXIA program for our Special Education students and English as a Second Language Students. The program is implemented as a Tier 2 instructional intervention for these students.

*Middle School Students engage in hosting R.L.C. TV each day for announcements. They script, film, and edit the announcements for each morning.

*Our Morning tutoring program continues to be a large part of our RTI process. Students at each grade level had been identified for Tier 2 instructional support. These students receive two-days of direct instructional support during morning tutoring time. Additionally, our teachers still offer open tutoring for students during a different two-day schedule. With this model, we have targeted more students to receive academic support, while maintaining our daily tutoring support.

*K-5 Students engage in an elementary world language program, once a week. Students are exposed to the Spanish language and culture. The class is led by our certified World Language instructor.

*The district has created an Enrichment program to support students applying to special-admit high schools. The students have engaged with the ABC (A Better Chance) program to support student academic performance on entrance exams and taking the PSAT. Additionally, students have been selected to the NJ SEEDS program.

*The District has become a member of the National Junior Honor Society and actively participates.

*Rocket Math program was implemented in all grade levels to increase student Math Fact Fluency.

*All curriculums continue to be updated and board approved to align to the NJSL & NGSS.

*The District purchased and implemented a new ELA & Math CORE Program (SAAVAS Learning) in grades K-5. Professional development occurred at its launch.

*The number of HIB complaints/investigations remain low by reinforcing conduct and behavior, training staff, and training students. There have been zero reports of HIB for September through November, 2021.

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 that adequate accounting data is compiled to allow for the preparation of financial statement 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 recognizes 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 those 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 and Special Revenue Fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30.

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 the "Notes to the Financial Statements", Note 1.

7) DEBT ADMINISTRATION: At June 30, 2021, the District's outstanding debt issues have been fully satisfied.

8) 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 3. The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental 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.

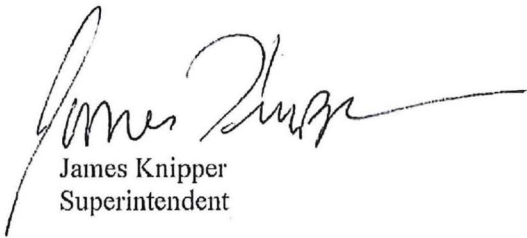
9) RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, hazard and theft insurance on property and contents, and fidelity bonds.

10) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Higgins, LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes the audit also was designed to meet the requirements of the Single Audit Act as

amended, US Uniform Guidance and state Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial 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 this report.

11) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Moonachie Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

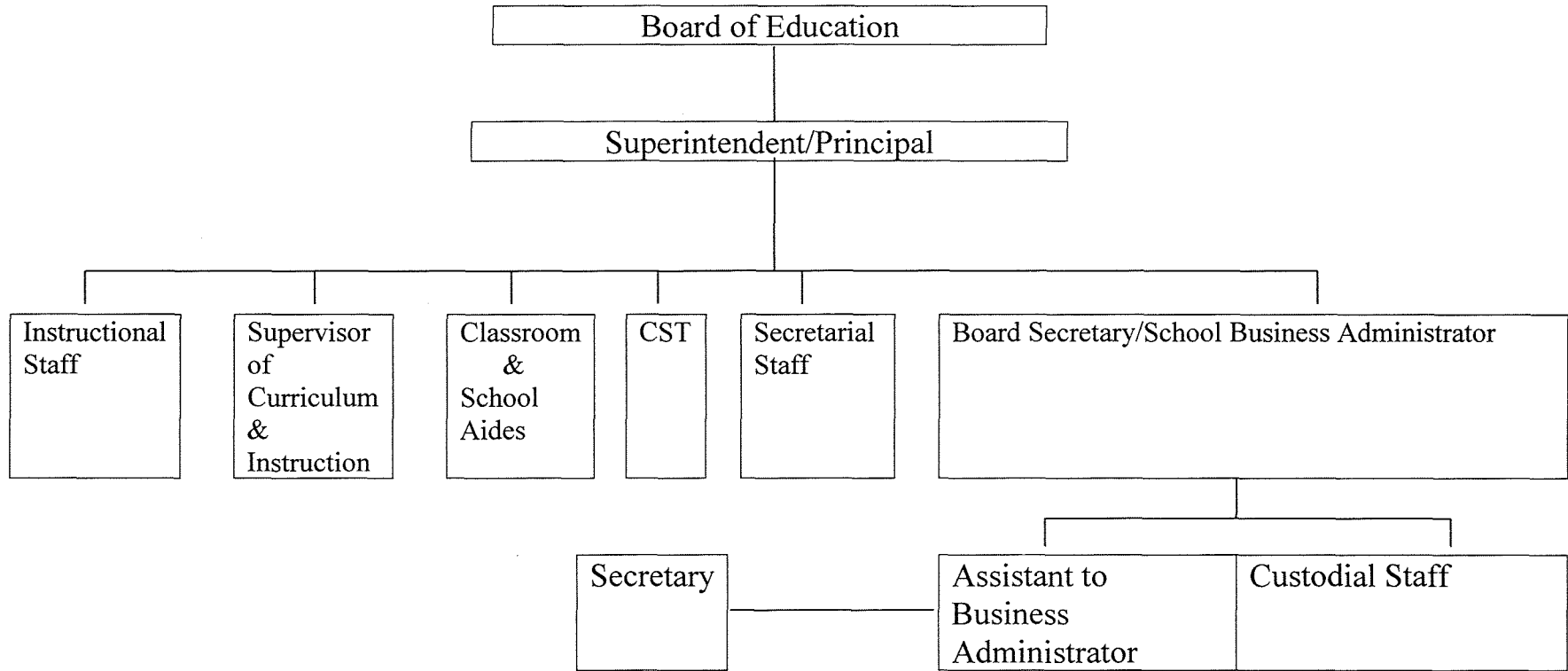


James Knipper
Superintendent



Laurel Spadavecchia
School Business Administrator

**Moonachie Board of Education
2020-2021 Organizational Chart**



**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Vaccaro, President	2024
James Campbell, Vice President	2022
Edmond Monti	2022
Charles Pallas	2023
Matthew Vaccaro	2024

Other Officials

James Knipper, Superintendent/Principal
Laurel Spadavecchia, Business Administrator/Board Secretary
Dennis McKeever, Esq. Board Attorney

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

Consultants and Advisors

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208 North
Fair Lawn, New Jersey 07410

Attorney

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, New Jersey 07090

Official Depository

Capital One Bank
710 Route 46
Fairfield, New Jersey 07004

FINANCIAL SECTION



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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Moonachie Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Moonachie Board of Education as of June 30, 2021, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Moonachie Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moonachie Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Moonachie Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 fund financial statements, 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.

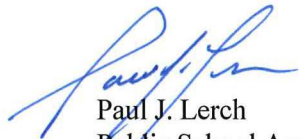
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 2, 2022 on our consideration of the Moonachie Board of Education'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 Moonachie Board of Education'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 Moonachie Board of Education's internal control over financial reporting and compliance.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 2, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

This discussion and analysis of the Moonachie School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2021. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2020-2021 are as follows:

- District-Wide Financials - Overall revenues were \$12,415,210. General revenues accounted for \$9,042,206 or 73 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,373,004 or 27 percent of total revenues of \$12,415,210.
- District-Wide Financials - The School District had \$11,783,064 in expenses; only \$3,373,004 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$9,042,206 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Moonachie Board of Education's governmental funds reported combined ending fund balances of \$3,512,956 an increase of \$837,706 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2021, unassigned fund balance for the General Fund was \$255,083, an increase of \$46,098.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of five parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the district-wide financial statements, fund financial statements and notes to the financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Moonachie Board of Education’s overall financial status.
- The remaining statements are fund financial statements that focus on individual funds of the Moonachie Board of Education, reporting the Moonachie Board of Education’s operation in more detail than the district-wide statements.
 - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
 - Proprietary fund statements offer short and long-term financial information about the activities the Moonachie Board of Education operates like a business.
 - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the Moonachie Board of Education’s financial statements, including the portion of the Moonachie Board of Education’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Figure A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset, deferred outflows, liabilities and deferred inflows information	All assets, deferred outflows, liabilities and deferred inflows both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities and deferred inflows both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The *District-wide financial statements* are designed to provide readers with a broad overview of the Moonachie Board of Education’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Moonachie Board of Education’s assets, deferred outflows, liabilities and deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District’s property tax base and the condition of the school buildings and other facilities.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

District-wide Statements (Continued)

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

Governmental funds. The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund and Special Revenue Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund. Due to the implementation of GASB Standard No. 84, the Payroll Agency Fund is reported in the General Fund, and the Student Activities and Scholarship Accounts are reported in the Special Revenue Fund.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

Fund Financial Statements (Continued)

Proprietary Funds. The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The District does not have any Fiduciary Funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE MOONACHIE BOARD OF EDUCATION AS A WHOLE

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net position. The District's combined net position for 2021 and 2020 were \$5,171,713 and \$4,539,567, respectively. (See Table A-1).

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE MOONACHIE BOARD OF
EDUCATION AS A WHOLE (Continued)**

Table A-1
Statement of Net Position
As of June 30, 2021 and 2020

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and Other Assets	\$ 3,732,580	\$ 2,855,621	\$ 51,029	\$ 102,656	\$ 3,783,609	\$ 2,958,277
Capital Assets	<u>3,340,957</u>	<u>3,579,772</u>	<u>-</u>	<u>-</u>	<u>3,340,957</u>	<u>3,579,772</u>
Total Assets	<u>7,073,537</u>	<u>6,435,393</u>	<u>51,029</u>	<u>102,656</u>	<u>7,124,566</u>	<u>6,538,049</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	<u>428,254</u>	<u>615,972</u>	<u>-</u>	<u>-</u>	<u>428,254</u>	<u>615,972</u>
Total Assets and Deferred Outflows of Resources	<u>7,501,791</u>	<u>7,051,365</u>	<u>51,029</u>	<u>102,656</u>	<u>7,552,820</u>	<u>7,154,021</u>
Liabilities						
Long-Term Liabilities	1,243,836	1,533,629			1,243,836	1,533,629
Other Liabilities	<u>242,305</u>	<u>180,371</u>	<u>27,327</u>	<u>33,393</u>	<u>269,632</u>	<u>213,764</u>
Total Liabilities	<u>1,486,141</u>	<u>1,714,000</u>	<u>27,327</u>	<u>33,393</u>	<u>1,513,468</u>	<u>1,747,393</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>867,639</u>	<u>867,061</u>	<u>-</u>	<u>-</u>	<u>867,639</u>	<u>867,061</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,353,780</u>	<u>2,581,061</u>	<u>27,327</u>	<u>33,393</u>	<u>2,381,107</u>	<u>2,614,454</u>
Net Position:						
Net Investment in Capital Assets	3,298,721	3,515,681			3,298,721	3,515,681
Restricted	2,708,287	1,991,197			2,708,287	1,991,197
Unrestricted	<u>(858,997)</u>	<u>(1,036,574)</u>	<u>23,702</u>	<u>69,263</u>	<u>(835,295)</u>	<u>(967,311)</u>
Total Net Position	<u>\$ 5,148,011</u>	<u>\$ 4,470,304</u>	<u>\$ 23,702</u>	<u>\$ 69,263</u>	<u>\$ 5,171,713</u>	<u>\$ 4,539,567</u>

Governmental activities. Governmental activities increased the District's net position for 2021 by \$677,707 and in 2020 increased the District's net position by \$657,971. Key elements of this increase are as follows: (See Table A-2)

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE MOONACHIE BOARD OF
EDUCATION AS A WHOLE (Continued)**

**Table A-2
Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020**

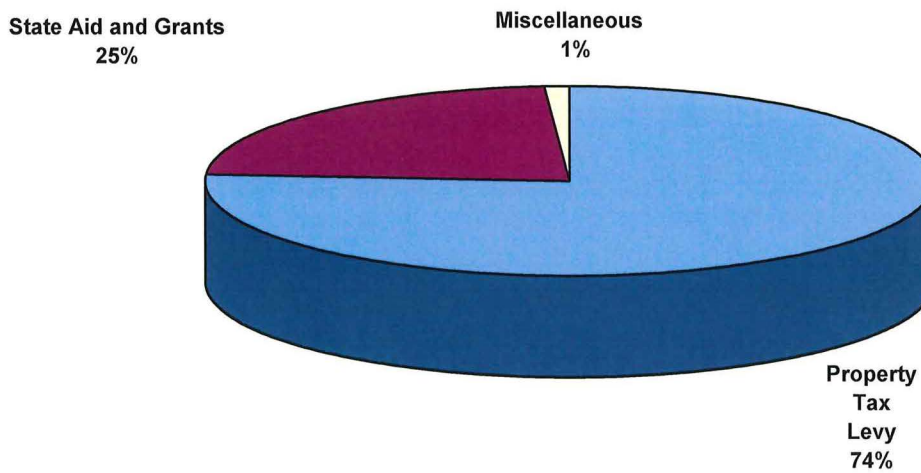
	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 52,274	\$ 73,278	\$ 17,819	\$ 32,497	\$ 70,093	\$ 105,775
Operating Grants and Contributions	3,088,723	2,149,981	194,188	117,541	3,282,911	2,267,522
Capital Grants and Contribution	20,000				20,000	-
General Revenues						
Property Taxes	8,818,946	8,646,025			8,818,946	8,646,025
Other	223,260	253,309	-	-	223,260	253,309
Total Revenues	<u>12,203,203</u>	<u>11,122,593</u>	<u>212,007</u>	<u>150,038</u>	<u>12,415,210</u>	<u>11,272,631</u>
Expenses						
Instruction						
Regular	5,001,497	4,378,428			5,001,497	4,378,428
Special Education	2,334,678	2,080,787			2,334,678	2,080,787
Other Instruction	324,607	224,087			324,607	224,087
School Sponsored Activities and Ath.	37,569	29,835			37,569	29,835
Support Services						
Student and Instruction Related Serv.	1,539,418	1,500,768			1,539,418	1,500,768
General Administrative Services	260,969	258,682			260,969	258,682
School Administrative Services	178,907	217,119			178,907	217,119
Plant Operations and Maintenance	855,441	801,044			855,441	801,044
Pupil Transportation	727,893	687,113			727,893	687,113
Central Services	237,504	220,176			237,504	220,176
Food Service			282,568	213,811	282,568	213,811
Interest on Long-Term Debt	2,013	2,810	-	-	2,013	2,810
Total Expenses	<u>11,500,496</u>	<u>10,400,849</u>	<u>282,568</u>	<u>213,811</u>	<u>11,783,064</u>	<u>10,614,660</u>
Increase (Decrease) in Net Position Before Transfers	702,707	721,744	(70,561)	(63,773)	632,146	657,971
Transfers	(25,000)	(62,013)	25,000	62,013	-	-
Change in Net Position	677,707	659,731	(45,561)	(1,760)	632,146	657,971
Net Position, Beginning of Year	4,470,304	3,789,931	69,263	71,023	4,539,567	3,860,954
Prior Period Adjustment	-	20,642	-	-	-	20,642
Net Position, End of Year	<u>\$ 5,148,011</u>	<u>\$ 4,470,304</u>	<u>\$ 23,702</u>	<u>\$ 69,263</u>	<u>\$ 5,171,713</u>	<u>\$ 4,539,567</u>

