

**MOONACHIE BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Moonachie, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
of the  
Moonachie Board of Education  
Moonachie, New Jersey  
For The Fiscal Year Ended June 30, 2022**

**Prepared by  
Business Office**

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**INTRODUCTORY SECTION**

# Moonachie Public School

## Business Office

Robert L. Craig School  
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Moonachie, NJ 07074

James Knipper  
Superintendent/Principal  
JKnipper@moonachieschool.org

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

February 6, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Moonachie School District (the "District") for the fiscal year ended June 30, 2022 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 annual comprehensive 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 2021-2022 fiscal year with an average daily enrollment of 347 students, which is a decrease of 1 student compared to the previous year's average daily enrollment. In addition, the District is in a sending/receiving relationship for its 9-12<sup>th</sup> 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> |
|--------------------|---------------------------|-----------------------|
| 2022               | 347                       | (1.00)%               |
| 2021               | 348                       | 4.51%                 |
| 2020               | 333                       | 4.73%                 |
| 2019               | 318                       | 1.60%                 |
| 2018               | 313                       | (1.60)%               |
| 2017               | 318                       | 4.61%                 |
| 2016               | 304                       | 3.05%                 |
| 2015               | 295                       | 2.43%                 |
| 2014               | 288                       | 4.35%                 |
| 2013               | 276                       | (2.12)%               |

**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 2021-2022 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 2<sup>nd</sup>, 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 Modeling, & 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 and closing the COVID Learning Gap.

\*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. Additionally, we have added an ABA teacher for our youngest students in need of this instructional intervention. This specialist is also providing Professional Development for teachers and aides working with these students.

\*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.

\*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 has utilized the various Federal Grants to launch our After School Academy. This program offers students an additional opportunity to close COVID Learning Gaps through intensive, purposeful, and focused tutoring sessions with highly qualified personnel.

\*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 21<sup>st</sup> 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, we continue to offer a SACC program through the YMCA partnership for grades K- 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. Two separate teams earned a spot at the State Finals of the STEAM Tank Challenge. The teams earned awards for Technology & Design, Human Built Environment, and Sustainability.

\*The district focused on decreasing our Chronic Absenteeism. As COVID-19 required 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. Additionally, all teaching staff has received updated technology devices to increase efficiency and productivity.

\*In partnership with the 21<sup>st</sup> 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.

\*We have expanded our STEAM Club to include grades 3-5 this year.

\*We have expanded our Music program to offer both before and after school band experiences and lessons for students.

\*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 continue to offer assigned tutoring for students before school. 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 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.

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, 2022, 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.

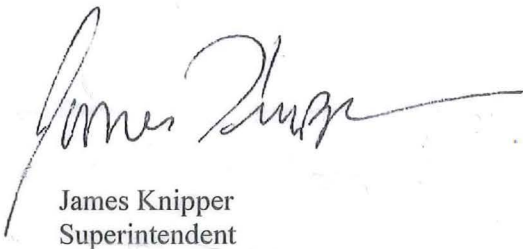


9) RISK MANAGEMENT: The Board carries various forms of insurance including, but not limited to, general liability, hazard and theft insurance on property and contents, and fidelity bonds.


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, & Bliss, 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,



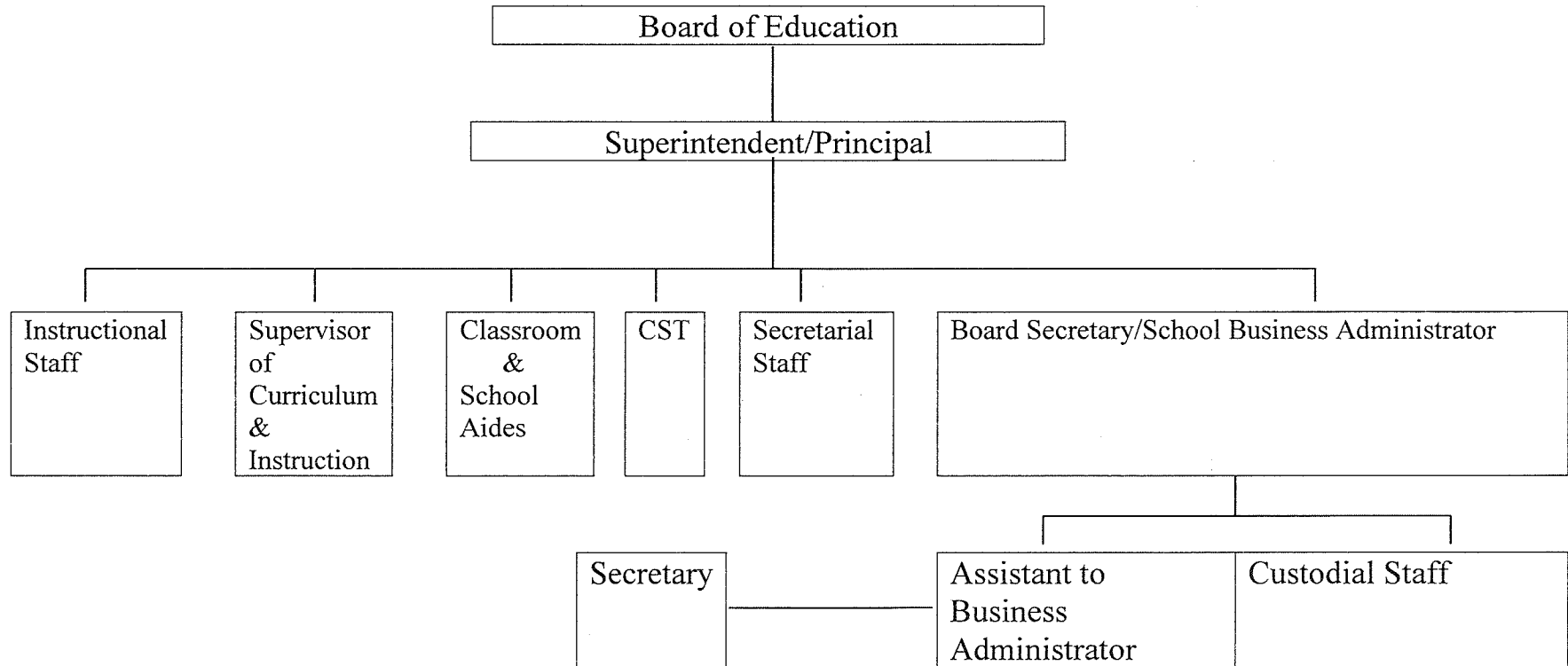
James Knipper  
Superintendent



Laurel Spadavecchia  
School Business Administrator



**Moonachie Board of Education  
2021-2022 Organizational Chart**



MOONACHIE BOARD OF EDUCATION  
MOONACHIE, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2022

| <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 & Bliss, 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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, 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, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA

## 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**

#### *Opinions*

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, 2022 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.