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE MOONACHIE BOARD OF EDUCATION AS A WHOLE (Continued)

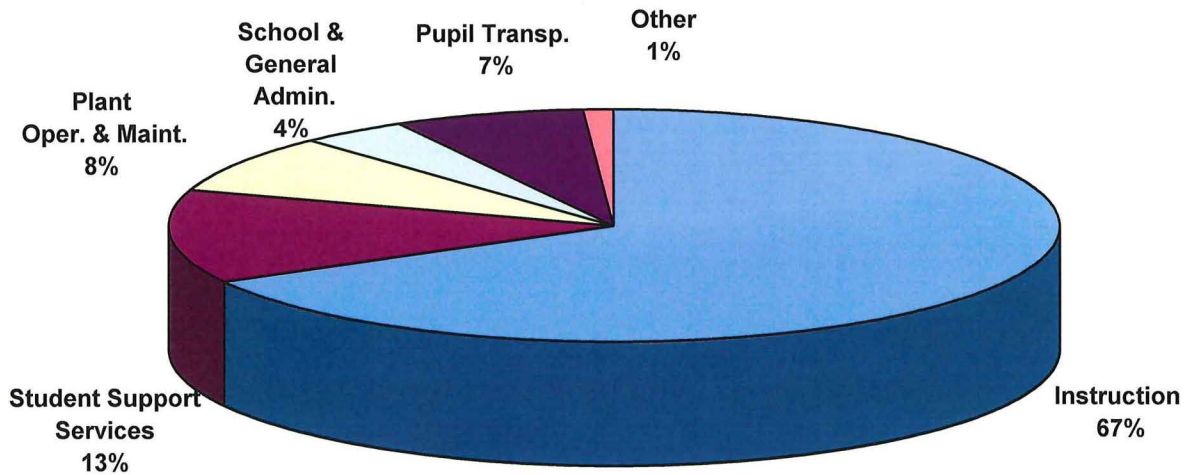
Governmental activities. The District's total governmental revenues were \$12,203,203. The local share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$9,042,206, or 74%, of total revenues. Funding from state and federal sources, donations and tuition and amounted to \$3,160,997, or 26%.

Table A-3 Revenues by Source – Governmental Activities
For Fiscal Year 2021



The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$7,698,351 (67%), support services totaled \$3,800,132 (33%) and interest on long-term debt total \$2,013 (less than 1%).

Table A-4 Expenditures by Type- Governmental Activities
For Fiscal Year 2021



**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

**DISTRICT-WIDE FINANCIAL ANALYSIS OF THE MOONACHIE BOARD OF
EDUCATION AS A WHOLE (Continued)**

**Table A-5
Total and Net Cost of Services of Governmental Activities
For the Fiscal Years Ended June 30, 2021 and 2020**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 5,001,497	\$ 4,378,428	\$ 3,791,525	\$ 3,586,396
Special Education	2,334,678	2,080,787	1,579,062	1,428,517
Other Instruction	324,607	224,087	125,108	119,350
School Sponsored Activities and Athletics	37,569	29,835	21,126	22,674
Support Services				
Student and Instruction Related Svcs.	1,539,418	1,500,768	1,096,085	1,205,809
General Administrative Services	260,969	258,682	204,094	230,713
School Administrative Services	178,907	217,119	146,626	190,010
Plant Operations and Maintenance	855,441	801,044	646,483	676,980
Pupil Transportation	727,893	687,113	559,845	529,955
Central Services	237,504	220,176	167,532	184,376
Interest on Long-Term Debt	<u>2,013</u>	<u>2,810</u>	<u>2,013</u>	<u>2,810</u>
 Total Governmental Activities	 <u>\$ 11,500,496</u>	 <u>\$ 10,400,849</u>	 <u>\$ 8,339,499</u>	 <u>\$ 8,177,590</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2021 was \$282,568. These costs were funded by operating grants, charges for services and transfers from governmental activities (Detailed on Table A-2). The operations resulted in a decrease in net position of \$45,561 after transfers.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$3,512,956. In 2019-2020 the fund balance was \$2,675,250.

The District's Funds

All governmental funds (i.e., general fund and special revenue fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$11,650,820 and expenditures were \$10,788,114.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Local Sources	\$ 9,081,499	\$ 8,958,981	\$ 122,518	1.37%
State Sources	2,207,888	1,782,176	425,712	23.89%
Federal Sources	<u>361,433</u>	<u>229,299</u>	<u>132,134</u>	57.63%
 Total Revenues	 <u>\$ 11,650,820</u>	 <u>\$ 10,970,456</u>	 <u>\$ 680,364</u>	 6.20%

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal years ended June 30, 2021 and 2020.

	Fiscal Year Ended <u>June 30, 2021</u>	Fiscal Year Ended <u>June 30, 2020</u>	Amount of Increase <u>(Decrease)</u>	Percent Change
Instruction	\$ 7,239,520	\$ 6,555,699	\$ 683,821	10.43%
Undistributed	3,467,404	3,412,238	55,166	1.62%
Capital Outlay	57,322	2,200	55,122	2505.55%
Debt Service				
Principal	21,855	21,058	797	3.78%
Interest	<u>2,013</u>	<u>2,810</u>	<u>(797)</u>	-28.36%
 Total Expenditures	 <u>\$ 10,788,114</u>	 <u>\$ 9,994,005</u>	 <u>\$ 794,109</u>	 7.95%

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

General and Special Revenue Fund

Budgetary Highlights

The District’s budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of cash receipts, disbursement and encumbrances. The primary funds are the General Fund and Special Revenue Fund (grants and restricted aid).

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

Capital Assets and Debt Administration. The Moonachie Board of Education’s investment in capital assets for its governmental and business type activities as of June 30, 2021 and 2020 amounts to \$3,340,957 and \$3,579,772 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-6
Capital Assets
(net of depreciation) as of June 30**

	Governmental Activities		Business-Type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 415,728	\$ 381,056			\$ 415,728	\$ 381,056
Land Improvements	257,224	257,224			257,224	257,224
Buildings and Building Improvements	7,361,480	7,341,480			7,361,480	7,341,480
Machinery and Equipment	<u>498,678</u>	<u>496,028</u>	<u>\$ 11,351</u>	<u>\$ 11,351</u>	<u>510,029</u>	<u>507,379</u>
Total	8,533,110	8,475,788	11,351	11,351	8,544,461	8,487,139
Less: Accumulated Depreciation	<u>5,192,153</u>	<u>4,896,016</u>	<u>11,351</u>	<u>11,351</u>	<u>5,203,504</u>	<u>4,907,367</u>
Total	<u>\$ 3,340,957</u>	<u>\$ 3,579,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,340,957</u>	<u>\$ 3,579,772</u>

Additional information on Moonachie Board of Education’s capital assets can be found in Note 3 of this report.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

Debt Administration. As of June 30, 2021 and 2020 the school district had long-term debt and outstanding long-term liabilities in the amount of \$1,266,517 and \$1,533,629 as stated in Table A-7.

**Table A-7
Long-Term Debt
Outstanding Long-Term Liabilities**

	<u>2021</u>	<u>2020</u>
Capital Leases	\$ 42,236	\$ 64,091
Compensated Absences Payable	51,407	37,218
Net Pension Liability	<u>1,172,874</u>	<u>1,432,320</u>
 Total	 <u>\$ 1,266,517</u>	 <u>\$ 1,533,629</u>

Additional information on Moonachie Board of Education’s long-term debt can be found in Note 3.

FACTORS BEARING ON THE DISTRICT’S ECONOMIC FUTURE

The board and the administration have had discussions on how existing circumstances could affect the future financial health of the school district. The following examples may have an impact and affect the financial operation in the future:

1. The slow economic recovery in our state has generated concern in the educational community for public school funding.
2. Future challenges for the financial planning to address facility improvements and upgrades to the Robert L. Craig School to meet enrollment and curriculum demands.

SLOW ECONOMIC RECOVERY

Schools around the country were impacted by the worst recession in decades. The response was to impose such measures as larger class sizes, job cuts and textbook budgets, reduced school bus service, and fewer resources for state education departments. New Jersey did not have to implement such severe steps. However, Governor Christie did implement a number of changes in order to help communities address future budget deficit. The changes have had an effect on suburban public school districts recognized for providing innovative and cutting edge programs to their students to by placing a hold on expanding their academic offerings. The Moonachie Public School District, which is mostly residential, is concerned that if the state continues to cut aid to education, municipalities will experience even more dramatic increases in property taxes.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

FACTORS BEARING ON THE DISTRICT'S ECONOMIC FUTURE (Continued)

It is reasonable to say that many public school districts across the country are, or will be, facing fiscal difficulties and will need to raise additional revenue or limit expenditures. Prior to 2003, school districts in New Jersey were allowed to maintain a maximum unreserved general fund balance equal to 6% of the districts' total general fund expenditure. Adding to the financial stress was the passage of S1701. Adopted by the State of New Jersey on June 17, 2004, this law forced school districts to decrease their allowable undesignated general fund balance and to either give it back to the local taxpayers, or apply the excess surplus to fund the subsequent fiscal year budget.

Undesignated general fund balance can best be described as a "rainy-day" savings account. The funds would be available for any unplanned emergency, such as repairs to an aging boiler, or implementing the individual educational plan of a special needs student arriving in the district mid-year. This new legislation required districts to decrease their allowable surplus from six percent to three percent by the end of the 2003-04 school year. The following year districts had to cut even further. Beginning in 2004-05 school year districts could only maintain an undesignated general fund balance of two percent.

Proponents of education vigorously opposed S1701, not only because it made districts vulnerable in the event of costly emergencies, but also placed restrictions on adjusting a financial plan that was created 12 months prior to its implementation. Specifically, the law places limits on the district's ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available balance as needed, and the ability to transfer available funds between appropriation accounts. Taking away the option of transferring available funds during the budget year severely impacts on the ability to maintain and improve facilities.

The Moonachie Public School District is aware of the signs of fiscal stress and has taken the necessary action to ensure fiscal stability. Some of the steps taken are as follows:

- ✓ carefully develop balanced budgets for revenues and expenditures for all fund groups.
- ✓ ensure expenditures are within the budgeted amounts.
- ✓ monitor the budgets on an ongoing basis and ensure that appropriations are not overspent.
- ✓ develop a long-term (five-year) fiscal plan and update it annually.

Finally, the discussion about the constant increases in local property taxes in the media has polarized many communities, and in the center of this discontent is the cost of education. The Trustees of the Moonachie Public School District are aware that future successful budgets will be reliant on continuing to maintain a positive relationship with the municipal government and the local taxpayers.

**MOONACHIE BOARD OF EDUCATION
MOONACHIE, NEW JERSEY**

FUTURE CHALLENGES FOR FINANCIAL PLANNING

Over the last several years, a number of building maintenance projects were set aside to address educational program requirements such as the hiring of staff, mandated changes to the curriculum, maintaining contractual entitlements and a number of other increasing fixed costs. A comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects and funding for these projects is included in the annual budget. However, an annual program of preventive maintenance cannot adequately address some of the desired infrastructure upgrades, which have been identified as being needed.

The Board began discussions on the need to hire an architect of record to prepare a survey of the many needed upgrades. Projects were selected on the basis of providing maximum safety to the students and staff. The following is a brief listing of the selected improvements:

- ✓ Signage – locations, type and size.
- ✓ Additional installation of surveillance cameras
- ✓ Replacement of eight, roof-top HVAC units.
- ✓ Technology upgrades.
- ✓ Purchase of computers
- ✓ 1 to 1 laptop program
- ✓ Roof repair
- ✓ Exterior façade repair
- ✓ Plumbing repair and upgrades
- ✓ Sewer system upgrades
- ✓ Stage floor replacement
- ✓ Bleacher replacement
- ✓ Exterior lighting upgrades
- ✓ Security improvements to exterior doorways

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Robert L. Craig School, Moonachie, New Jersey 07074.

FINANCIAL STATEMENTS

**MOONACHIE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,586,515	\$ 23,424	\$ 3,609,939
Receivables, net			
Receivables from Other Governments	145,740	24,987	170,727
Other	325		325
Internal		2,618	2,618
Capital Assets			
Not Being Depreciated	415,728		415,728
Being Depreciated, Net	<u>2,925,229</u>	<u>-</u>	<u>2,925,229</u>
Total Assets	<u>7,073,537</u>	<u>51,029</u>	<u>7,124,566</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>428,254</u>	<u>-</u>	<u>428,254</u>
Total Assets and Deferred Outflows of Resources	<u>7,501,791</u>	<u>51,029</u>	<u>7,552,820</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	6,405	27,327	33,732
Accrued Salaries	147,992		147,992
Payroll Deductions and Withholdings	25,785		25,785
Payable to Other Governments	24,401		24,401
Unearned Revenues	12,423		12,423
Internal Payables	2,618		2,618
Noncurrent Liabilities			
Due Within One Year	22,681		22,681
Due Beyond One Year	<u>1,243,836</u>	<u>-</u>	<u>1,243,836</u>
Total Liabilities	<u>1,486,141</u>	<u>27,327</u>	<u>1,513,468</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>867,639</u>	<u>-</u>	<u>867,639</u>
Total Deferred Inflows of Resources	<u>867,639</u>	<u>-</u>	<u>867,639</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,353,780</u>	<u>27,327</u>	<u>2,381,107</u>
NET POSITION			
Net Investment in Capital Assets	3,298,721		3,298,721
Restricted for:			
Capital Projects	2,372,924		2,372,924
Other Purposes	335,363		335,363
Unrestricted	<u>(858,997)</u>	<u>23,702</u>	<u>(835,295)</u>
Total Net Position	<u>\$ 5,148,011</u>	<u>\$ 23,702</u>	<u>\$ 5,171,713</u>