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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

## ***Auditor's Responsibilities for the Audit of Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

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

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

### ***Required Supplementary Information***

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



### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Moonachie Board of Education's basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

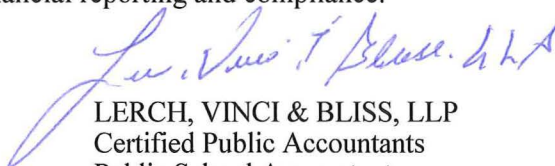
### *Other Information*

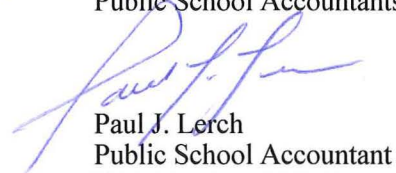
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 6, 2023 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 & BLISS, LLP  
Certified Public Accountants  
Public School Accountants

  
Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
February 6, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



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

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2022**

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, 2022. 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 2021-2022 are as follows:

- District-Wide Financials - Overall revenues were \$12,739,180. General revenues accounted for \$9,403,512 or 74 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,335,668 or 26 percent of total revenues of \$12,739,180.
- District-Wide Financials - The School District had \$11,521,616 in expenses; only \$3,335,668 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$9,403,512 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 \$3,808,278 an increase of \$295,322 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2022, unassigned fund balance for the General Fund was \$291,393, an increase of \$36,310.

**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<br>Statement of Activities  | Balance Sheet<br>Statement of Revenues, Expenditures, and Changes in Fund Balances   | Statement of Net Position<br>Statement of Revenues, Expenses, and Changes in Net Position<br>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 two 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.

**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 2022 and 2021 were \$6,389,277 and \$5,171,713, 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, 2022 and 2021

|  | <u>Governmental</u><br><u>Activities</u> |                     | <u>Business-Type</u><br><u>Activities</u> |                  | <u>Total</u>        |                     |
|--|--|---------------------|---|------------------|---------------------|---------------------|
|  | <u>2022</u>                              | <u>2021</u>         | <u>2022</u>                               | <u>2021</u>      | <u>2022</u>         | <u>2021</u>         |
| <b>Assets</b>  |  |                     |   |                  |                     |                     |
| Current and Other Assets                                   | \$ 4,299,725                             | \$ 3,732,580        | \$ 106,289                                | \$ 51,029        | \$ 4,406,014        | \$ 3,783,609        |
| Capital Assets   | <u>3,988,012</u>                         | <u>3,340,957</u>    | <u>-</u>                                  | <u>-</u>         | <u>3,988,012</u>    | <u>3,340,957</u>    |
| <b>Total Assets</b>  | <u>8,287,737</u>                         | <u>7,073,537</u>    | <u>106,289</u>                            | <u>51,029</u>    | <u>8,394,026</u>    | <u>7,124,566</u>    |
| <b>Deferred Outflows of Resources</b>                      |  |                     |   |                  |                     |                     |
| Deferred Amounts on Net Pension Liability                  | <u>225,902</u>                           | <u>428,254</u>      | <u>-</u>                                  | <u>-</u>         | <u>225,902</u>      | <u>428,254</u>      |
| <b>Total Assets and Deferred Outflows of Resources</b>     | <u>8,513,639</u>                         | <u>7,501,791</u>    | <u>106,289</u>                            | <u>51,029</u>    | <u>8,619,928</u>    | <u>7,552,820</u>    |
| <b>Liabilities</b>   |  |                     |   |                  |                     |                     |
| Long-Term Liabilities                                      | 822,345                                  | 1,243,836           |   |                  | 822,345             | 1,243,836           |
| Other Liabilities  | <u>491,447</u>                           | <u>242,305</u>      | <u>41,935</u>                             | <u>27,327</u>    | <u>533,382</u>      | <u>269,632</u>      |
| <b>Total Liabilities</b>                                   | <u>1,313,792</u>                         | <u>1,486,141</u>    | <u>41,935</u>                             | <u>27,327</u>    | <u>1,355,727</u>    | <u>1,513,468</u>    |
| <b>Deferred Inflows of Resources</b>                       |  |                     |   |                  |                     |                     |
| Deferred Amounts on Net Pension Liability                  | <u>874,924</u>                           | <u>867,639</u>      | <u>-</u>                                  | <u>-</u>         | <u>874,924</u>      | <u>867,639</u>      |
| <b>Total Liabilities and Deferred Inflows of Resources</b> | <u>2,188,716</u>                         | <u>2,353,780</u>    | <u>41,935</u>                             | <u>27,327</u>    | <u>2,230,651</u>    | <u>2,381,107</u>    |
| <b>Net Position:</b>                                       |  |                     |   |                  |                     |                     |
| Net Investment in Capital Assets                           | 3,968,457                                | 3,298,721           |   |                  | 3,968,457           | 3,298,721           |
| Restricted   | 2,703,419                                | 2,708,287           |   |                  | 2,703,419           | 2,708,287           |
| Unrestricted   | <u>(346,953)</u>                         | <u>(858,997)</u>    | <u>64,354</u>                             | <u>23,702</u>    | <u>(282,599)</u>    | <u>(835,295)</u>    |
| <b>Total Net Position</b>                                  | <u>\$ 6,324,923</u>                      | <u>\$ 5,148,011</u> | <u>\$ 64,354</u>                          | <u>\$ 23,702</u> | <u>\$ 6,389,277</u> | <u>\$ 5,171,713</u> |

**Governmental activities.** Governmental activities increased the District's net position for 2022 by \$1,176,912 and in 2021 increased the District's net position by \$677,707. 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, 2022 and 2021