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

**MOONACHIE BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction							
Regular	\$ 5,001,497		\$ 1,209,972		\$ (3,791,525)		\$ (3,791,525)
Special Education	2,334,678	\$ 52,274	703,342		(1,579,062)		(1,579,062)
Other Instruction	324,607		199,499		(125,108)		(125,108)
School Sponsored Activities and Athletics	37,569		16,443		(21,126)		(21,126)
Support Services							
Student and Instruction Related Services	1,539,418		443,333		(1,096,085)		(1,096,085)
General Administrative Services	260,969		56,875		(204,094)		(204,094)
School Administrative Services	178,907		32,281		(146,626)		(146,626)
Plant Operations and Maintenance	855,441		188,958	\$ 20,000	(646,483)		(646,483)
Pupil Transportation	727,893		168,048		(559,845)		(559,845)
Central Services	237,504		69,972		(167,532)		(167,532)
Interest on Debt	2,013	-	-	-	(2,013)	-	(2,013)
Total Governmental Activities	11,500,496	52,274	3,088,723	20,000	(8,339,499)	-	(8,339,499)
Business-Type Activities							
Food Service	282,568	17,819	194,188	-	-	\$ (70,561)	(70,561)
Total Business-Type Activities	282,568	17,819	194,188	-	-	(70,561)	(70,561)
Total Primary Government	\$ 11,783,064	\$ 70,093	\$ 3,282,911	\$ 20,000	(8,339,499)	(70,561)	(8,410,060)
General Revenues							
Property Taxes					8,818,946		8,818,946
Miscellaneous Income					206,709		206,709
Unrestricted State Aid					16,551		16,551
Transfers					(25,000)	25,000	-
Total General Revenues and Transfers					9,017,206	25,000	9,042,206
Change in Net Position					677,707	(45,561)	632,146
Net Position, Beginning of Year (Restated)					4,470,304	69,263	4,539,567
Net Position, End of Year					\$ 5,148,011	\$ 23,702	\$ 5,171,713

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

**MOONACHIE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,568,349	\$ 18,166	\$ 3,586,515
Receivables From Other Governments	89,650	56,090	145,740
Other Receivables		325	325
Due from Other Funds	<u>60,265</u>	<u>-</u>	<u>60,265</u>
Total Assets	<u>\$ 3,718,264</u>	<u>\$ 74,581</u>	<u>\$ 3,792,845</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable		\$ 6,405	\$ 6,405
Accrued Salaries	\$ 147,992		147,992
Payroll Deductions and Withholdings	25,785		25,785
Due to Other Funds	2,618	60,265	62,883
Unearned Revenue		12,423	12,423
Intergovernmental Payable	<u>-</u>	<u>24,401</u>	<u>24,401</u>
Total Liabilities	<u>176,395</u>	<u>103,494</u>	<u>279,889</u>
Fund Balances			
Restricted Fund Balance:			
Excess Surplus	300,000		300,000
Excess Surplus - Designated for Subsequent Year Expenditures	98,874		98,874
Capital Reserve	1,072,924		1,072,924
Capital Reserve - Designated for Subsequent Year Expenditures	1,300,000		1,300,000
Maintenance Reserve	137,197		137,197
Maintenance Reserve - Designated for Subsequent Year Expenditures	180,000		180,000
Student Activities		17,285	17,285
Scholarship Awards		881	881
Assigned Fund Balance:			
Year-end Encumbrances	128,595		128,595
Unreserved - Designated for Subsequent Year Expenditures	69,196		69,196
Unassigned Fund Balance (Deficit)			
General Fund	255,083		255,083
Special Revenue Fund	<u>-</u>	<u>(47,079)</u>	<u>(47,079)</u>
Total Fund Balances (Deficit)	<u>3,541,869</u>	<u>(28,913)</u>	<u>3,512,956</u>
Total Liabilities and Fund Balances	<u>\$ 3,718,264</u>	<u>\$ 74,581</u>	<u>\$ 3,792,845</u>

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

**MOONACHIE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

Total Fund Balances (Exhibit B-1) \$ 3,512,956

Amounts reported for *governmental activities* in the statement of net assets (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 \$8,533,110 and the accumulated depreciation is \$5,192,153. 3,340,957

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows or resources or deferred outflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources	\$ 428,254	
Deferred Inflows of Resources	<u>(867,639)</u>	(439,385)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds

Compensated Absences	(51,407)	
Leases Payable	(42,236)	
Net Pension Liability	<u>(1,172,874)</u>	<u>(1,266,517)</u>

Net Position of Governmental Activities (Exhibit A-1) **\$ 5,148,011**

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

**MOONACHIE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local Sources			
Local Tax Levy	\$ 8,818,946		\$ 8,818,946
Tuition	52,274		52,274
Miscellaneous	<u>206,709</u>	<u>\$ 3,570</u>	<u>210,279</u>
Total - Local Sources	<u>9,077,929</u>	<u>3,570</u>	<u>9,081,499</u>
State Sources	1,684,441	523,447	2,207,888
Federal Sources	<u>-</u>	<u>361,433</u>	<u>361,433</u>
Total Revenues	<u>10,762,370</u>	<u>888,450</u>	<u>11,650,820</u>
EXPENDITURES			
Current			
Regular Instruction	4,325,470	331,850	4,657,320
Special Education Instruction	2,150,269	93,874	2,244,143
Other Instruction	166,984	136,941	303,925
School Sponsored Activities and Athletics	28,086	6,046	34,132
Support Services and Undistributed Costs			
Student and Instruction Related Services	1,193,825	325,739	1,519,564
General Administrative Services	252,980	5,388	258,368
School Administrative Services	144,142		144,142
Plant Operations and Maintenance	532,770	51,081	583,851
Pupil Transportation	675,371	52,085	727,456
Central Services	234,023		234,023
Debt Service			
Principal	21,855		21,855
Interest and Other Charges	2,013		2,013
Capital Outlay	<u>54,672</u>	<u>2,650</u>	<u>57,322</u>
Total Expenditures	<u>9,782,460</u>	<u>1,005,654</u>	<u>10,788,114</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>979,910</u>	<u>(117,204)</u>	<u>862,706</u>
OTHER FINANCING SOURCES (USES)			
Transfers In		98,055	98,055
Transfers Out	<u>(123,055)</u>	<u>-</u>	<u>(123,055)</u>
Total Other Financing Sources and Uses	<u>(123,055)</u>	<u>98,055</u>	<u>(25,000)</u>
Net Change in Fund Balances	856,855	(19,149)	837,706
Fund Balance, Beginning of Year (Restated)	<u>2,685,014</u>	<u>(9,764)</u>	<u>2,675,250</u>
Fund Balance, (Deficit) End of Year	<u>\$ 3,541,869</u>	<u>\$ (28,913)</u>	<u>\$ 3,512,956</u>

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

**MOONACHIE BOARD OF EDUCATION
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 837,706**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense.

Capital Outlay	\$ 57,322	
Depreciation Expense	<u>(296,137)</u>	
		(238,815)

In the statement of activities, certain operating expenses - compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Compensated Absences		(14,189)
----------------------------------	--	----------

In the statement of activities, certain operating expenses - pension expenses are measured by the liability accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Pension Expense		71,150
-----------------------------	--	--------

The issuance of long-term debt provides current financial resources to governmental funds, while repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Capital Lease Principal Payments		<u>21,855</u>
----------------------------------	--	---------------

Change in net position of governmental activities (Exhibit A-2) **\$ 677,707**

**MOONACHIE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash	\$ 23,424
Due from Other Funds	2,618
Intergovernmental Receivable	
Federal	23,699
State	<u>1,288</u>
Total Current Assets	<u>51,029</u>
Noncurrent Assets	
Equipment	11,351
Less: Accumulated Depreciation	<u>(11,351)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>51,029</u>
LIABILITIES	
Accounts Payable	<u>27,327</u>
Total Liabilities	<u>27,327</u>
NET POSITION	
Net Investment in Capital Assets	-
Unrestricted	<u>23,702</u>
Total Net Position	<u><u>\$ 23,702</u></u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**MOONACHIE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 17,819
Total Operating Revenues	<u>17,819</u>
 OPERATING EXPENSES	
Cost of Sales - Reimbursable	231,620
Salaries and Wages	49,074
Miscellaneous	<u>1,874</u>
Total Operating Expenses	<u>282,568</u>
Operating Loss	<u>(264,749)</u>
 NONOPERATING REVENUES	
Federal Sources	
National School Breakfast Program	69,805
National School Lunch Program	111,733
Summer Food Reimbursement	6,916
State Sources	
School Lunch Program	<u>5,734</u>
Total Nonoperating Revenues	<u>194,188</u>
Net Loss Before Transfers	(70,561)
Transfer	
Transfers In	<u>25,000</u>
Change in Net Position	(45,561)
Net Position, Beginning of Year	<u>69,263</u>
Net Position, End of Year	<u>\$ 23,702</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**MOONACHIE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ (4,156)
Cash Payments for Employee Salaries and Wages	(49,074)
Cash Payments to Suppliers for Goods and Services	<u>(239,560)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(292,790)</u>
Cash Flows from Noncapital Financing Activities	
Board Subsidy Payment from General Fund	25,000
Cash Received from State and Federal Subsidy Reimbursements	<u>194,188</u>
Net Cash Provided by Noncapital Financing Activities	<u>219,188</u>
Net Increase in Cash and Cash Equivalents	(73,602)
Cash and Cash Equivalents, Beginning of Year	<u>97,026</u>
Cash and Cash Equivalents, End of Year	<u>\$ 23,424</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	\$ <u>(264,749)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(6,066)
(Increase)/Decrease in Other Accounts Receivable	(19,357)
(Increase)/Decrease in Due from Other Funds	<u>(2,618)</u>
Total Adjustments	<u>(28,041)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (292,790)</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

REQUIRED SUPPLEMENTARY INFORMATION - PART II

NOTES TO THE FINANCIAL STATEMENTS

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Moonachie Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of five elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Moonachie Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

The district-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 Board of Education. All fiduciary activities are reported only in the fund financial statements. 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. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services 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, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from other activities of pupil organizations and private donations for scholarship awards.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Capital Assets (Continued)

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20
Machinery and Equipment	10

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has one item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Board has one type of item which arises only under the accrual basis of accounting. The item that qualifies for reporting in this category is the deferred amount on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

5. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. Pensions

In the district-wide financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

7. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

8. Net Position/Fund Balance

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Net Position/Fund Balance* (Continued)

Governmental Fund Statements (Continued)

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, 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, investment earnings and miscellaneous revenues.

2. Property Taxes

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

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. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 24, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$283,759. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Custodial Service			
Salaries of Non-Instructional Aides	\$25,700	\$35,306	\$9,606

The above variances were offset with other available resources.

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$47,079 in the Special Revenue Fund as of June 30, 2021 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed 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. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2020/2021 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the Special Revenue Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) special revenue fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$47,079 in the Special Revenue Fund is equal to the delayed state aid payments at June 30, 2021.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a 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 year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by 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. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 1,674,000
Increased by:		
Return of Unencumbered Appropriations		
Funded by Reserve	\$ 248,207	
Deposits Approved by Board Resolution	<u>750,717</u>	
		<u>998,924</u>
Decreased by:		
Withdrawal Approved in District Budget		<u>300,000</u>
Balance, June 30, 2021		<u>\$ 2,372,924</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects is \$3,090,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,300,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

E. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 317,197
Increased by	
Return of Unencumbered Appropriations	
Funded by Reserve	\$ 29,069
Deposits Approved by Board Resolution	<u>90,931</u>
	<u>120,000</u>
	437,197
Decreased	
Withdrawal Approved in District Budget	<u>120,000</u>
Balance, June 30, 2021	<u>\$ 317,197</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$317,197. \$180,000 of the maintenance reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$398,874. Of this amount, \$98,874 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$300,000 will be appropriated in the 2022/2023 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$3,609,939 and bank and brokerage firm balances of the Board's deposits amounted to \$4,341,884. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>4,341,884</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2021, the Board had no outstanding investments.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds in the aggregate are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts		\$ 325		\$ 325
Intergovernmental				
Federal		56,090	\$ 23,699	79,789
State	\$ 89,650	-	1,288	90,938
	<u>89,650</u>	<u>-</u>	<u>1,288</u>	<u>90,938</u>
Net Total Receivables	<u>\$ 89,650</u>	<u>\$ 56,415</u>	<u>\$ 24,987</u>	<u>\$ 171,052</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>\$ 12,423</u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 381,056			\$ 381,056
Construction in Progress	-	\$ 34,672	-	34,672
Total capital assets, not being depreciated	<u>381,056</u>	<u>34,672</u>	<u>-</u>	<u>415,728</u>
Capital assets, being depreciated:				
Land Improvements	257,224			257,224
Buildings and Building Improvements	7,320,480	20,000		7,340,480
Machinery and Equipment	517,028	2,650	-	519,678
Total capital assets being depreciated	<u>8,094,732</u>	<u>22,650</u>	<u>-</u>	<u>8,117,382</u>
Less accumulated depreciation for:				
Land Improvements	(208,533)	(10,080)		(218,613)
Buildings and Building Improvements	(4,295,306)	(256,493)		(4,551,799)
Machinery and Equipment	(392,177)	(29,564)	-	(421,741)
Total accumulated depreciation	<u>(4,896,016)</u>	<u>(296,137)</u>	<u>-</u>	<u>(5,192,153)</u>
Total capital assets, being depreciated, net	<u>3,198,716</u>	<u>(273,487)</u>	<u>-</u>	<u>2,925,229</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,579,772</u>	<u>\$ (238,815)</u>	<u>\$ -</u>	<u>\$ 3,340,957</u>

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance, July 1, 2020</u>	<u>Balance, June 30, 2021</u>
Business-Type Activities:		
Capital assets, being depreciated:		
Machinery and Equipment	\$ 11,351	\$ 11,351
Total capital assets being depreciated	<u>11,351</u>	<u>11,351</u>
Less accumulated depreciation for:		
Machinery and Equipment	<u>(11,351)</u>	<u>(11,351)</u>
Total accumulated depreciation	<u>(11,351)</u>	<u>(11,351)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>

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

Governmental Activities:

Instruction	
Regular	\$ 843
Total Instruction	<u>843</u>
Support Services	
Student and Instruction Related Services	3,034
School Administrative Services	24,677
Plant Operations and Maintenance	<u>267,583</u>
Total Support Services	<u>295,294</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 296,137</u>

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 60,265
Food Service Fund	General Fund	2,618

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund transfers

	<u>Transfer In:</u>		
	<u>Special Revenue Fund</u>	<u>Enterprise Food Service Fund</u>	<u>Total</u>
Transfer Out:			
General Fund	\$ 98,055	\$ 25,000	\$ 123,055

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

F. Leases

Capital Leases

The District is leasing copiers totaling \$108,748 under capital leases. The leases are for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 23,868
2023	<u>19,890</u>
Total minimum lease payments	43,758
Less: amount representing interest	<u>1,522</u>
Present value of minimum lease payments	<u>\$ 42,236</u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

As of June 30, 2021, the District has no outstanding bond debt.