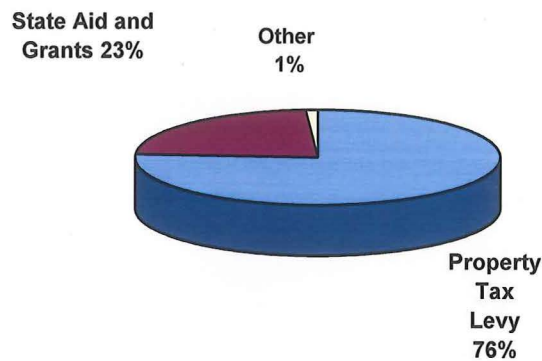
|  | Governmental<br>Activities |                     | Business-Type<br>Activities |                  | Total               |                     |
|--|----------------------------|---------------------|-----------------------------|------------------|---------------------|---------------------|
|  | 2022                       | 2021                | 2022                        | 2021             | 2022                | 2021                |
| <b>Revenues</b>                                      |                            |                     |                             |                  |                     |                     |
| Program Revenues                                     |                            |                     |                             |                  |                     |                     |
| Charges for Services                                 | \$ 159,189                 | \$ 52,274           | \$ 43,544                   | \$ 17,819        | \$ 202,733          | \$ 70,093           |
| Operating Grants and Contributions                   | 2,834,942                  | 3,088,723           | 297,993                     | 194,188          | 3,132,935           | 3,282,911           |
| Capital Grants and Contribution                      | -                          | 20,000              |                             |                  | -                   | 20,000              |
| General Revenues                                     |                            |                     |                             |                  |                     |                     |
| Property Taxes                                       | 9,168,049                  | 8,818,946           |                             |                  | 9,168,049           | 8,818,946           |
| Other  | 235,463                    | 223,260             | -                           | -                | 235,463             | 223,260             |
| <b>Total Revenues</b>                                | <u>12,397,643</u>          | <u>12,203,203</u>   | <u>341,537</u>              | <u>212,007</u>   | <u>12,739,180</u>   | <u>12,415,210</u>   |
| <b>Expenses</b>                                      |                            |                     |                             |                  |                     |                     |
| Instruction  |                            |                     |                             |                  |                     |                     |
| Regular  | 4,816,095                  | 5,001,497           |                             |                  | 4,816,095           | 5,001,497           |
| Special Education                                    | 1,968,206                  | 2,334,678           |                             |                  | 1,968,206           | 2,334,678           |
| Other Instruction                                    | 408,671                    | 324,607             |                             |                  | 408,671             | 324,607             |
| School Sponsored Activities and Ath.                 | 62,291                     | 37,569              |                             |                  | 62,291              | 37,569              |
| Support Services                                     |                            |                     |                             |                  |                     |                     |
| Student and Instruction Related Serv.                | 1,642,124                  | 1,539,418           |                             |                  | 1,642,124           | 1,539,418           |
| General Administrative Services                      | 260,452                    | 260,969             |                             |                  | 260,452             | 260,969             |
| School Administrative Services                       | 171,912                    | 178,907             |                             |                  | 171,912             | 178,907             |
| Plant Operations and Maintenance                     | 810,658                    | 855,441             |                             |                  | 810,658             | 855,441             |
| Pupil Transportation                                 | 814,828                    | 727,893             |                             |                  | 814,828             | 727,893             |
| Central Services                                     | 247,327                    | 237,504             |                             |                  | 247,327             | 237,504             |
| Food Service   |                            |                     | 317,865                     | 282,568          | 317,865             | 282,568             |
| Interest on Long-Term Debt                           | 1,187                      | 2,013               | -                           | -                | 1,187               | 2,013               |
| <b>Total Expenses</b>                                | <u>11,203,751</u>          | <u>11,500,496</u>   | <u>317,865</u>              | <u>282,568</u>   | <u>11,521,616</u>   | <u>11,783,064</u>   |
| Increase (Decrease) in Net Position Before Transfers | 1,193,892                  | 702,707             | 23,672                      | (70,561)         | 1,217,564           | 632,146             |
| Transfers  | (16,980)                   | (25,000)            | 16,980                      | 25,000           | -                   | -                   |
| Change in Net Position                               | 1,176,912                  | 677,707             | 40,652                      | (45,561)         | 1,217,564           | 632,146             |
| Net Position, Beginning of Year                      | 5,148,011                  | 4,470,304           | 23,702                      | 69,263           | 5,171,713           | 4,539,567           |
| Net Position, End of Year                            | <u>\$ 6,324,923</u>        | <u>\$ 5,148,011</u> | <u>\$ 64,354</u>            | <u>\$ 23,702</u> | <u>\$ 6,389,277</u> | <u>\$ 5,171,713</u> |

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

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

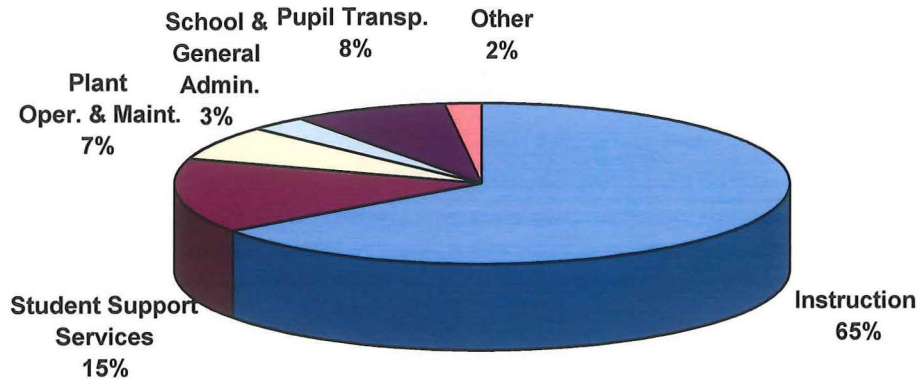
**Governmental activities.** The District's total governmental revenues were \$12,397,643. The local share of the revenues, that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$9,403,512, or 76%, of total revenues. Funding from state and federal sources, donations and tuition and amounted to \$2,843,942, or 23%. Charges for services accumulated to \$159,189 or 1%

Table A-3 Revenues by Source – Governmental Activities  
For Fiscal Year 2022



The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$7,255,263 (64%), support services totaled \$3,947,301 (36%) and interest on long-term debt total \$1,187 (less than 1%).

Table A-4 Expenditures by Type- Governmental Activities  
For Fiscal Year 2022





**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, 2022 and 2021**

| <u>Functions/Programs</u>                 | <u>Cost of Services</u> |                      | <u>Net Cost of Services</u> |                     |
|---|-------------------------|----------------------|-----------------------------|---------------------|
|   | <u>2022</u>             | <u>2021</u>          | <u>2022</u>                 | <u>2021</u>         |
| Governmental Activities                   |                         |                      |                             |                     |
| Instruction                               |                         |                      |                             |                     |
| Regular                                   | \$ 4,816,095            | \$ 5,001,497         | \$ 3,897,622                | \$ 3,791,525        |
| Special Education                         | 1,968,206               | 2,334,678            | 1,226,037                   | 1,579,062           |
| Other Instruction                         | 408,671                 | 324,607              | 96,743                      | 125,108             |
| School Sponsored Activities and Athletics | 62,291                  | 37,569               | 47,462                      | 21,126              |
| Support Services                          |                         |                      |                             |                     |
| Student and Instruction Related Svcs.     | 1,642,124               | 1,539,418            | 1,182,363                   | 1,096,085           |
| General Administrative Services           | 260,452                 | 260,969              | 208,137                     | 204,094             |
| School Administrative Services            | 171,912                 | 178,907              | 129,620                     | 146,626             |
| Plant Operations and Maintenance          | 810,658                 | 855,441              | 620,218                     | 646,483             |
| Pupil Transportation                      | 814,828                 | 727,893              | 645,685                     | 559,845             |
| Central Services                          | 247,327                 | 237,504              | 154,546                     | 167,532             |
| Interest on Long-Term Debt                | <u>1,187</u>            | <u>2,013</u>         | <u>1,187</u>                | <u>2,013</u>        |
| Total Governmental Activities             | <u>\$ 11,203,751</u>    | <u>\$ 11,500,496</u> | <u>\$ 8,209,620</u>         | <u>\$ 8,339,499</u> |

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$317,865. These costs were funded by operating grants, charges for services and transfers from governmental activities (Detailed on Table A-2). The operations resulted in an increase in net position of \$40,652 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 \$3,808,278. In 2020-2021 the fund balance was \$3,512,956.