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 27,280,663
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 27,280,663</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Capital Leases	\$ 64,091		\$ 21,855	\$ 42,236	\$ 22,681
Compensated Absences	37,218	\$ 14,189		51,407	
Net Pension Liability	<u>1,432,320</u>	<u>-</u>	<u>259,446</u>	<u>1,172,874</u>	<u>-</u>
Governmental activity Long-term liabilities	<u>\$ 1,533,629</u>	<u>\$ 14,189</u>	<u>\$ 281,301</u>	<u>\$ 1,266,517</u>	<u>\$ 22,681</u>

For the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the School Alliance Insurance Group (or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the insurance Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to Group any deficit of the funds attributable to a membership year during which they were a member.

The School Alliance Insurance Group provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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 ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represent 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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 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 reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 79,569	\$ 682,756	\$ 5,688
2020	77,659	484,321	3,035
2019	60,569	429,317	2,551

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$335 and \$55, respectively for PERS and the State contributed \$654, \$664 and \$828, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$192,426 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$1,172,874 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .00719 percent, which was a decrease of .00075 percent from its proportionate share measured as of June 30, 2019 of .00794 percent.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$7,530 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 21,356	\$ 4,148
Changes of Assumptions	38,049	491,093
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	40,090	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>328,759</u>	<u>372,398</u>
Total	<u>\$ 428,254</u>	<u>\$ 867,639</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (152,537)
2023	(154,128)
2024	(80,306)
2025	(41,447)
2026	(10,967)
Thereafter	<u>-</u>
	<u>\$ (439,385)</u>

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,476,453</u>	\$ <u>1,172,874</u>	\$ <u>915,279</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$888,243 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$14,284,052. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .02169 percent, which was an increase of .00031 percent from its proportionate share measured as of June 30, 2019 of .02138 percent.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 16,778,292</u>	<u>\$ 14,284,052</u>	<u>\$ 12,213,004</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

D. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were 213,965, \$179,674 and \$194,738, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$560,861. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$13,936,558. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .02055 percent, which was a decrease of .00028 percent from its proportionate share measured as of June 30, 2019 of .02084 percent.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	1.55% to 4.55%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate 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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	\$ <u>8,694,600</u>
Changes Recognized for the Fiscal Year:	
Service Cost	390,867
Interest on the Total OPEB Liability	313,910
Differences Between Expected and Actual Experience	2,226,721
Changes of Assumptions	2,545,730
Gross Benefit Payments	(242,624)
Contributions from the Member	<u>7,354</u>
Net Changes	\$ <u>5,241,958</u>
Balance, June 30, 2020 Measurement Date	\$ <u><u>13,936,558</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 16,801,240</u>	<u>\$ 13,936,558</u>	<u>\$ 11,696,653</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	<u>\$ 11,250,060</u>	<u>\$ 13,936,558</u>	<u>\$ 17,135,581</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. 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 school tax revenue 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.

For Moonachie Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

NOTE 5 RESTATEMENT

On July 1, 2020, the Moonachie Board of Education implemented GASB Statement No. 84 "Fiduciary Activities". The Moonachie Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$20,642 from \$4,449,662 as previously reported to \$4,470,304 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$20,642 from \$2,654,608 as previously reported to \$2,675,250 as of June 30, 2020. General Fund fund balance remained at \$2,685,014 and the Special Revenue Fund fund balance increased \$20,642 from a deficit of \$(30,406) as previously reported to a deficit of \$(9,764) as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$981 from \$981 as previously reported to \$0 as of June 30, 2020.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

BUDGETARY COMPARISON SCHEDULES

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 8,818,946		\$ 8,818,946	\$ 8,818,946	
Tuition				52,274	\$ 52,274
Miscellaneous	223,110	-	223,110	206,709	(16,401)
Total Local Sources	9,042,056	-	9,042,056	9,077,929	35,873
State Sources					
Special Education Aid	301,765	\$ (37,172)	264,593	264,593	-
Transportation Aid	107,072		107,072	107,072	-
Security Aid	112,578		112,578	112,578	-
Adjustment Aid	16,590		16,590	16,590	-
Extraordinary Aid	55,000		55,000	88,501	33,501
Additional Nonpublic Transportation Aid	5,142		5,142	7,250	2,108
School Security Grant	20,000		20,000	20,000	-
On-behalf TPAF Pension Payments					
Pension Contribution (Non-Budget)				670,008	670,008
NCGI Premium (Non-Budget)				12,748	12,748
On-behalf TPAF Pension Payments					
Post Retirement Medical Contribution (Non-Budget)				213,965	213,965
On-behalf TPAF Pension Payments					
Long Term Disability Insurance				654	654
On-behalf TPAF Social Security Payments					
(Non-Budget)	-	-	-	192,426	192,426
Total State Sources	618,147	(37,172)	580,975	1,706,385	1,125,410
Total Revenues	9,660,203	(37,172)	9,623,031	10,784,314	1,161,283
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	233,950		233,950	233,082	868
Grades 1-5	845,795	\$ 330	846,125	842,346	3,779
Grades 6-8	550,400	(330)	550,070	549,566	504
Regular Program - Home Instruction					
Salaries of Teachers	20,000	-	20,000	810	19,190
Regular Programs - Undistributed Instruction					
Other Purchased Services	31,868	397	32,265	29,508	2,757
General Supplies	91,000	17,212	108,212	75,541	32,671
Textbooks	5,000	-	5,000	2,058	2,942
Other Objects	18,000	-	18,000	13,226	4,774
Total Regular Programs	1,796,013	17,609	1,813,622	1,746,137	67,485
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	82,100	-	82,100	81,040	1,060
Other Salaries for Instruction	13,000	-	13,000	12,299	701
General Supplies	2,000	(274)	1,726	600	1,126
Total Learning and/or Language Disabilities	97,100	(274)	96,826	93,939	2,887

MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 159,400		\$ 159,400	\$ 159,260	\$ 140
Other Salaries for Instruction	83,000		83,000	60,058	22,942
General Supplies	300	-	300	287	13
Total Multiple Disabilities	242,700	-	242,700	219,605	23,095
Resource Room					
Salaries of Teachers	194,300		194,300	191,397	2,903
Other Salaries for Instruction	44,000		44,000	25,927	18,073
General Supplies	600	\$ 274	874	859	15
Total Resource Room	238,900	274	239,174	218,183	20,991
Preschool Disabilities-Full Time					
Salaries of Teachers	3,000	-	3,000		3,000
Other Salaries for Instruction	22,000	-	22,000	21,802	198
Total Preschool Disabilities-Full Time	25,000	-	25,000	21,802	3,198
Total Special Education	603,700	-	603,700	553,529	50,171
Basic Skills/Remedial					
Salaries of Teachers	90,890	-	90,890	81,660	9,230
General Supplies	1,000	-	1,000	516	484
Total Bilingual Education	91,890	-	91,890	82,176	9,714
Bilingual Education					
Salaries of Teachers	20,600	-	20,600	20,526	74
General Supplies	300	-	300	300	-
Total Bilingual Education	20,900	-	20,900	20,826	74
School Sponsored Co/Extra Curricular Activities					
Salaries	31,000	-	31,000	16,983	14,017
Other Objects	9,000	-	9,000	469	8,531
Total School Sponsored Co/Extra Curricular Act.	40,000	-	40,000	17,452	22,548
Total Instruction	2,552,503	17,609	2,570,112	2,420,120	149,992

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within State- Regular	\$ 1,343,313		\$ 1,343,313	\$ 1,321,814	\$ 21,499
Tuition to Other LEAs Within State- Special	776,000	\$ (120,330)	655,670	579,739	75,931
Tuition to County Vocational- Regular	231,000	-	231,000	159,530	71,470
Tuition to County Vocational- Special	220,000	-	220,000	150,634	69,366
Tuition to CSSD & Reg. Day Schools	182,800	-	182,800	132,327	50,473
Tuition to APSSD Within the State	542,200	(70,323)	471,877	417,423	54,454
Tuition - Other	57,332	-	57,332	-	57,332
	<u>3,352,645</u>	<u>(190,653)</u>	<u>3,161,992</u>	<u>2,761,467</u>	<u>400,525</u>
Total Undistributed Expenditures - Instruction					
	<u>3,352,645</u>	<u>(190,653)</u>	<u>3,161,992</u>	<u>2,761,467</u>	<u>400,525</u>
Attendance and Social Work Services					
Salaries	13,850	-	13,850	13,845	5
Other Purchased Services	620	-	620	620	-
	<u>14,470</u>	<u>-</u>	<u>14,470</u>	<u>14,465</u>	<u>5</u>
Total Attendance and Social Work Services					
	<u>14,470</u>	<u>-</u>	<u>14,470</u>	<u>14,465</u>	<u>5</u>
Health Services					
Salaries	103,780	-	103,780	103,155	625
Other Purchased Services	250	-	250	160	90
Supplies and Materials	5,000	-	5,000	4,610	390
	<u>109,030</u>	<u>-</u>	<u>109,030</u>	<u>107,925</u>	<u>1,105</u>
Total Health Services					
	<u>109,030</u>	<u>-</u>	<u>109,030</u>	<u>107,925</u>	<u>1,105</u>
Speech, OT, PT & Related Svcs.					
Purchased Professional - Educational Services	475,000	25,125	500,125	397,645	102,480
Supplies and Materials	500	-	500	433	67
	<u>475,500</u>	<u>25,125</u>	<u>500,625</u>	<u>398,078</u>	<u>102,547</u>
Total Speech, OT, PT & Related Svcs.					
	<u>475,500</u>	<u>25,125</u>	<u>500,625</u>	<u>398,078</u>	<u>102,547</u>
Child Study Teams					
Salaries of Secretarial and Clerical Assistants	24,000	-	24,000	23,981	19
Purchased Professional-Educational Svcs.	267,000	-	267,000	220,266	46,734
Supplies and Materials	1,500	23	1,523	1,483	40
	<u>292,500</u>	<u>23</u>	<u>292,523</u>	<u>245,730</u>	<u>46,793</u>
Total Child Study Team					
	<u>292,500</u>	<u>23</u>	<u>292,523</u>	<u>245,730</u>	<u>46,793</u>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	99,400	-	99,400	59,317	40,083
Salaries of Secretarial and Clerical Assistants	14,150	-	14,150	13,879	271
Other Purchased Services	500	-	500	500	-
Supplies and Materials	1,000	-	1,000	509	491
Other Objects	1,000	-	1,000	945	55
	<u>116,050</u>	<u>-</u>	<u>116,050</u>	<u>75,150</u>	<u>40,900</u>
Total Improvement of Instructional Services					
	<u>116,050</u>	<u>-</u>	<u>116,050</u>	<u>75,150</u>	<u>40,900</u>

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 34,000		\$ 34,000	\$ 24,451	\$ 9,549
Salaries of Technology Coordinators	20,000		20,000	6,105	13,895
Purchased Professional and Technical Services	141,420	\$ 2,582	144,002	132,642	11,360
Supplies and Materials	20,000	(2,582)	17,418	16,446	972
Other Objects	950	-	950	575	375
	<u>216,370</u>	<u>-</u>	<u>216,370</u>	<u>180,219</u>	<u>36,151</u>
Total Educational Media Serv./School Library					
Instructional Staff Training Services					
Salaries of Other Professional Staff	40,000	-	40,000		40,000
Other Purchased Services	4,000	-	4,000	3,356	644
	<u>44,000</u>	<u>-</u>	<u>44,000</u>	<u>3,356</u>	<u>40,644</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	114,500	-	114,500	98,625	15,875
Legal Services	20,000	-	20,000	18,896	1,104
Audit Fees	32,000	27,261	59,261	28,006	31,255
Other Purchased Professional Services	2,700	-	2,700	2,545	155
Purchased Technical Services	13,000	190	13,190	12,389	801
Communications/Telephone	16,000	(190)	15,810	12,918	2,892
General Supplies	1,500	-	1,500	392	1,108
BOE Other Purchased Services	5,000	-	5,000		5,000
Miscellaneous Purchased Services	10,650	-	10,650	5,577	5,073
Miscellaneous Expenditures	8,000	-	8,000	6,260	1,740
BOE Membership Dues and Fees	4,500	-	4,500	4,375	125
	<u>227,850</u>	<u>27,261</u>	<u>255,111</u>	<u>189,983</u>	<u>65,128</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principal/Asst. Principals	63,925	-	63,925	43,107	20,818
Salaries of Secretarial and Clerical Assistants	53,000	-	53,000	52,473	527
Supplies and Materials	1,000	-	1,000	742	258
Other Objects	1,000	-	1,000	590	410
	<u>118,925</u>	<u>-</u>	<u>118,925</u>	<u>96,912</u>	<u>22,013</u>
Total Support Services School Administration					
Central Services					
Salaries	135,000	-	135,000	134,035	965
Purchased Technical Services	31,580	-	31,580	13,249	18,331
Miscellaneous Purchased Services	2,000	-	2,000	50	1,950
Supplies and Materials	6,500	(40)	6,460	1,425	5,035
Miscellaneous Expenditures	1,300	40	1,340	1,340	-
	<u>176,380</u>	<u>-</u>	<u>176,380</u>	<u>150,099</u>	<u>26,281</u>
Total Central Services					

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 158,500		\$ 158,500	\$ 139,443	\$ 19,057
Cleaning, Repair and Maint. Svc.	100,000		100,000	70,931	29,069
General Supplies	3,000	-	3,000	240	2,760
	<u>261,500</u>	<u>-</u>	<u>261,500</u>	<u>210,614</u>	<u>50,886</u>
Custodial Services					
Salaries	52,200		52,200	29,376	22,824
Salaries of Non-Instructional Aides	25,700		25,700	35,306	(9,606)
Purchased Prof. and Technical Serv.	6,000	\$ 1,095	7,095	3,126	3,969
Cleaning, Repair and Maint. Serv.	17,000	95	17,095	5,470	11,625
Other Purchased Property Services	6,500	3	6,503	5,086	1,417
Insurance	70,000	3,035	73,035	73,035	-
General Supplies	22,000	(3,035)	18,965	16,990	1,975
Energy (Natural Gas)	30,000	-	30,000	21,230	8,770
Energy (Electricity)	80,000	-	80,000	47,848	32,152
Other Objects	1,800	-	1,800	905	895
	<u>311,200</u>	<u>1,193</u>	<u>312,393</u>	<u>238,372</u>	<u>74,021</u>
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	17,000	-	17,000	16,861	139
Contracted Serv.(Bet. Home & Sch) - Vendors	91,000	-	91,000	83,048	7,952
Contracted Serv.(Other Than Bet. Home & Sch) - Vendors	5,000	-	5,000	4,321	679
Contracted Serv.(Reg. Students) - ESCs & CTSA's	210,000	83,042	293,042	196,154	96,888
Contracted Services (Spl. Ed. Students) - ESCs & CTSA's	390,000	127,525	517,525	351,556	165,969
Contracted Serv. - Aid in Lieu of Payments - Non-Public Schools	24,000	-	24,000	16,928	7,072
	<u>737,000</u>	<u>210,567</u>	<u>947,567</u>	<u>668,868</u>	<u>278,699</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	72,000	621	72,621	72,620	1
Other Retirement Contributions-PERS	80,000	-	80,000	79,569	431
Other Retirement Contributions-Regular	3,000	2,689	5,689	5,688	1
Unemployment Insurance	1,000	(1,000)	-	-	-
Workmen's Compensation	27,000	(5,200)	21,800	21,609	191
Health Benefits	689,880	(29,496)	660,384	613,472	46,912
Tuition Reimbursement	16,000	(2,233)	13,767	6,986	6,781
Other Employee Benefits	25,000	24,454	49,454	49,453	1
Unused Sick Payment to Terminated/Retired Staff	12,000	2,340	14,340	14,340	-
	<u>925,880</u>	<u>(7,825)</u>	<u>918,055</u>	<u>863,737</u>	<u>54,318</u>