**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 \$12,765,795 and expenditures were \$12,453,493.

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, 2022 and 2021.

|                    | <b>Fiscal<br/>Year Ended<br/><u>June 30, 2022</u></b> | <b>Fiscal<br/>Year Ended<br/><u>June 30, 2021</u></b> | <b>Amount of<br/>Increase<br/>(Decrease)</b> | <b>Percent<br/>Change</b> |
|--------------------|---|---|--|---------------------------|
| Local Sources      | \$ 9,428,573  | \$ 9,081,499  | \$ 347,074                                   | 3.82%                     |
| State Sources      | 2,753,775   | 2,207,888   | 545,887                                      | 24.72%                    |
| Federal Sources    | <u>583,447</u>  | <u>361,433</u>  | <u>222,014</u>                               | 61.43%                    |
| <br>Total Revenues | <br><u>\$ 12,765,795</u>                              | <br><u>\$ 11,650,820</u>                              | <br><u>\$ 1,114,975</u>                      | <br>9.57%                 |

The following schedule represents a summary of general fund and special revenue fund expenditures for the fiscal years ended June 30, 2022 and 2021.

|                        | <b>Fiscal<br/>Year Ended<br/><u>June 30, 2022</u></b> | <b>Fiscal<br/>Year Ended<br/><u>June 30, 2021</u></b> | <b>Amount of<br/>Increase<br/>(Decrease)</b> | <b>Percent<br/>Change</b> |
|------------------------|---|---|--|---------------------------|
| Instruction            | \$ 7,715,925  | \$ 7,239,520  | \$ 476,405                                   | 6.58%                     |
| Undistributed          | 3,770,352   | 3,467,404   | 302,948                                      | 8.74%                     |
| Capital Outlay         | 943,348   | 57,322  | 886,026                                      | 1545.70%                  |
| Debt Service           |   |   |  |                           |
| Principal              | 22,681  | 21,855  | 826  | 3.78%                     |
| Interest               | <u>1,187</u>  | <u>2,013</u>  | <u>(826)</u>                                 | -41.03%                   |
| <br>Total Expenditures | <br><u>\$ 12,453,493</u>                              | <br><u>\$ 10,788,114</u>                              | <br><u>\$ 1,665,379</u>                      | <br>15.44%                |

**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, 2022 and 2021 amounts to \$3,988,012 and \$3,340,957 (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<br>Activities |                     | Business-Type<br>Activities |                  | Total               |                     |
|-------------------------------------|----------------------------|---------------------|-----------------------------|------------------|---------------------|---------------------|
|                                     | <u>2022</u>                | <u>2021</u>         | <u>2022</u>                 | <u>2021</u>      | <u>2022</u>         | <u>2021</u>         |
| Land                                | \$ 381,056                 | \$ 381,056          |                             |                  | \$ 381,056          | \$ 381,056          |
| Construction in Progress            | 904,095                    | 34,672              |                             |                  | 904,095             | 34,672              |
| Land Improvements                   | 257,224                    | 257,224             |                             |                  | 257,224             | 257,224             |
| Buildings and Building Improvements | 7,433,135                  | 7,361,480           |                             |                  | 7,433,135           | 7,361,480           |
| Machinery and Equipment             | <u>500,948</u>             | <u>498,678</u>      | <u>\$ 11,351</u>            | <u>\$ 11,351</u> | <u>512,299</u>      | <u>510,029</u>      |
| <b>Total</b>                        | 9,476,458                  | 8,533,110           | 11,351                      | 11,351           | 9,487,809           | 8,544,461           |
| Less: Accumulated Depreciation      | <u>5,488,446</u>           | <u>5,192,153</u>    | <u>11,351</u>               | <u>11,351</u>    | <u>5,499,797</u>    | <u>5,203,504</u>    |
| <b>Total</b>                        | <u>\$ 3,988,012</u>        | <u>\$ 3,340,957</u> | <u>\$ -</u>                 | <u>\$ -</u>      | <u>\$ 3,988,012</u> | <u>\$ 3,340,957</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, 2022 and 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$822,345 and \$1,266,517 as stated in Table A-7.

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

|                              | <u>2022</u>           | <u>2021</u>             |
|------------------------------|-----------------------|-------------------------|
| Capital Financing Agreements | \$ 19,555             | \$ 42,236               |
| Compensated Absences Payable | 57,951                | 51,407                  |
| Net Pension Liability        | <u>744,839</u>        | <u>1,172,874</u>        |
| <br>Total                    | <br><u>\$ 822,345</u> | <br><u>\$ 1,266,517</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, the Governor 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, 2022**

|   | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> | <u>Total</u>        |
|---|------------------------------------|-------------------------------------|---------------------|
| <b>ASSETS</b>                                       |                                    |                                     |                     |
| Cash and Cash Equivalents                           | \$ 4,172,793                       | \$ 96,154                           | \$ 4,268,947        |
| Receivables, net                                    |                                    |                                     |                     |
| Receivables from Other Governments                  | 121,303                            | 15,439                              | 136,742             |
| Other   | 325                                |                                     | 325                 |
| Internal  | 5,304                              | (5,304)                             | -                   |
| Capital Assets                                      |                                    |                                     |                     |
| Not Being Depreciated                               | 1,285,151                          |                                     | 1,285,151           |
| Being Depreciated, Net                              | <u>2,702,861</u>                   | <u>-</u>                            | <u>2,702,861</u>    |
| Total Assets  | <u>8,287,737</u>                   | <u>106,289</u>                      | <u>8,394,026</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                                    |                                     |                     |
| Deferred Amounts on Net Pension Liability           | <u>225,902</u>                     | <u>-</u>                            | <u>225,902</u>      |
| Total Assets and Deferred Outflows of Resources     | <u>8,513,639</u>                   | <u>106,289</u>                      | <u>8,619,928</u>    |
| <b>LIABILITIES</b>                                  |                                    |                                     |                     |
| Accounts Payable and Other Current Liabilities      | 237,440                            | 41,935                              | 279,375             |
| Accrued Salaries                                    | 173,959                            |                                     | 173,959             |
| Payroll Deductions and Withholdings                 | 25,144                             |                                     | 25,144              |
| Payable to Other Governments                        | 24,866                             |                                     | 24,866              |
| Unearned Revenues                                   | 30,038                             |                                     | 30,038              |
| Noncurrent Liabilities                              |                                    |                                     |                     |
| Due Within One Year                                 | 19,555                             |                                     | 19,555              |
| Due Beyond One Year                                 | <u>802,790</u>                     | <u>-</u>                            | <u>802,790</u>      |
| Total Liabilities                                   | <u>1,313,792</u>                   | <u>41,935</u>                       | <u>1,355,727</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                                    |                                     |                     |
| Deferred Amounts on Net Pension Liability           | <u>874,924</u>                     | <u>-</u>                            | <u>874,924</u>      |
| Total Deferred Inflows of Resources                 | <u>874,924</u>                     | <u>-</u>                            | <u>874,924</u>      |
| Total Liabilities and Deferred Inflows of Resources | <u>2,188,716</u>                   | <u>41,935</u>                       | <u>2,230,651</u>    |
| <b>NET POSITION</b>                                 |                                    |                                     |                     |
| Net Investment in Capital Assets                    | 3,968,457                          |                                     | 3,968,457           |
| Restricted for:                                     |                                    |                                     |                     |
| Capital Projects                                    | 2,372,924                          |                                     | 2,372,924           |
| Other Purposes                                      | 330,495                            |                                     | 330,495             |
| Unrestricted  | <u>(346,953)</u>                   | <u>64,354</u>                       | <u>(282,599)</u>    |
| Total Net Position                                  | <u>\$ 6,324,923</u>                | <u>\$ 64,354</u>                    | <u>\$ 6,389,277</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, 2022**