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
On-behalf TPAF Pension Payments					
Pension Contribution (Non-Budget)				\$ 670,008	\$ (670,008)
NCGI Premium (Non-Budget)				12,748	(12,748)
On-behalf TPAF Pension Payments					
Post Retirement Medical Contribution (Non-Budget)				213,965	(213,965)
On-behalf TPAF Pension Payments					
Long Term Disability Insurance				654	(654)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	192,426	(192,426)
Total On-behalf TPAF Pension Payments	-	-	-	1,089,801	(1,089,801)
Total Undistributed Expenditures	\$ 7,379,300	\$ 65,691	\$ 7,444,991	7,294,776	150,215
Interest Earned on Maintenance Reserve	20	(20)	-	-	-
Total Current Expenditures	9,931,823	83,280	10,015,103	9,714,896	300,207
CAPITAL OUTLAY					
Undistributed Expenditures					
School Security	20,000	-	20,000	20,000	-
Required Maintenance for School Facilities	300,000	(16,311)	283,689	18,361	265,328
Total Equipment	320,000	(16,311)	303,689	38,361	265,328
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		16,311	16,311	16,311	-
Assessment for Debt Service on SDA Funding	1,245	-	1,245	1,245	-
Total Facilities Acquis. and Const. Services	1,245	16,311	17,556	17,556	-
Interest Deposit to Capital Reserve	90	(90)	-	-	-
Total Capital Outlay Expenditures	321,335	(90)	321,245	55,917	265,328
Transfer Funds to Charter Schools	11,647	-	11,647	11,647	-
Total Expenditures	10,264,805	83,190	10,347,995	9,782,460	565,535
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(604,602)	(120,362)	(724,964)	1,001,854	1,726,818
Other Financing Sources (Uses)					
Transfers Out to Food Service Fund		-		(25,000)	(25,000)
Transfers Out to Special Revenue Fund	(98,055)	-	(98,055)	(98,055)	-
Total Other Financing Sources/(Uses)	(98,055)	-	(98,055)	(123,055)	(25,000)
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(702,657)	(120,362)	(823,019)	878,799	1,701,818
Fund Balance, Beginning of Year	2,795,225	-	2,795,225	2,795,225	-
Fund Balance, End of Year	\$ 2,092,568	\$ (120,362)	\$ 1,972,206	\$ 3,674,024	\$ 1,701,818

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Recapitulation of Fund Balance

Restricted Fund Balance:	
Reserved Excess Surplus	\$ 300,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	98,874
Capital Reserve	1,072,924
Capital Reserve - Designated for Subsequent Year's Expenditures	1,300,000
Maintenance Reserve	137,197
Maintenance Reserve - Designated for Subsequent Year's Expenditures	180,000
Assigned Fund Balance:	
Year-end Encumbrances	128,595
Unreserved - Designated for Subsequent Year's Expenditures	69,196
Unassigned Fund Balance	<u>387,238</u>
Reconciliation to Governmental Funds Statements (GAAP):	3,674,024
Less: Final State Aid and Extraordinary Aid Payments Not Recognized on GAAP Basis	<u>(132,155)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,541,869</u>

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Modified Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 540,120		\$ 540,120	\$ 540,120	
Federal	182,949	\$ 196,642	379,591	367,529	\$ 12,062
Local Sources	-	3,927	3,927	3,570	357
	<u>723,069</u>	<u>200,569</u>	<u>923,638</u>	<u>911,219</u>	<u>12,419</u>
Total Revenues					
EXPENDITURES					
Instruction					
Salaries of Teachers	265,108	20,385	285,493	277,766	7,727
Other Salaries for Instruction	63,036	-	63,036	63,036	-
Purchased Professional and Educational Services	29,020	-	29,020	29,020	-
School-Sponsored/Cocurricular Activities - Non Budget		-		6,046	(6,046)
Other Purchased Services	71,096	22,778	93,874	93,874	-
General Supplies	27,256	73,695	100,951	100,903	48
	<u>455,516</u>	<u>116,858</u>	<u>572,374</u>	<u>570,645</u>	<u>1,729</u>
Total Instruction					
Support Services					
Salaries of Supervisors of Instruction	9,600	-	9,600	9,600	-
Salaries of Program Directors	15,075	-	15,075	15,075	-
Salaries of Secr, and Clerical Assistants	7,850	-	7,850	7,850	-
Other Salaries	4,500	18,000	22,500	22,500	-
Salaries of Facilitators/Master Teachers	55,075	-	55,075	55,075	-
Personal Services - Employee Benefits	178,764	(23)	178,741	178,741	-
Purchased Professional and Technical Services	20,409	22,679	43,088	38,838	4,250
Contracted Services (Bet. Home & School) - Vendors	60,000	(7,915)	52,085	52,085	-
General Supplies	14,335	48,320	62,655	58,691	3,964
	<u>365,608</u>	<u>81,061</u>	<u>446,669</u>	<u>438,455</u>	<u>8,214</u>
Total Support Services					
Facilities Acquisition and Construction Services					
Non-Instructional Equipment	-	2,650	2,650	2,650	-
	<u>-</u>	<u>2,650</u>	<u>2,650</u>	<u>2,650</u>	<u>-</u>
Total Facilities Acquisition and Construction Services					
	<u>-</u>	<u>2,650</u>	<u>2,650</u>	<u>2,650</u>	<u>-</u>
Total Expenditures	<u>821,124</u>	<u>200,569</u>	<u>1,021,693</u>	<u>1,011,750</u>	<u>9,943</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(98,055)</u>	<u>-</u>	<u>(98,055)</u>	<u>(100,531)</u>	<u>2,476</u>
Other Financing Sources					
Transfer In - General Fund	98,055	-	98,055	98,055	-
Fund Balances, Beginning of Year (Restated)	-	-	-	20,642	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,166</u>	<u>\$ 2,476</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Less: Current Year State Aid Payments Not Recognized on GAAP Basis				<u>\$ (47,079)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ (28,913)</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting 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 following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 10,784,314	\$ 911,219
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2020, net of cancellations		600
Encumbrances, June 30, 2021		(6,696)
State Aid payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2019/2020 State Aid)	110,211	30,406
State Aid payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2020/2021 State Aid)	<u>(132,155)</u>	<u>(47,079)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 10,762,370</u>	<u>\$ 888,450</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the Budgetary Comparison Schedule (Exhibits C-1 and C-2)	\$ 9,782,460	\$ 1,011,750
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2020, net of cancellations		600
Encumbrances, June 30, 2021	<u>-</u>	<u>(6,696)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 9,782,460</u>	<u>\$ 1,005,654</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00719 %	0.00794 %	0.00590 %	0.00813 %	0.00738 %	0.00743 %	0.00792 %	0.00817 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,172,874	\$ 1,432,320	\$ 1,163,582	\$ 1,892,490	\$ 2,185,882	\$ 1,668,903	\$ 1,483,923	\$ 1,561,290
District's Covered Payroll	\$ 463,622	\$ 480,426	\$ 493,798	\$ 434,193	\$ 517,496	\$ 503,178	\$ 497,994	\$ 528,600
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	253.0%	298.1%	235.6%	435.9%	422.4%	331.7%	298.0% %	295.0% %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %	52.08 %	48.72 %

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 79,569	\$ 77,324	\$ 60,569	\$ 75,314	\$ 65,567	\$ 76,811	\$ 63,508	\$ 61,708
Contributions in Relation to the Contractually Required Contribution	<u>79,569</u>	<u>77,324</u>	<u>60,569</u>	<u>75,314</u>	<u>65,567</u>	<u>76,811</u>	<u>63,508</u>	<u>61,708</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 503,435	\$ 463,622	\$ 480,426	\$ 493,798	\$ 434,193	\$ 517,496	\$ 503,178	\$ 497,994
Contributions as a Percentage of Covered Payroll	15.81%	16.68%	12.61%	15.25%	15.10%	14.84%	12.62%	12.39%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund
Last Eight Fiscal Years***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 14,284,052</u>	<u>\$ 13,121,771</u>	<u>\$ 13,860,347</u>	<u>\$ 15,404,142</u>	<u>\$ 18,735,640</u>	<u>\$ 16,447,196</u>	<u>\$ 13,176,585</u>	<u>\$ 12,885,122</u>
Total	<u>\$ 14,284,052</u>	<u>\$ 13,121,771</u>	<u>\$ 13,860,347</u>	<u>\$ 15,404,142</u>	<u>\$ 18,735,640</u>	<u>\$ 16,447,196</u>	<u>\$ 13,176,585</u>	<u>\$ 12,885,122</u>
District's Covered Payroll	\$ 2,711,655	\$ 2,468,578	\$ 2,374,952	\$ 2,079,476	\$ 2,354,970	\$ 2,393,474	\$ 2,581,290	\$ 2,334,892
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 390,867	\$ 321,318	\$ 410,920	\$ 491,622
Interest on Total OPEB Liability	313,910	385,150	448,694	388,859
Differences Between Expected and Actual Experience	2,226,721	(1,641,658)	(1,975,910)	
Changes of Assumptions	2,545,730	129,637	(1,119,910)	(1,618,043)
Gross Benefit Payments	(242,624)	(266,898)	(260,956)	(257,463)
Contribution from the Member	<u>7,354</u>	<u>7,912</u>	<u>9,019</u>	<u>9,480</u>
Net Change in Total OPEB Liability	5,241,958	(1,064,539)	(2,488,143)	(985,545)
Total OPEB Liability - Beginning	<u>8,694,600</u>	<u>9,759,139</u>	<u>12,247,282</u>	<u>13,232,827</u>
Total OPEB Liability - Ending	<u>\$ 13,936,558</u>	<u>\$ 8,694,600</u>	<u>\$ 9,759,139</u>	<u>\$ 12,247,282</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>13,936,558</u>	<u>8,694,600</u>	<u>9,759,139</u>	<u>12,247,282</u>
Total OPEB Liability - Ending	<u>\$ 13,936,558</u>	<u>\$ 8,694,600</u>	<u>\$ 9,759,139</u>	<u>\$ 12,247,282</u>
District's Covered Payroll	<u>\$ 3,175,277</u>	<u>\$ 2,949,004</u>	<u>\$ 2,868,750</u>	<u>\$ 2,513,669</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**MOONACHIE BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>IDEA Part B Basic</u>	<u>IDEA Part B Preschool</u>	<u>ESEA Title I</u>	<u>ESEA Title I SIA</u>	<u>ESEA Title II</u>	<u>ESEA Title IV</u>	<u>Preschool Education Aid</u>	<u>Student Activities</u>	<u>Scholarship Account</u>	<u>To Exhibit E-1A</u>
REVENUES										
Intergovernmental										
State							\$ 540,120			\$ 540,120
Federal	\$ 93,874	\$ 5,388	\$ 90,073	\$ 22,442	\$ 15,156	\$ 10,152				237,085
Local Sources	-	-	-	-	-	-	-	\$ 3,570	-	3,570
Total Revenues	<u>\$ 93,874</u>	<u>\$ 5,388</u>	<u>\$ 90,073</u>	<u>\$ 22,442</u>	<u>\$ 15,156</u>	<u>\$ 10,152</u>	<u>\$ 540,120</u>	<u>\$ 3,570</u>	<u>\$ -</u>	<u>\$ 780,775</u>
EXPENDITURES										
Instruction										
Salaries of Teachers			\$ 61,060				\$ 204,060			\$ 265,120
Other Salaries for Instruction							63,036			63,036
Purchased Professional and Educational Services							29,020			29,020
School-Sponsored/Cocurricular Activities								\$ 5,946	\$ 100	6,046
Other Purchased Services	\$ 93,874									93,874
General Supplies	-	-	4,612	7,202	-	-	25,022	-	-	36,836
Total Instruction	<u>93,874</u>	<u>-</u>	<u>65,672</u>	<u>7,202</u>	<u>-</u>	<u>-</u>	<u>321,138</u>	<u>5,946</u>	<u>100</u>	<u>493,932</u>
Support Services										
Salaries of Supervisors of Instruction							9,600			9,600
Salaries of Program Directors							15,075			15,075
Salaries of Secr. and Clerical Assistants							7,850			7,850
Other Salaries							4,500			4,500
Salaries of Facilitators/Master Teachers							55,075			55,075
Personal Services - Employee Benefits			24,401				154,340			178,741
Purchased Professional and Technical Services		\$ 5,388		15,240	\$ 14,710	\$ 3,500				38,838
Contracted Services (Bet. Home & School) - Vendors							52,085			52,085
General Supplies	-	-	-	-	446	6,652	18,512	-	-	25,610
Total Support Services	<u>-</u>	<u>5,388</u>	<u>24,401</u>	<u>15,240</u>	<u>15,156</u>	<u>10,152</u>	<u>317,037</u>	<u>-</u>	<u>-</u>	<u>387,374</u>
Total Expenditures	<u>\$ 93,874</u>	<u>\$ 5,388</u>	<u>\$ 90,073</u>	<u>\$ 22,442</u>	<u>\$ 15,156</u>	<u>\$ 10,152</u>	<u>\$ 638,175</u>	<u>\$ 5,946</u>	<u>\$ 100</u>	<u>\$ 881,306</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	(98,055)	(2,376)	(100)	(100,531)
Other Financing Sources										
Transfers In - General Fund	-	-	-	-	-	-	98,055	-	-	98,055
Fund Balances, Beginning of Year (Restated)	-	-	-	-	-	-	-	19,661	981	20,642
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,285</u>	<u>\$ 881</u>	<u>\$ 18,166</u>

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Exhibit E-1 Subtotal	C.A.R.E.S. Emergency Relief Grant	Bergen County C.A.R.E.S.	Digital Divide	Coronavirus Relief Fund Grant	ESSER II			Grand Total
						CRRSA Act	Learning Acceleration	Mental Health	
REVENUES									
Intergovernmental									
State	\$ 540,120								\$ 540,120
Federal	237,085	\$ 47,458	\$ 25,000	\$ 15,824	\$ 42,162				367,529
Local Sources	3,570	-	-	-	-	-	-	-	3,570
Total Revenues	\$ 780,775	\$ 47,458	\$ 25,000	\$ 15,824	\$ 42,162	\$ -	\$ -	\$ -	\$ 911,219
EXPENDITURES									
Instruction									
Salaries of Teachers	\$ 265,120	\$ 12,646							\$ 277,766
Other Salaries for Instruction	63,036								63,036
Purchased Professional and Educational Services	29,020								29,020
School-Sponsored/Cocurricular Activities	6,046								6,046
Other Purchased Services	93,874								93,874
General Supplies	36,836	6,081	-	\$ 15,824	\$ 42,162	-	-	-	100,903
Total Instruction	493,932	18,727	-	15,824	42,162	-	-	-	570,645
Support Services									
Salaries of Supervisors of Instruction	9,600								9,600
Salaries of Program Directors	15,075								15,075
Salaries of Secr. and Clerical Assistants	7,850								7,850
Other Salaries	4,500		\$ 18,000						22,500
Salaries of Facilitators/Master Teachers	55,075								55,075
Personal Services - Employee Benefits	178,741								178,741
Purchased Professional and Technical Services	38,838								38,838
Contracted Services (Bet. Home & School) - Vendors	52,085								52,085
General Supplies	25,610	26,081	7,000	-	-	-	-	-	58,691
Total Support Services	387,374	26,081	25,000	-	-	-	-	-	438,455
Capital Outlay									
Non-Instructional Equipment	-	2,650	-	-	-	-	-	-	2,650
Total Capital Outlay	-	2,650	-	-	-	-	-	-	2,650
Total Expenditures	\$ 881,306	\$ 47,458	\$ 25,000	\$ 15,824	\$ 42,162	\$ -	\$ -	\$ -	\$ 1,011,750
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(100,531)	-	-	-	-	-	-	-	(100,531)
Other Financing Sources									
Transfers In - General Fund	98,055	-	-	-	-	-	-	-	98,055
Fund Balances, Beginning of Year (Restated)	20,642	-	-	-	-	-	-	-	20,642
Fund Balances, End of Year	\$ 18,166	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,166

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION EXPANSION AID SCHEDULE OF EXPENDITURES
PRESCHOOL - ALL PROGRAMS
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXPENDITURES	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final To Actual Variance</u>
Instruction					
Salaries of Teachers	\$ 106,005	\$ 98,055	\$ 204,060	\$ 204,060	
Other Salaries for Instruction	63,036		63,036	63,036	
Purchased Professional and Educational Services	29,020		29,020	29,020	
General Supplies	25,000	22	25,022	25,022	-
Total Instruction	<u>223,061</u>	<u>98,077</u>	<u>321,138</u>	<u>321,138</u>	<u>-</u>
Support Services					
Salaries of Supervisors of Instruction	9,600		9,600	9,600	
Salaries of Program Directors	15,075		15,075	15,075	
Salaries of Secr. and Clerical Assistants	7,850		7,850	7,850	
Other Salaries	4,500		4,500	4,500	
Salaries of Facilitators/Master Teachers	55,075		55,075	55,075	
Personal Services - Employee Benefits	154,340		154,340	154,340	
Contracted Services (Bet. Home & School) - Vendors	60,000	(7,915)	52,085	52,085	
Supplies and Materials	10,619	7,893	18,512	18,512	-
Total Support Services	<u>317,059</u>	<u>(22)</u>	<u>317,037</u>	<u>317,037</u>	<u>-</u>
Total Expenditures	<u>\$ 540,120</u>	<u>\$ 98,055</u>	<u>\$ 638,175</u>	<u>\$ 638,175</u>	<u>\$ -</u>

Calculation of Budget Carryover

Total revised 2020-2021 Preschool Education Aid Allocation	\$ 540,120
General Fund Contribution	98,055
Add: Actual ECPA/PEA Carryover (June 30, 2020)	-
Total Preschool Ed. Aid Funds Available for 2020-2021 Budget	<u>638,175</u>
Less: 2020-2021 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	<u>638,175</u>
Available & Unbudgeted Preschool Funds as of June 30, 2021	\$ -
Add: June 30, 2021 Unexpended Preschool Education Aid	-
2020-2021 Carryover - Preschool Education Aid Programs	<u>\$ -</u>
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-22	<u>\$ -</u>

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Balance, July 1, 2020</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2021</u>
Elementary School				
Robert L. Craig School	\$ 19,661	\$ 3,570	\$ 5,946	\$ 17,285
Total All Schools	<u>\$ 19,661</u>	<u>\$ 3,570</u>	<u>\$ 5,946</u>	<u>\$ 17,285</u>

CAPITAL PROJECTS FUND

SCHEDULE F-1

**MOONACHIE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

SCHEDULE F-2

**SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**MOONACHIE BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**MOONACHIE BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Purpose</u>	<u>Original Issue</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2021</u>
2018 Savin Copiers	\$ 108,748	\$ 64,091	\$ -	\$ 21,855	\$ 42,236
		<u>\$ 64,091</u>	<u>\$ -</u>	<u>\$ 21,855</u>	<u>\$ 42,236</u>

**MOONACHIE BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

**LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

STATISTICAL SECTION

This part of the Moonachie Board of Education's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

MOONACHIE BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment In Capital Assets	\$ 1,889,488	\$ 4,693,363	\$ 5,239,360	\$ 4,836,231	\$ 4,561,781	\$ 4,271,398	\$ 4,005,991	\$ 3,788,469	\$ 3,515,681	\$ 3,298,721
Restricted	564,270		933,000	428,978	746,175	746,175	624,730	1,246,175	1,991,197	2,708,287
Unrestricted	729,313	944,692	(1,497,190)	(281,471)	(848,903)	(1,140,799)	(1,227,970)	(1,244,713)	(1,036,574)	(858,997)
Total Governmental Activities Net Assets	\$ 3,183,071	\$ 5,638,055	\$ 4,675,170	\$ 4,983,738	\$ 4,459,053	\$ 3,876,774	\$ 3,402,751	\$ 3,789,931	\$ 4,470,304	\$ 5,148,011
Business-Type Activities										
Net Investment In Capital Assets	\$ 5,752	\$ 4,168	\$ 2,584	\$ 1,000						
Unrestricted	17,408	23,983	32,163	33,259	\$ 46,304	\$ 59,279	\$ 63,430	\$ 71,023	\$ 69,263	\$ 23,702
Total Business-Type Activities Net Assets	\$ 23,160	\$ 28,151	\$ 34,747	\$ 34,259	\$ 46,304	\$ 59,279	\$ 63,430	\$ 71,023	\$ 69,263	\$ 23,702
District-Wide										
Net Investment In Capital Assets	\$ 1,895,240	\$ 4,697,531	\$ 5,241,944	\$ 4,837,231	\$ 4,561,781	\$ 4,271,398	\$ 4,005,991	\$ 3,788,469	\$ 3,515,681	\$ 3,298,721
Restricted	564,270	-	933,000	428,978	746,175	746,175	624,730	1,246,175	1,991,197	2,708,287
Unrestricted	746,721	968,675	(1,465,027)	(248,212)	(802,599)	(1,081,520)	(1,164,540)	(1,173,690)	(967,311)	(835,295)
Total District Net Assets	\$ 3,206,231	\$ 5,666,206	\$ 4,709,917	\$ 5,017,997	\$ 4,505,357	\$ 3,936,053	\$ 3,466,181	\$ 3,860,954	\$ 4,539,567	\$ 5,171,713

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and for a correction of an error.

**MOONACHIE BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 4,033,870	\$ 4,102,304	\$ 3,976,487	\$ 4,369,620	\$ 4,349,160	\$ 4,745,469	\$ 4,844,785	\$ 4,402,885	\$ 4,378,428	\$ 5,001,497
Special Education	1,147,451	1,460,510	992,906	1,394,625	1,831,291	1,783,447	2,151,370	2,038,332	2,080,787	2,334,678
Other Instruction	94,128	159,149	218,034	263,058	367,119	361,056	307,671	257,328	224,087	324,607
School Sponsored Activities And Athletics	25,614	40,005	50,056	35,439	31,983	75,931	42,194	43,423	29,835	37,569
Support Services:										
Student & Instruction Related Services	1,156,475	1,263,991	1,455,445	1,158,132	1,265,087	1,362,382	1,641,304	1,614,633	1,500,768	1,539,418
General Administration	202,490	267,294	232,767	273,770	301,344	273,352	231,790	257,792	258,682	260,969
School Administrative Services	166,274	132,510	130,493	180,874	191,144	262,762	213,993	200,191	217,119	178,907
Plant Operations And Maintenance	679,151	2,779,061	1,865,058	897,860	934,258	855,468	822,345	780,862	801,044	855,441
Pupil Transportation	256,886	326,803	317,611	318,019	489,688	536,028	670,474	678,955	687,113	727,893
Central Services	208,125	201,209	215,369	226,485	198,000	231,769	165,241	216,274	220,176	237,504
Other Support Services										
Interest On Long-Term Debt	39,650	24,982	30,100	2,263	5,764	3,598	3,056	3,578	2,810	2,013
Total Governmental Activities Expenses	8,010,114	10,757,818	9,484,326	9,120,145	9,964,838	10,491,262	11,094,223	10,494,253	10,400,849	11,500,496
Business-Type Activities:										
Food Service	106,993	99,167	105,528	139,635	155,041	157,957	221,184	210,776	213,811	282,568
Total Business-Type Activities Expense	106,993	99,167	105,528	139,635	155,041	157,957	221,184	210,776	213,811	282,568
Total District Expenses	\$ 8,117,107	\$ 10,856,985	\$ 9,589,854	\$ 9,259,780	\$ 10,119,879	\$ 10,649,219	\$ 11,315,407	\$ 10,705,029	\$ 10,614,660	\$ 11,783,064
Program Revenues										
Governmental Activities:										
Charges For Services:										
Special Education	\$ 468,392	\$ 199,041	\$ 142,273	\$ 246,086	\$ 110,042	\$ 76,646	\$ 66,111	\$ 51,694	\$ 73,278	\$ 52,274
Operating Grants And Contributions	1,017,059	3,800,588	2,047,191	2,023,150	2,003,655	2,375,924	2,577,007	2,327,203	2,149,981	3,088,723
Capital Grants And Contributions	-	-	553,568	-	-	-	-	-	-	20,000
Total Governmental Activities Program Revenues	1,485,451	3,999,629	2,743,032	2,269,236	2,113,697	2,452,570	2,643,118	2,378,897	2,223,259	3,160,997

MOONACHIE BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges For Services										
Food Service	\$ 17,208	\$ 12,135	\$ 18,947	\$ 33,844	\$ 40,446	\$ 36,639	\$ 35,018	\$ 40,544	\$ 32,497	\$ 17,819
Operating Grants And Contributions	66,404	63,012	60,322	78,448	98,617	104,361	102,024	115,509	117,541	194,188
Total Business Type Activities Program Revenues	83,612	75,147	79,269	112,292	139,063	141,000	137,042	156,053	150,038	212,007
Total District Program Revenues	\$ 1,569,063	\$ 4,074,776	\$ 2,822,301	\$ 2,381,528	\$ 2,252,760	\$ 2,593,570	\$ 2,780,160	\$ 2,534,950	\$ 2,373,297	\$ 3,373,004
Net (Expense)/Revenue										
Governmental Activities	\$ (6,524,663)	\$ (6,758,189)	\$ (6,741,294)	\$ (6,850,909)	\$ (7,851,141)	\$ (8,038,692)	\$ (8,451,105)	\$ (8,115,356)	\$ (8,177,590)	\$ (8,339,499)
Business-Type Activities	(23,381)	(24,020)	(26,259)	(27,343)	(15,978)	(16,957)	(84,142)	(54,723)	(63,773)	(70,561)
Total District-Wide Net Expense	\$ (6,548,044)	\$ (6,782,209)	\$ (6,767,553)	\$ (6,878,252)	\$ (7,867,119)	\$ (8,055,649)	\$ (8,535,247)	\$ (8,170,079)	\$ (8,241,363)	\$ (8,410,060)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 7,019,469	\$ 7,153,176	\$ 7,244,684	\$ 7,059,543	\$ 7,200,734	\$ 7,344,749	\$ 7,857,751	\$ 8,325,950	\$ 8,646,025	\$ 8,818,946
Unrestricted Grants And Contributions	18,663	17,264	16,799	23,060	24,220	27,084	28,914	16,947	16,703	16,551
Gain on Impairment of Assets		1,866,964	-							
Miscellaneous Income	101,735	204,683	110,946	103,612	129,476	114,512	178,710	221,955	236,606	206,709
Transfers	(19,150)	(28,914)	(32,730)	(26,738)	(27,974)	(29,932)	(88,293)	(62,316)	(62,013)	(25,000)
Total Governmental Activities	7,120,717	9,213,173	7,339,699	7,159,477	7,326,456	7,456,413	7,977,082	8,502,536	8,837,321	9,017,206
Business-Type Activities:										
Investment Earnings	46	97	125	117	49					
Transfers	19,150	28,914	32,730	26,738	27,974	29,932	88,293	62,316	62,013	25,000
Total Business-Type Activities	19,196	29,011	32,855	26,855	28,023	29,932	88,293	62,316	62,013	25,000
Total District-Wide	\$ 7,139,913	\$ 9,242,184	\$ 7,372,554	\$ 7,186,332	\$ 7,354,479	\$ 7,486,345	\$ 8,065,375	\$ 8,564,852	\$ 8,899,334	\$ 9,042,206
Change In Net Position										
Governmental Activities	\$ 596,054	\$ 2,454,984	\$ 598,405	\$ 308,568	\$ (524,685)	\$ (582,279)	\$ (474,023)	\$ 387,180	\$ 659,731	\$ 677,707
Business-Type Activities	(4,185)	4,991	6,596	(488)	12,045	12,975	4,151	7,593	(1,760)	(45,561)
Total District	\$ 591,869	\$ 2,459,975	\$ 605,001	\$ 308,080	\$ (512,640)	\$ (569,304)	\$ (469,872)	\$ 394,773	\$ 657,971	\$ 632,146