| Functions/Programs                        | Expenses             | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Assets |                          |                     |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
|   |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                         | Business-Type Activities | Total               |
| <b>Governmental Activities</b>            |                      |                      |                                    |                                  |   |                          |                     |
| Instruction                               |                      |                      |                                    |                                  |   |                          |                     |
| Regular                                   | \$ 4,816,095         |                      | \$ 918,473                         |                                  | \$ (3,897,622)                                  |                          | \$ (3,897,622)      |
| Special Education                         | 1,968,206            | \$ 154,181           | 587,988                            |                                  | (1,226,037)                                     |                          | (1,226,037)         |
| Other Instruction                         | 408,671              |                      | 311,928                            |                                  | (96,743)  |                          | (96,743)            |
| School Sponsored Activities and Athletics | 62,291               | 5,008                | 9,821                              |                                  | (47,462)  |                          | (47,462)            |
| Support Services                          |                      |                      |                                    |                                  |   |                          |                     |
| Student and Instruction Related Services  | 1,642,124            |                      | 459,761                            |                                  | (1,182,363)                                     |                          | (1,182,363)         |
| General Administrative Services           | 260,452              |                      | 52,315                             |                                  | (208,137)                                       |                          | (208,137)           |
| School Administrative Services            | 171,912              |                      | 42,292                             |                                  | (129,620)                                       |                          | (129,620)           |
| Plant Operations and Maintenance          | 810,658              |                      | 190,440                            |                                  | (620,218)                                       |                          | (620,218)           |
| Pupil Transportation                      | 814,828              |                      | 169,143                            |                                  | (645,685)                                       |                          | (645,685)           |
| Central Services                          | 247,327              |                      | 92,781                             |                                  | (154,546)                                       |                          | (154,546)           |
| Interest on Debt                          | 1,187                | -                    | -                                  | -                                | (1,187)   | -                        | (1,187)             |
| Total Governmental Activities             | <u>11,203,751</u>    | <u>159,189</u>       | <u>2,834,942</u>                   | <u>-</u>                         | <u>(8,209,620)</u>                              | <u>-</u>                 | <u>(8,209,620)</u>  |
| <b>Business-Type Activities</b>           |                      |                      |                                    |                                  |   |                          |                     |
| Food Service                              | <u>317,865</u>       | <u>43,544</u>        | <u>297,993</u>                     | <u>-</u>                         | <u>-</u>  | <u>\$ 23,672</u>         | <u>23,672</u>       |
| Total Business-Type Activities            | <u>317,865</u>       | <u>43,544</u>        | <u>297,993</u>                     | <u>-</u>                         | <u>-</u>  | <u>23,672</u>            | <u>23,672</u>       |
| Total Primary Government                  | <u>\$ 11,521,616</u> | <u>\$ 202,733</u>    | <u>\$ 3,132,935</u>                | <u>\$ -</u>                      | <u>(8,209,620)</u>                              | <u>23,672</u>            | <u>(8,185,948)</u>  |
| <b>General Revenues</b>                   |                      |                      |                                    |                                  |   |                          |                     |
| Property Taxes                            |                      |                      |                                    |                                  | 9,168,049                                       |                          | 9,168,049           |
| Miscellaneous Income                      |                      |                      |                                    |                                  | 218,912   |                          | 218,912             |
| Unrestricted State Aid                    |                      |                      |                                    |                                  | 16,551  |                          | 16,551              |
| Transfers                                 |                      |                      |                                    |                                  | (16,980)  | 16,980                   | -                   |
| Total General Revenues and Transfers      |                      |                      |                                    |                                  | <u>9,386,532</u>                                | <u>16,980</u>            | <u>9,403,512</u>    |
| Change in Net Position                    |                      |                      |                                    |                                  | 1,176,912                                       | 40,652                   | 1,217,564           |
| Net Position, Beginning of Year           |                      |                      |                                    |                                  | <u>5,148,011</u>                                | <u>23,702</u>            | <u>5,171,713</u>    |
| Net Position, End of Year                 |                      |                      |                                    |                                  | <u>\$ 6,324,923</u>                             | <u>\$ 64,354</u>         | <u>\$ 6,389,277</u> |

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, 2022**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|---|
| <b>ASSETS</b>  |                         |                                     |   |
| Cash and Cash Equivalents  | \$ 4,159,495            | \$ 13,298                           | \$ 4,172,793                            |
| Receivables From Other Governments                                   | 50,075                  | 71,228                              | 121,303                                 |
| Other Receivables  |                         | 325                                 | 325                                     |
| Due from Other Funds   | <u>77,121</u>           | <u>-</u>                            | <u>77,121</u>                           |
| <br>Total Assets   | <br><u>\$ 4,286,691</u> | <br><u>\$ 84,851</u>                | <br><u>\$ 4,371,542</u>                 |
| <b>LIABILITIES AND FUND BALANCES</b>                                 |                         |                                     |   |
| Liabilities  |                         |                                     |   |
| Accounts Payable   | \$ 237,290              | \$ 150                              | \$ 237,440                              |
| Accrued Salaries   | 173,959                 |                                     | 173,959                                 |
| Payroll Deductions and Withholdings                                  | 25,144                  |                                     | 25,144                                  |
| Due to Other Funds   | -                       | 71,817                              | 71,817                                  |
| Unearned Revenue   | -                       | 30,038                              | 30,038                                  |
| Intergovernmental Payable  | <u>-</u>                | <u>24,866</u>                       | <u>24,866</u>                           |
| <br>Total Liabilities  | <br><u>436,393</u>      | <br><u>126,871</u>                  | <br><u>563,264</u>                      |
| Fund Balances  |                         |                                     |   |
| Restricted Fund Balance:   |                         |                                     |   |
| Excess Surplus   | 528,123                 |                                     | 528,123                                 |
| Excess Surplus - Designated for Subsequent<br>Year Expenditures      | 300,000                 |                                     | 300,000                                 |
| Capital Reserve  | 1,372,924               |                                     | 1,372,924                               |
| Capital Reserve - Designated for Subsequent<br>Year Expenditures     | 1,000,000               |                                     | 1,000,000                               |
| Maintenance Reserve  | 187,197                 |                                     | 187,197                                 |
| Maintenance Reserve - Designated for Subsequent<br>Year Expenditures | 130,000                 |                                     | 130,000                                 |
| Student Activities   |                         | 12,517                              | 12,517                                  |
| Scholarship Awards   |                         | 781                                 | 781                                     |
| Assigned Fund Balance:   |                         |                                     |   |
| Year-end Encumbrances  | 40,661                  |                                     | 40,661                                  |
| Unassigned Fund Balance (Deficit)                                    |                         |                                     |   |
| General Fund   | 291,393                 |                                     | 291,393                                 |
| Special Revenue Fund   | <u>-</u>                | <u>(55,318)</u>                     | <u>(55,318)</u>                         |
| <br>Total Fund Balances (Deficit)                                    | <br><u>3,850,298</u>    | <br><u>(42,020)</u>                 | <br><u>3,808,278</u>                    |
| <br>Total Liabilities and Fund Balances                              | <br><u>\$ 4,286,691</u> | <br><u>\$ 84,851</u>                | <br><u>\$ 4,371,542</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, 2022**

**Total Fund Balances (Exhibit B-1)** \$ 3,808,278

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 \$9,476,458 and the accumulated depreciation is \$5,488,446.

3,988,012

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 | \$ 225,902       |           |
| Deferred Inflows of Resources  | <u>(874,924)</u> | (649,022) |

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

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Compensated Absences  | (57,951)         |                  |
| Leases Payable        | (19,555)         |                  |
| Net Pension Liability | <u>(744,839)</u> | <u>(822,345)</u> |

**Net Position of Governmental Activities (Exhibit A-1)** \$ 6,324,923

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, 2022**

|  | <u>General<br/>Fund</u> | <u>Special<br/>Revenue<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|-------------------------------------|---|
| <b>REVENUES</b>                                      |                         |                                     |   |
| Local Sources  |                         |                                     |   |
| Local Tax Levy                                       | \$ 9,168,049            |                                     | \$ 9,168,049                            |
| Tuition  | 35,741                  |                                     | 35,741                                  |
| Miscellaneous  | <u>218,912</u>          | <u>\$ 5,871</u>                     | <u>224,783</u>                          |
| Total - Local Sources                                | <u>9,422,702</u>        | <u>5,871</u>                        | <u>9,428,573</u>                        |
| State Sources  | 2,137,565               | 616,210                             | 2,753,775                               |
| Federal Sources                                      | <u>29,111</u>           | <u>554,336</u>                      | <u>583,447</u>                          |
| Total Revenues                                       | <u>11,589,378</u>       | <u>1,176,417</u>                    | <u>12,765,795</u>                       |
| <b>EXPENDITURES</b>                                  |                         |                                     |   |
| Current  |                         |                                     |   |
| Regular Instruction                                  | 4,700,023               | 447,428                             | 5,147,451                               |
| Special Education Instruction                        | 1,956,506               | 118,440                             | 2,074,946                               |
| Other Instruction                                    | 140,036                 | 285,146                             | 425,182                                 |
| School Sponsored Activities and Athletics            | 58,570                  | 9,776                               | 68,346                                  |
| Support Services and Undistributed Costs             |                         |                                     |   |
| Student and Instruction Related Services             | 1,366,341               | 314,808                             | 1,681,149                               |
| General Administrative Services                      | 264,749                 | 7,107                               | 271,856                                 |
| School Administrative Services                       | 165,050                 |                                     | 165,050                                 |
| Plant Operations and Maintenance                     | 547,447                 | 22,474                              | 569,921                                 |
| Pupil Transportation                                 | 764,542                 | 53,000                              | 817,542                                 |
| Central Services                                     | 264,834                 |                                     | 264,834                                 |
| Debt Service   |                         |                                     |   |
| Principal  | 22,681                  |                                     | 22,681                                  |
| Interest and Other Charges                           | 1,187                   |                                     | 1,187                                   |
| Capital Outlay                                       | <u>943,348</u>          | <u>-</u>                            | <u>943,348</u>                          |
| Total Expenditures                                   | <u>11,195,314</u>       | <u>1,258,179</u>                    | <u>12,453,493</u>                       |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>394,064</u>          | <u>(81,762)</u>                     | <u>312,302</u>                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                         |                                     |   |
| Transfers In   |                         | 68,655                              | 68,655                                  |
| Transfers Out  | <u>(85,635)</u>         | <u>-</u>                            | <u>(85,635)</u>                         |
| Total Other Financing Sources and Uses               | <u>(85,635)</u>         | <u>68,655</u>                       | <u>(16,980)</u>                         |
| Net Change in Fund Balances                          | 308,429                 | (13,107)                            | 295,322                                 |
| Fund Balance, Beginning of Year                      | <u>3,541,869</u>        | <u>(28,913)</u>                     | <u>3,512,956</u>                        |
| Fund Balance, (Deficit) End of Year                  | <u>\$ 3,850,298</u>     | <u>\$ (42,020)</u>                  | <u>\$ 3,808,278</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, 2022**

**Total net change in fund balances - governmental funds (Exhibit B-2)** \$ 295,322

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       | \$ 943,348       |         |
| Depreciation Expense | <u>(296,293)</u> |         |
|                      |                  | 647,055 |

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 | (6,544) |
|----------------------------------|---------|

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 | 218,398 |
|-----------------------------|---------|

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>22,681</u> |
|----------------------------------|---------------|

**Change in net position of governmental activities (Exhibit A-2)** \$ 1,176,912

**MOONACHIE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2022**

|                                | <b>Business-Type<br/>           Activities<br/>           Enterprise Fund<br/> <u>Food Service</u></b> |
|--------------------------------|--|
| <b>ASSETS</b>                  |  |
| Current Assets                 |  |
| Cash                           | \$ 96,154  |
| Intergovernmental Receivable   |  |
| Federal                        | 15,227   |
| State                          | <u>212</u>   |
| Total Current Assets           | <u>111,593</u>   |
| Noncurrent Assets              |  |
| Equipment                      | 11,351   |
| Less: Accumulated Depreciation | <u>(11,351)</u>  |
| Total Noncurrent Assets        | <u>-</u>   |
| Total Assets                   | <u>111,593</u>   |
| <b>LIABILITIES</b>             |  |
| Accounts Payable               | 41,935   |
| Due to Other Funds             | <u>5,304</u>   |
| Total Liabilities              | <u>47,239</u>  |
| <b>NET POSITION</b>            |  |
| Unrestricted                   | <u>64,354</u>  |
| Total Net Position             | <u><u>\$ 64,354</u></u>  |

**MOONACHIE BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|                                     | <b>Business-Type<br/>Activities<br/>Enterprise Fund<br/><u>Food Service</u></b> |
|-------------------------------------|---|
| <b>OPERATING REVENUES</b>           |   |
| Charges for Services                |   |
| Daily Sales - Reimbursable Programs | \$ <u>43,544</u>  |
| Total Operating Revenues            | <u>43,544</u>   |
| <b>OPERATING EXPENSES</b>           |   |
| Cost of Sales - Reimbursable        | 275,086   |
| Salaries and Wages                  | 40,245  |
| Miscellaneous                       | <u>2,534</u>  |
| Total Operating Expenses            | <u>317,865</u>  |
| Operating Loss                      | <u>(274,321)</u>  |
| <b>NONOPERATING REVENUES</b>        |   |
| Federal Sources                     |   |
| National School Breakfast Program   | 100,305   |
| National School Lunch Program       | 169,329   |
| Summer Food Reimbursement           | 17,361  |
| Emergency Operational Cost Program  | 5,771   |
| P-EBT Administrative Costs          | 1,242   |
| State Sources                       |   |
| School Lunch Program                | <u>3,985</u>  |
| Total Nonoperating Revenues         | <u>297,993</u>  |
| Net Loss Before Transfers           | 23,672  |
| Transfer                            |   |
| Transfers In                        | <u>16,980</u>   |
| Change in Net Position              | 40,652  |
| Net Position, Beginning of Year     | <u>23,702</u>   |
| Net Position, End of Year           | <u>\$ 64,354</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, 2022**