MOONACHIE BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 931,200	\$ 744,217	\$ 1,203,000	\$ 1,475,250	\$ 1,268,322	\$ 1,082,300	\$ 935,441	\$ 1,586,490	\$ 2,392,728	\$ 3,088,995
Committed										
Assigned	245,609	835,754	164,484	95,149	46,722	45,099	57,256	60,481	83,301	197,791
Unassigned	216,042	100,272	226,031	223,464	231,654	224,492	214,619	123,080	208,985	255,083
Total General Fund	<u>\$ 1,392,851</u>	<u>\$ 1,680,243</u>	<u>\$ 1,593,515</u>	<u>\$ 1,793,863</u>	<u>\$ 1,546,698</u>	<u>\$ 1,351,891</u>	<u>\$ 1,207,316</u>	<u>\$ 1,770,051</u>	<u>\$ 2,685,014</u>	<u>\$ 3,541,869</u>
All Other Governmental Funds										
Unassigned		\$ (663,306)	\$ (507,336)					\$ (29,881)	\$ (9,764)	\$ (47,079)
Restricted										18,166
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ (663,306)</u>	<u>\$ (507,336)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,881)</u>	<u>\$ (9,764)</u>	<u>\$ (28,913)</u>

Note 1 - Fund balances at June 30, 2020 is restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

**MOONACHIE BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)**

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 7,019,469	\$ 7,153,176	\$ 7,244,684	\$ 7,059,543	\$ 7,200,734	\$ 7,344,749	\$ 7,857,751	\$ 8,325,950	\$ 8,646,025	\$ 8,818,946
Tuition Charges	468,392	199,041	142,273	246,086	110,042	76,646	66,111	51,694	73,278	52,274
Miscellaneous	101,735	204,683	280,325	107,638	138,856	114,512	178,710	223,702	239,678	210,279
State Sources	801,991	982,560	860,037	946,985	1,007,350	1,059,620	1,160,618	1,586,902	1,782,176	2,207,888
Federal Sources	233,731	198,633	204,197	192,492	197,581	192,646	208,192	237,766	229,299	361,433
Total Revenue	8,625,318	8,738,093	8,731,516	8,552,744	8,654,563	8,788,173	9,471,382	10,426,014	10,970,456	11,650,820
Expenditures										
Instruction										
Regular Instruction	4,026,463	4,096,595	3,949,939	4,016,718	3,861,054	3,904,951	4,099,986	4,053,585	4,258,580	4,657,320
Special Education Instruction	1,150,300	1,452,786	999,436	1,288,406	1,685,563	1,617,656	1,938,298	1,960,834	2,052,389	2,244,143
Other Instruction	89,288	174,769	217,808	232,086	321,048	307,992	251,456	235,664	216,369	303,925
School Sponsored Activities And Athletics	25,614	40,005	50,056	30,922	26,623	38,246	31,970	38,013	28,361	34,132
Support Services:										
Student & Inst. Related Services	1,156,475	1,263,991	1,455,445	1,113,869	1,180,078	1,285,669	1,475,050	1,605,723	1,501,775	1,519,564
General Administration	191,855	267,294	232,767	251,735	263,600	258,686	214,851	262,914	263,912	258,368
School Administrative Services	134,271	132,190	130,173	148,359	145,325	184,157	148,453	176,873	189,321	144,142
Plant Operations And Maintenance	562,057	2,668,026	1,697,034	318,019	489,657	558,879	514,921	521,301	542,161	583,851
Pupil Transportation	256,886	326,803	317,611	199,277	197,649	534,358	665,034	679,589	687,881	727,456
Central Services	197,490	201,209	199,221	512,589	667,471	232,286	147,435	223,056	227,188	234,023
Other Support Services										
Capital Outlay	431,676	3,076,199	456,429	22,411	57,230		88,959	49,424	2,200	57,322
Debt Service:										
Principal	339,424	366,199	323,105	15,215	20,328	26,570	23,360	20,290	21,058	21,855
Interest And Other Charges	43,759	29,357	29,465	3,085	10,098	3,598	3,056	3,578	2,810	2,013
Total Expenditures	8,605,558	14,095,423	10,058,489	8,152,691	8,925,724	8,953,048	9,602,829	9,830,844	9,994,005	10,788,114
Excess (Deficiency) Of Revenues Over (Under) Expenditures	19,760	(5,357,330)	(1,326,973)	400,053	(271,161)	(164,875)	(131,447)	595,170	976,451	862,706
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)		34,951	45,000		51,970		75,165			
Super Storm Sandy Insurance Recovery		4,975,379	1,383,945	334,369	-					
Transfers In	18,032			507,336	-			43,879	86,803	98,055
Transfers Out	(37,182)	(28,914)	(32,730)	(534,074)	(27,974)	(29,932)	(88,293)	(106,195)	(148,816)	(123,055)
Total Other Financing Sources (Uses)	(19,150)	4,981,416	1,396,215	307,631	23,996	(29,932)	(13,128)	(62,316)	(62,013)	(25,000)
Net Change In Fund Balances	\$ 610	\$ (375,914)	\$ 69,242	\$ 707,684	\$ (247,165)	\$ (194,807)	\$ (144,575)	\$ 532,854	\$ 914,438	\$ 837,706
Debt Service As A Percentage Of Noncapital Expenditures	4.69%	3.59%	3.67%	0.23%	0.34%	0.34%	0.28%	0.24%	0.24%	0.22%

* Noncapital expenditures are total expenditures less capital outlay.

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Miscellaneous</u>						<u>Total</u>
	<u>Tuition</u>	<u>Restricted Revenue</u>	<u>Interest on Investments</u>	<u>Rent</u>	<u>Donations</u>	<u>Refunds and Miscellaneous</u>	
2012	\$ 468,392		\$ 3,614	\$ 89,999		\$ 8,122	\$ 570,127
2013	199,041		2,806	18,450	\$ 150,000	33,427	403,724
2014	142,273		3,892	94,555	16,773	(4,274)	253,219
2015	246,086		3,314	96,446		3,852	349,698
2016	110,042		4,308	99,275		25,893	239,518
2017	76,646			100,343		14,169	191,158
2018	66,111			102,350		76,360	244,821
2019	51,694			196,000		25,955	273,649
2020	73,278			201,021		35,585	309,884
2021	52,274		3,058	198,713		4,938	258,983

Source: District Records

**MOONACHIE BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 8,641,000	\$ 232,620,485			\$ 65,617,000	\$ 475,238,400		\$ 782,116,885	\$ 1,131,513	\$ 783,248,398	\$ 842,731,657	\$ 0.913
2013	8,623,700	229,347,040			64,948,870	471,276,760		774,196,370	1,131,513	775,327,883	693,703,463	0.934
2014	7,681,800	226,470,145			64,511,470	474,327,140		772,990,555	1,040,609	774,031,164	863,948,156	0.912
2015	6,596,600	223,307,835			62,270,870	445,329,680		737,504,985	1,115,126	738,620,111	814,020,842	0.975
2016	4,552,700	194,844,500			68,466,400	441,416,700		709,280,300	1,015,396	710,295,696	805,902,045	1.034
2017	4,566,100	197,578,100			63,052,800	472,358,500		737,555,500	1,055,440	738,610,940	791,454,606	1.064
2018	4,590,300	201,228,200			64,170,500	486,384,000		756,373,000	1,225,611	757,598,611	791,638,900	1.099
2019	4,574,500	205,363,300			71,318,800	556,508,000		837,764,600	1,202,890	838,967,490	815,365,157	1.031
2020	4,450,300	209,534,300			72,616,700	577,430,800		864,032,100	1,006,428	865,038,528	909,177,952	1.019
2021	4,485,900	217,896,100			72,802,600	597,339,900		892,524,500	1,258,992	893,783,492	958,319,455	1.026

Source: County Abstract of Ratables

^a Tax rates are per \$100

**MOONACHIE BOARD OF EDUCATION
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County (1)</u>
2012	\$ 1.930	\$.913	\$.780	\$.237
2013	1.943	.934	.803	.206
2014	2.001	.912	.830	.259
2015	2.111	.975	.904	.232
2016	2.379	1.034	1.070	.275
2017	2.141	1.064	1.077	.270
2018	2.423	1.099	1.070	0.254
2019	2.311	1.031	1.045	0.235
2020	2.307	1.019	1.026	0.262
2021	2.295	1.026	0.999	0.270

(1) County Tax rate includes Open Space Tax.

Source: Tax Duplicate, Borough of Moonachie

**MOONACHIE BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEARS AND TEN YEARS AGO
(Unaudited)**

Taxpayer	2021		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Forsgate Industries	\$ 79,862,300	0.089353071	\$ 33,274,100	4.13%
Liberty Property LP	35,980,200	0.040256058		
Forsgate Ventures VII LLC	22,745,900	0.025449004		
Teachers Ins. & Annuity Assoc	20,770,930	0.023239331		
4S FiveCrecent Drive LP	14,245,200	0.015938088		
SWS Moonachie Associates	14,126,400	0.01580517	14,923,100	1.85%
LPS Industries	13,887,700	0.015538103	11,973,200	1.49%
Jillvardy	12,545,900	0.014036845		
Dominick Associates, LLC	11,857,100	0.013266188		
AMB US Logistics	11,580,100	0.01295627		
Russo 2000 LLC			16,368,100	2.03%
Jeni LLC			13,562,100	1.69%
Lladro Realty			12,892,800	1.78%
Paradiso Rosen			10,181,400	1.27%
Alfred E. Knobler			9,324,300	1.16%
Jillardroy Realty			9,201,200	1.14%
	<u>\$ 237,601,730</u>	<u>26.58%</u>	<u>\$ 131,700,300</u>	<u>16.54%</u>

Source: Municipal Tax Assessor

**MOONACHIE BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 7,019,469	\$ 7,019,469	100.00%	
2013	7,153,176	7,153,176	100.00%	
2014	7,244,684	7,244,684	100.00%	
2015	7,059,543	7,059,543	100.00%	
2016	7,200,734	7,200,734	100.00%	
2017	7,344,749	7,344,749	100.00%	
2018	7,857,751	7,857,751	100.00%	
2019	8,325,950	8,325,950	100.00%	
2020	8,646,025	8,646,025	100.00%	
2021	8,818,946	8,818,946	100.00%	

Source: District records

MOONACHIE BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2012	\$ 650,000	\$ 23,130	\$ 673,130	2,706	\$ 249
2013	310,000	31,882	341,882	2,709	126
2014		63,777	63,777	2,703	24
2015		48,562	48,562	2,707	18
2016		80,204	80,204	2,721	29
2017		53,634	53,634	2,717	20
2018		105,439	105,439	2,722	39
2019		85,149	85,149	2,714	31
2020		64,091	64,091	2,702	24
2021		42,236	42,236	2,689	16

Source: District records

MOONACHIE BOARD OF EDUCATION
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	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2012	\$ 650,000		\$ 650,000	0.08%	\$ 240
2013	310,000		310,000	0.04%	114
2014	-		-	0.00%	-
2015	-		-	0.00%	-
2016	-		-	0.00%	-
2017	-		-	0.00%	-
2018	-		-	0.00%	-
2019	-		-	0.00%	-
2020	-		-	0.00%	-
2021	-		-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**MOONACHIE BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING DEBT
FOR YEAR ENDED DECEMBER 31, 2020
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Borough of Moonachie	\$ 14,324,081	\$ 2,666,888	\$ 11,657,193
	<u>\$ 14,324,081</u>	<u>\$ 2,666,888</u>	<u>\$ 11,657,193</u>
Overlapping Debt Apportioned to the Municipality:			
Bergen County			7,421,731
Bergen County Utilities Authority - Water Pollution (2)			<u>1,004,096</u>
			<u>8,425,827</u>
Total Direct and Overlapping Debt			<u>\$ 20,083,020</u>

Sources:

- (1) Borough of Moonachie Annual Debt Statement
- (2) BCUA 2020 Audit
- (3) Bergen County Debt Statement December 31, 2020

**MOONACHIE BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis	
	2020	\$ 909,355,438
	2019	875,703,433
	2018	<u>806,398,633</u>
		<u>\$ 2,591,457,504</u>
		\$ 863,819,168
Debt limit (3 % of average equalization value)		27,280,663
Total Net Debt Applicable to Limit		<u>-</u>
		<u>\$ 27,280,663</u>

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 23,588,121	\$ 22,504,875	\$ 23,865,283	\$ 23,924,288	\$ 25,895,233	\$ 25,612,477	\$ 25,289,536	\$ 24,467,920	\$ 24,933,158	\$ 27,280,663
Total net debt applicable to limit	<u>610,000</u>	<u>310,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 22,978,121</u>	<u>\$ 22,194,875</u>	<u>\$ 23,865,283</u>	<u>\$ 23,924,288</u>	<u>\$ 25,895,233</u>	<u>\$ 25,612,477</u>	<u>\$ 25,289,536</u>	<u>\$ 24,467,920</u>	<u>\$ 24,933,158</u>	<u>\$ 27,280,663</u>
Total net debt applicable to the limit as a percentage of debt limit	2.59%	1.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Annual Debt Statements

**MOONACHIE BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	2,706	\$ 72,164	6.10%
2013	2,709	71,699	9.20%
2014	2,703	74,480	7.90%
2015	2,707	77,767	6.90%
2016	2,721	79,407	6.30%
2017	2,717	81,676	5.70%
2018	2,722	86,404	5.00%
2019	2,714	89,456	4.90%
2020	2,702	89,456 *	15.20%
2021	2,689	89,456 *	N/A

Source: New Jersey State Department of Education

* Estimate

MOONACHIE BOARD OF EDUCATION
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

	2021		2012	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

MOONACHIE BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	20.8	23.0	24.1	24.8	24.8	20.0	22.0	22.0	25.0	26.0
Special education	5.0	5.6	5.0	5.5	5.5	8.5	5.2	5.8	6.0	6.0
Other special education	-	-	-			0.5	0.8	0.8	3.5	5.5
Other instruction	1.0	1.0	-			8.5	3.0	3.0	3.0	3.0
Support Services:										
Student & instruction related services	12.5	11.0	9.0	10.0	10.0	2.0	5.0	5.0	5.0	7.0
General administration	1.5	1.5	1.5	1.5	1.5	3.0	2.0	2.0	2.0	2.0
School administrative services	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0
Other administrative services	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	2.5	2.5	2.5	2.5	2.5	2.8	3.0	3.0	3.0	3.0
Other support services	3.0	3.0	3.0	3.5	3.5	1.0	1.0	3.0	2.5	2.0
Food Service	0.5	0.5	0.5	0.5	0.5	0.8	0.8	0.8	1.0	1.0
Total	<u>48.3</u>	<u>49.6</u>	<u>47.1</u>	<u>49.8</u>	<u>49.8</u>	<u>49.0</u>	<u>44.8</u>	<u>47.4</u>	<u>53.0</u>	<u>57.5</u>

Source: District Personnel Records

**MOONACHIE BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year</u>	<u>Enrollment^a</u>	<u>Operating Expenditures^b</u>	<u>Cost Per Pupil^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Teacher/Pupil Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	365	\$ 7,790,699	\$ 21,344	-4.03%	28	1:10	282	277	-1.05%	98.23%
2013	377	10,623,668 (1)	28,179	32.02%	30	1:10	276	260	-2.13%	94.20%
2014	353	9,249,490 (2)	26,203	-7.02%	29	1:10	288	273	4.35%	94.79%
2015	403	8,111,980	20,129	-23.18%	30	1:10	295	280	2.43%	94.92%
2016	401	8,838,068	22,040	9.49%	30	1:10	304	304	3.05%	100.00%
2017	424	8,922,880	21,045	-4.52%	38	1:11	318	300	4.61%	94.34%
2018	420	9,487,454	22,589	7.34%	31	1:14	313	303	-1.57%	96.81%
2019	420	9,757,552	23,232	2.85%	32	1:10	318	306	1.60%	96.23%
2020	431	9,967,937	23,127	-0.45%	34	1:10	333	322	4.72%	96.70%
2021	433	10,706,924	24,727	6.44%	39	1:10	348	341	9.43%	97.99%

Sources: District records

- Note:
- a Enrollment based on annual October district count, including students sent to Woodridge Grades 9-12, special education and County educated students.
 - b Operating expenditures governmental funds (modified accrual) equal total expenditures less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

(1) Includes \$2,096,487 of trailer rental costs related to Hurricane Sandy.