|   | <b>Business-Type<br/>           Activities<br/>           Enterprise Fund<br/> <u>Food Service</u></b> |
|---|--|
| <b>Cash Flows from Operating Activities</b>   |  |
| Cash Received from Customers  | \$ 51,466  |
| Cash Payments for Employee Salaries and Wages   | (40,245)   |
| Cash Payments to Suppliers for Goods and Services   | <u>(263,012)</u>   |
| Net Cash Provided by (Used for) Operating Activities  | <u>(251,791)</u>   |
| <b>Cash Flows from Noncapital Financing Activities</b>  |  |
| Board Subsidy Payment from General Fund   | 16,980   |
| Cash Received from State and Federal Subsidy Reimbursements   | <u>307,541</u>   |
| Net Cash Provided by Noncapital Financing Activities  | <u>324,521</u>   |
| Net Increase in Cash and Cash Equivalents   | 72,730   |
| Cash and Cash Equivalents, Beginning of Year  | <u>23,424</u>  |
| Cash and Cash Equivalents, End of Year  | <u><u>\$ 96,154</u></u>  |
| <b>Reconciliation of Operating (Loss) to Net Cash<br/>           Used by Operating Activities</b>           |  |
| Operating Income (Loss)   | <u>\$ (274,321)</u>  |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Provided by (Used for) Operating Activities |  |
| Change in Assets and Liabilities  |  |
| Increase/(Decrease) in Accounts Payable   | 14,608   |
| Increase/(Decrease) in Due to Other Funds   | 5,304  |
| (Increase)/Decrease in Due from Other Funds   | <u>2,618</u>   |
| Total Adjustments   | <u>22,530</u>  |
| Net Cash Provided by (Used for) Operating Activities  | <u><u>\$ (251,791)</u></u>   |

**NOTES TO THE FINANCIAL STATEMENTS**

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School 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 of Schools is the Chief Administrative Officer of the District who is responsible for planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB Statement No. 92, *Omnibus 2020*. 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 Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *annual comprehensive financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**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. Currently, the District has no fiduciary funds.

**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.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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.

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.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

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, 2022**

**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, 2022

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. *Financing Agreements*

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

8. *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.

9. *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.

MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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.

**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, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 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, 2021 audited excess surplus that was appropriated in the 2022/2023 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 2022/2023 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 2022/2023 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.

**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, 2022**

**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 board of education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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 board of education 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 1<sup>st</sup> 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, 2022**

**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 2020-2021 and 2021-2022 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. 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. The annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. 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. 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 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$290,890. 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, 2022**

**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. Deficit Fund Equity**

The District has an unassigned fund deficit of \$55,318 in the Special Revenue Fund as of June 30, 2022 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 2021/2022 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 \$55,318 in the Special Revenue Fund is equal to the delayed state aid payments at June 30, 2022.

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. 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, 2022 is as follows:

|  |                |                     |
|--|----------------|---------------------|
| Balance, July 1, 2021                  |                | \$ 2,372,924        |
| Increased by:                          |                |                     |
| Return of Unencumbered Appropriations  |                |                     |
| Funded by Reserve                      | \$ 373,771     |                     |
| Deposits Approved by Board Resolution  | <u>926,229</u> |                     |
|  |                | <u>1,300,000</u>    |
| Decreased by:                          |                |                     |
| Withdrawal Approved in District Budget |                | <u>1,300,000</u>    |
| Balance, June 30, 2022                 |                | <u>\$ 2,372,924</u> |

The June 30, 2022 LRFP balance of uncompleted capital projects is \$5,150,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,000,000 of the capital reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**D. 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, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**D. Maintenance Reserve (Continued)**

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

|  |                   |
|--|-------------------|
| Balance, July 1, 2021                  | \$ 317,197        |
| Increased by                           |                   |
| Return of Unencumbered Appropriations  |                   |
| Funded by Reserve                      | \$ 127,605        |
| Deposits Approved by Board Resolution  | <u>52,395</u>     |
|  | <u>180,000</u>    |
|  | 497,197           |
| Decreased                              |                   |
| Withdrawal Approved in District Budget | <u>180,000</u>    |
| Balance, June 30, 2022                 | <u>\$ 317,197</u> |

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$317,197. \$130,000 of the maintenance reserve balance at June 30, 2022 was designated and appropriated for use in the 2022/2023 original budget certified for taxes.

**E. 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, 2022 is \$828,123. Of this amount, \$300,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$528,123 will be appropriated in the 2023/2024 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, 2022**

**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, 2022, the book value of the Board's deposits were \$4,268,947 and bank and brokerage firm balances of the Board's deposits amounted to \$4,652,879. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

|   | <u>Bank<br/>Balance</u> |
|---|-------------------------|
| <b><u>Depository Account (See Note 1)</u></b> |                         |
| Insured                                       | \$ 4,452,955            |
| Uninsured and Collateralized                  | <u>199,924</u>          |
|   | <u>\$ 4,652,879</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, 2022 none of the Board's bank balances were exposed to custodial credit risk.

**Depository Account**

Uninsured and Collateralized:

|  |                   |
|--|-------------------|
| Collateral held by pledging financial institution's trust department but not in the Board's name | <u>\$ 199,924</u> |
|--|-------------------|

**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, 2022, the Board had no outstanding investments.



**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

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.

**B. Receivables**

Receivables as of June 30, 2022 for the district’s individual major funds in the aggregate are as follows:

|                       | <u>General</u>   | <u>Special<br/>Revenue</u> | <u>Food<br/>Service</u> | <u>Total</u>      |
|-----------------------|------------------|----------------------------|-------------------------|-------------------|
| Receivables:          |                  |                            |                         |                   |
| Accounts              |                  | \$ 325                     |                         | \$ 325            |
| Intergovernmental     |                  |                            |                         |                   |
| Federal               |                  | 71,228                     | \$ 15,227               | 86,455            |
| State                 | \$ 50,075        | -                          | 212                     | 50,287            |
|                       | <u>50,075</u>    | <u>71,553</u>              | <u>15,439</u>           | <u>137,067</u>    |
| Net Total Receivables | <u>\$ 50,075</u> | <u>\$ 71,553</u>           | <u>\$ 15,439</u>        | <u>\$ 137,067</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>\$ 30,038</u> |

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

|  | <u>Balance,<br/>July 1, 2021</u> | <u>Increases</u>  | <u>Decreases</u>  | <u>Balance,<br/>June 30, 2022</u> |
|--|----------------------------------|-------------------|-------------------|-----------------------------------|
| <b>Governmental Activities:</b>              |                                  |                   |                   |                                   |
| Capital assets, not being depreciated:       |                                  |                   |                   |                                   |
| Land   | \$ 381,056                       |                   |                   | \$ 381,056                        |
| Construction in Progress                     | <u>34,672</u>                    | <u>\$ 876,634</u> | <u>\$ (7,211)</u> | <u>904,095</u>                    |
| Total capital assets, not being depreciated  | <u>415,728</u>                   | <u>876,634</u>    | <u>(7,211)</u>    | <u>1,285,151</u>                  |
| Capital assets, being depreciated:           |                                  |                   |                   |                                   |
| Land Improvements                            | 257,224                          |                   |                   | 257,224                           |
| Buildings and Building Improvements          | 7,361,480                        | 71,655            |                   | 7,433,135                         |
| Machinery and Equipment                      | <u>498,678</u>                   | <u>2,270</u>      | <u>-</u>          | <u>500,948</u>                    |
| Total capital assets being depreciated       | <u>8,117,382</u>                 | <u>73,925</u>     | <u>-</u>          | <u>8,191,307</u>                  |
| Less accumulated depreciation for:           |                                  |                   |                   |                                   |
| Land Improvements                            | (218,613)                        | (10,080)          |                   | (228,693)                         |
| Buildings and Building Improvements          | (4,551,799)                      | (256,866)         |                   | (4,808,665)                       |
| Machinery and Equipment                      | <u>(421,741)</u>                 | <u>(29,347)</u>   | <u>-</u>          | <u>(451,088)</u>                  |
| Total accumulated depreciation               | <u>(5,192,153)</u>               | <u>(296,293)</u>  | <u>-</u>          | <u>(5,488,446)</u>                |
| Total capital assets, being depreciated, net | <u>2,925,229</u>                 | <u>(222,368)</u>  | <u>-</u>          | <u>2,702,861</u>                  |
| Governmental Activities Capital Assets, Net  | <u>\$ 3,340,957</u>              | <u>\$ 654,266</u> | <u>\$ (7,211)</u> | <u>\$ 3,988,012</u>               |