(2) Includes \$1,097,349 of trailer rental costs & cleaning of building related to Hurricane Sandy.

MOONACHIE BOARD OF EDUCATION
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS
 (Unaudited)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	54,017	54,017	54,017	54,017	54,017	54,017	54,017	54,017	54,017	54,017
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	282	276	288	295	304	318	420	312	352	348

Number of Schools at June 30, 2021
 Elementary = 1

Source: District Records

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
School Facilities										
Robert L. Craig Elementary School	\$ <u>76,715</u>	\$ <u>78,026</u>	\$ <u>108,975</u>	\$ <u>80,715</u>	\$ <u>203,995</u>	\$ <u>98,223</u>	\$ <u>121,446</u>	\$ <u>178,679</u>	\$ <u>200,113</u>	\$ <u>210,614</u>
Grand Total	\$ <u>76,715</u>	\$ <u>78,026</u>	\$ <u>108,975</u>	\$ <u>80,715</u>	\$ <u>203,995</u>	\$ <u>98,223</u>	\$ <u>121,446</u>	\$ <u>178,679</u>	\$ <u>200,113</u>	\$ <u>210,614</u>

Source: School District's Financial Statements

MOONACHIE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund		
School Package Policy		
Blanket Building & Contents	\$ 12,348,113	\$ 2,500
Blanket Valuable Papers		
Flood	25,000,000	50,000
Earthquake	25,000,000	5% of SOV
Comprehensive General Liability	5,000,000	
Comprehensive Auto Liability	5,000,000	
Money and Securities - Loss Inside & Outside	100,000	1,000
Employee Dishonesty with Faithful Performance for elected officials	500,000	1,000
Board Secretary - PO Bond	200,000	800
Public Official Bond - Treasurer	250,000	1,000
School Leaders Liability	5,000,000	5,000
Boiler & Machinery	100,000,000 (1)	1,000
	1,000,000 /	
Environmental	25,000,000	10,000
Cyber Liability	2,000,000	10,000
NJUEP Excess Liability	30,000,000	10,000
	1,000,000 /	
Voyager Indemnity - Flood Policy	500,000	50,000

Source: School District's Records

(1) Pooled coverage

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**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

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

We have audited, in accordance with the 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 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 Moonachie Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Moonachie Board of Education's basic financial statements and have issued our report thereon dated February 2, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Moonachie Board of Education'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 Moonachie Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Moonachie Board of Education'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 a 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Moonachie Board of Education’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 no 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.


However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Moonachie Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 2, 2022.

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 Moonachie Board of Education’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Moonachie Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 2, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW
JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

We have audited the Moonachie Board of Education's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Moonachie Board of Education's major state programs for the fiscal year ended June 30, 2021. The Moonachie Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Moonachie Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. 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 New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Moonachie Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Moonachie Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Moonachie Board of Education complied, in all material respects, with the types of 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, 2021.

Report on Internal Control Over Compliance

Management of the Moonachie Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Moonachie Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Moonachie Board of Education's internal control over compliance.


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.

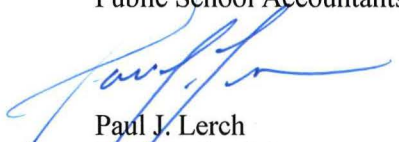
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Moonachie Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 2, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are 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 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
February 2, 2022

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020	Def Rev Carryover	A/R Carryover	Cash Received	Budgetary Expenditures	Balance, June 30, 2021		MEMO GAAP Receivable
											Unearned Revenue	(Account Receivable)	
U.S. Department of Agriculture Passed-through State Department of Education													
Food Service Fund													
National School Lunch Program	10.555	211NJ304N1099	N/A	9/1/20-6/30/21	\$ 111,733				\$ 101,423	\$ 111,733	\$ (10,310)	\$ (10,310)	
National School Lunch Program	10.555	201NJ304N1099	N/A	9/1/19-6/30/20	94,624	\$ (3,937)			3,937		-	-	
National School Breakfast Program	10.553	2116NJ304N1099	N/A	9/1/20-6/30/21	69,805				63,332	69,805	(6,473)	(6,473)	
Seamless Summer Option	10.559	211NJ304N1099	N/A	9/1/20-6/30/21	6,916					6,916	(6,916)	(6,916)	
Seamless Summer Option	10.559	201NJ304N1099	N/A	9/1/19-6/30/20	1,631	(1,631)	-	-	1,631	-	-	-	
Total U.S. Department of Agriculture - Child Nutrition Cluster / Food Service Fund						(5,568)	-	-	170,323	188,454	-	(23,699)	(23,699)
U.S. Department of Education Passed-through State Department of Education													
Special Revenue Fund													
ESEA Consolidated:													
Title I	84.010A	S010A200030	NCLB306011	7/1/20-9/30/21	87,740		\$ 2,333	\$ (2,333)	54,954	90,073	(35,119)	(35,119)	
Title I	84.010A	S010A200030	NCLB306011	7/1/19-9/30/20	87,463	(37,349)	(2,333)	2,333	37,349		-	-	
Title II	84.367	S367B200027	NCLB306011	7/1/20-9/30/21	13,619		2,333	(2,333)	14,255	15,156	796	(1,697)	
Title II	84.367	S367B200027	NCLB306011	7/1/19-9/30/20	11,742	(4,667)	(2,333)	2,333	4,667		-	-	
Title I SIA	84.367A	S367A200029	NCLB306011	7/1/20-9/30/21	11,300		13,150	(13,150)	22,395	22,442	2,008	(2,055)	
Title I SIA	84.367A	S367A200029	NCLB306011	7/1/19-9/30/20	9,400	(600)	(13,150)	13,150	600		-	-	
Title IV	84.424	S424A200031	NCLB306011	7/1/20-9/30/21	10,000		1,763	(1,763)	8,073	10,152	1,611	(3,690)	
Title IV	84.424	S424A200031	NCLB306011	7/1/19-9/30/20	10,000	-	(1,763)	1,763	-	-	-	-	
ESEA Cluster						(42,616)	-	-	142,293	137,823	4,415	(42,561)	(38,146)
IDEA Consolidated:													
IDEIA Part B, Basic	84.027A	H027A200100	IDEA306011	7/1/20-9/30/21	93,874				78,929	93,874	-	(14,945)	
IDEIA Part B, Basic	84.027A	H027A190100	IDEA306011	7/1/19-9/30/20	90,213	(23,058)			23,058		-	-	
IDEIA Part B, Preschool	84.173	H173A200114	IDEA306011	7/1/20-9/30/21	5,388				5,388	5,388	-	-	
IDEIA Cluster						(23,058)	-	-	107,375	99,262	-	(14,945)	(14,945)

The Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an Integral Part of this Statement.

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020	Def Rev Carryover	A/R Carryover	Cash Received	Budgetary Expenditures	Balance, June 30, 2021		MEMO GAAP Receivable
											Uncarned Revenue	(Account Receivable)	
Elementary and Secondary School Emergency Relief Fund (ESSER):													
ESSER I - C.A.R.E.S. Emergency Relief Grant	84.425	S425D200027	N/A	3/13/20-9/30/22	70,316	\$ (19,052)	\$ 3,841	\$ (3,841)	\$ 63,511	\$ 47,458	\$ 7,647	\$ (10,646)	* \$ (2,999)
Digital Divide	84.425D	S377A130031	N/A	7/16/20-10/31/20	15,824				15,824	15,824	-	-	* -
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	N/A	3/13/20-9/30/23	287,575						287,575	(287,575)	* -
ESSER II - Learning Acceleration	84.425D	S425D200027	N/A	3/13/20-9/30/23	25,000						25,000	(25,000)	* -
ESSER II - Mental Health	84.425D	S425D200027	N/A	3/13/20-9/30/23	45,000	-	-	-	-	-	45,000	(45,000)	* -
ESSER Cluster						(19,052)	3,841	(3,841)	79,335	63,282	365,222	(368,221)	* (2,999)
Coronavirus Relief Fund Grant	21.019	S425D200027	N/A	3/13/20-12/30/20	42,162				42,162	42,162	-	-	* -
U.S. Department of Education Passed Through County of Bergen:													
COVID-19 Coronavirus Aid Relief and Economic Security Act	21.019	S425D200027	N/A	3/13/20-12/30/20	25,000	-	-	-	25,000	25,000	-	-	* -
Total Coronavirus Relief Fund Grant and Bergen County CARES Cluster						-	-	-	67,162	67,162	-	-	* -
Total U.S. Department of Education / Special Revenue Fund						(84,726)	3,841	(3,841)	396,165	367,529	369,637	(425,727)	* (56,090)
Total Federal Financial Assistance						\$ (90,294)	\$ 3,841	\$ (3,841)	\$ 566,488	\$ 555,983	\$ 369,637	\$ (449,426)	* \$ (79,789)

Note: This schedule was not subject to an audit in accordance with the U.S. Uniform Guidance
Note: FAIN numbers are only applicable to the current year grant award.

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Cash Received	Budgetary Expenditures	Transfers / Adjustments	Balance, June 30, 2021		MEMO	
								Unearned Revenue	(Accounts Receivable)	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund											
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 264,593		\$ 241,530	\$ 264,593		\$ (23,063)		\$ 264,593	
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	247,278	(20,976)	20,976					-	
Security Aid	21-495-034-5120-089	7/1/20-6/30/21	112,578		102,766	112,578		(9,812)		112,578	
Security Aid	20-495-034-5120-089	7/1/19-6/30/20	112,578	(9,550)	9,550					-	
Adjustment Aid	21-495-034-5120-084	7/1/20-6/30/21	16,590		15,144	16,590		(1,446)		16,590	
Adjustment Aid	20-495-034-5120-084	7/1/19-6/30/20	16,590	(1,407)	1,407					-	
State Aid Public Cluster				(31,933)	391,373	393,761	-	(34,321)		-	393,761
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	107,072		97,739	107,072		(9,333)		107,072	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	107,072	(9,082)	9,082					-	
Additional Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	7,250		-	7,250		(7,250)		(7,250)	7,250
Transportation Aid Cluster				(9,082)	106,821	114,322	-	(16,583)		(7,250)	114,322
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	88,501			88,501		(88,501)		88,501	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	69,196	(69,196)	69,196					-	
On-Behalf Payments											
TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	670,008		670,008	670,008				670,008	
TPAF Pension - NCGI Premium	21-100-034-5094-004	7/1/20-6/30/21	12,748		12,748	12,748				12,748	
TPAF Pension - Post-Retirement Medical	21-100-034-5094-001	7/1/20-6/30/21	213,965		213,965	213,965				213,965	
TPAF Long Term Disability Insurance	21-100-034-5094-004	7/1/20-6/30/21	654		654	654				654	
TPAF Social Security Aid	21-495-034-5094-003	7/1/20-6/30/21	192,426		182,300	192,426		(10,126)		(10,126)	192,426
TPAF Social Security Aid	20-495-034-5094-003	7/1/19-6/30/20	190,167	(19,412)	19,412					-	
On-Behalf Payments Cluster				(88,608)	1,168,283	1,178,302	-	(98,627)		(10,126)	1,178,302
School Security Grant	20E00312	7/1/20-6/30/22	20,000			20,000		(20,000)		(20,000)	20,000
School Security Grant Cluster				-		20,000	-	(20,000)		(20,000)	20,000
Total General Fund				(129,623)	1,666,477	1,706,385	-	(169,531)		(37,376)	1,706,385
Special Revenue Fund											
Preschool Education Aid (PEA)	21-495-034-5120-086	7/1/20-6/30/21	638,175		493,041	638,175	\$ 98,055	(47,079)		638,175	
Preschool Education Aid (PEA)	20-495-034-5120-086	7/1/19-6/30/20	445,255	(30,406)	30,406					-	
Total Special Revenue Fund				(30,406)	523,447	638,175	98,055	(47,079)		-	638,175
State Department of Agriculture											
Enterprise Fund											
National School Lunch Program	21-100-034-3350-023	9/1/20-6/30/21	5,734		4,446	5,734		(1,288)		(1,288)	5,734
National School Lunch Program	20-100-034-3350-023	9/1/19-6/30/20	1,678	(62)	62					-	
Total Enterprise Fund				(62)	4,508	5,734	-	(1,288)		(1,288)	5,734
Total State Financial Assistance Subject to a Single Audit Determination				\$ (160,091)	\$ 2,194,432	2,350,294	\$ 98,055	\$ (217,898)		\$ (38,664)	\$ 2,350,294
Less On-Behalf Pension and Annuity Aid											
On-Behalf TPAF Pension Contributions						670,008					
On-Behalf TPAF Pension - NCGI Premium						12,748					
On-Behalf TPAF Pension - Post-Retirement Medical						213,965					
On-Behalf TPAF Long Term Disability Insurance						654					
Total State Financial Assistance Subject to Major Program Determination						\$ 1,452,919					

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Moonachie Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund 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 a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$21,944 for the general fund and a decrease of \$22,769 for Special Revenue Fund. See the 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. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,684,441	\$ 1,684,441
Special Revenue Fund	\$ 361,433	523,447	884,880
Food Service Fund	188,454	5,734	194,188
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 549,887</u>	<u>\$ 2,213,622</u>	<u>\$ 2,763,509</u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$192,426 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$682,756, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$213,965 and TPAF Long-Term Disability Insurance in the amount of \$654 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions payments are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to the basic financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards Section

Not Applicable

**MOONACHIE BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

State Awards

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

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? yes X none reported

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Identification of major state programs:

<u>GMIS Number(s):</u>	<u>Name of State Program:</u>
21-495-034-5120-086	Preschool Education Aid

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There were none.

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 3 – Schedule of State Award Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major state programs, as required by New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

NOT APPLICABLE

CURRENT YEAR STATE AWARDS

There are none.

**MOONACHIE BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.