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

|  | <u>Balance,<br/>July 1, 2021</u> | <u>Balance,<br/>June 30, 2022</u> |
|--|----------------------------------|-----------------------------------|
| <b>Business-Type Activities:</b>             |                                  |                                   |
| 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:

|  |  |                   |
|--|--|-------------------|
| <b>Governmental Activities:</b>                      |  |                   |
| Instruction  |  |                   |
| Regular  |  | \$ 849            |
| Total Instruction                                    |  | <u>849</u>        |
| Support Services                                     |  |                   |
| Student and Instruction Related Services             |  | 3,033             |
| School Administrative Services                       |  | 24,455            |
| Plant Operations and Maintenance                     |  | <u>267,956</u>    |
| Total Support Services                               |  | <u>295,444</u>    |
| Total Depreciation Expense - Governmental Activities |  | <u>\$ 296,293</u> |

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2022, is as follows:

**Due To/From Other Funds**

| <u>Receivable Fund</u> | <u>Payable Fund</u>  | <u>Amount</u> |
|------------------------|----------------------|---------------|
| General Fund           | Special Revenue Fund | \$ 71,817     |
| General Fund           | Food Service Fund    | 5,304         |

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>Total</u>     |
|-------------------|---------------------------------|-------------------------|------------------|
|                   | <u>Special<br/>Revenue Fund</u> | <u>General<br/>Fund</u> |                  |
| Transfer Out:     |                                 |                         |                  |
| Food Service Fund |                                 | \$ 16,980               | \$ 16,980        |
| General Fund      | \$ 68,655                       | -                       | 68,655           |
|                   | <u>\$ 68,655</u>                | <u>\$ 16,980</u>        | <u>\$ 85,635</u> |

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. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

|  |                  |
|--|------------------|
| \$108,748, fiscal year 2018 Agreement for the acquisition of copiers for a term of 5 years due in monthly installments of \$1,989 through April 15, 2023 | <u>\$ 19,555</u> |
| Total  | <u>\$ 19,555</u> |

MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements (Continued)

Capital Financing Agreements (Continued)

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

| Fiscal<br>Year Ending<br><u>June 30,</u> | <u>Capital Agreements</u> |                 | <u>Total</u>     |
|--|---------------------------|-----------------|------------------|
|  | <u>Principal</u>          | <u>Interest</u> |                  |
| 2023                                     | \$ 19,555                 | \$ 335          | \$ 19,890        |
| Total                                    | <u>\$ 19,555</u>          | <u>\$ 335</u>   | <u>\$ 19,890</u> |

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, 2022, 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, 2022 was as follows:

|   |                      |
|---|----------------------|
| 3% of Equalized Valuation Basis (Municipal) | \$ 29,846,751        |
| Less: Net Debt                              | <u>-</u>             |
| Remaining Borrowing Power                   | <u>\$ 29,846,751</u> |

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

|  | <u>Balance</u><br><u>July 1, 2021</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u><br><u>June 30, 2022</u> | <u>Due</u><br><u>Within</u><br><u>One Year</u> |
|--|---------------------------------------|------------------|-------------------|--|--|
| <b>Governmental Activities:</b>                |                                       |                  |                   |  |  |
| Capital Financing Agreements                   | \$ 42,236                             |                  | \$ 22,681         | \$ 19,555                              | \$ 19,555                                      |
| Compensated Absences                           | 51,407                                | \$ 6,544         |                   | 57,951                                 |  |
| Net Pension Liability                          | <u>1,172,874</u>                      | <u>-</u>         | <u>428,035</u>    | <u>744,839</u>                         | <u>-</u>                                       |
| Governmental activity<br>Long-term liabilities | <u>\$ 1,266,517</u>                   | <u>\$ 6,544</u>  | <u>\$ 450,716</u> | <u>\$ 822,345</u>                      | <u>\$ 19,555</u>                               |

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

**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 Annual Comprehensive 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.

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2022, 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.

**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) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://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:

| <u>Tier</u> | <u>Definition</u>  |
|-------------|--|
| 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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**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) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://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.

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments 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.



**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**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](http://www.state.nj.us/treasury/pensions).

**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](http://www.state.nj.us/treasury/doinvest).

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 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 2022.

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, 2022 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 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 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<br>Year Ended<br><u>June 30,</u> | <u>PERS</u> | On-behalf<br><u>TPAF</u> | <u>DCRP</u> |
|---|-------------|--------------------------|-------------|
| 2022                                    | \$ 73,633   | \$ 1,019,300             | \$ 5,089    |
| 2021                                    | 79,569      | 682,756                  | 5,688       |
| 2020                                    | 77,659      | 484,321                  | 3,035       |

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$335, respectively for PERS and the State contributed \$607, \$654, and \$664, 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 \$211,164 during the fiscal year ended June 30, 2022 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, 2020 through June 30, 2021. 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, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$744,839 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District's proportionate share was .00629 percent, which was a decrease of .00090 percent from its proportionate share measured as of June 30, 2020 of .00719 percent.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$144,765 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

|   | <b><u>Deferred<br/>Outflows<br/>of Resources</u></b> | <b><u>Deferred<br/>Inflows<br/>of Resources</u></b> |
|---|--|---|
| Difference Between Expected and Actual Experience   | \$ 11,747  | \$ 5,332  |
| Changes of Assumptions  | 3,879  | 265,168   |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                              |  | 196,210   |
| Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions | <u>210,276</u>                                       | <u>408,214</u>                                      |
| Total   | <u>\$ 225,902</u>                                    | <u>\$ 874,924</u>                                   |

At June 30, 2022, 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:

| Year<br>Ending<br><u>June 30,</u> | <u>Total</u>        |
|-----------------------------------|---------------------|
| 2023                              | \$ (158,693)        |
| 2024                              | (158,693)           |
| 2025                              | (158,693)           |
| 2026                              | (158,691)           |
| 2027                              | (14,252)            |
| Thereafter                        | <u>-</u>            |
|                                   | <u>\$ (649,022)</u> |

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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<br>of Service |
| Thereafter                | 3.00%-7.00%                  |
|                           | Based on Years<br>of Service |
| Investment Rate of Return | 7.00%                        |

*Mortality Rates*

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

The actuarial assumptions used in the July 1, 2020 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, 2022**

**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, 2021) 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, 2021 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%                    | 3.35%   |
| Cash Equivalents                | 4.00%                    | 0.50%   |
| U.S. Treasuries                 | 5.00%                    | 0.95%   |
| Investment Grade Credit         | 8.00%                    | 1.68%   |
| US Equity                       | 27.00%                   | 8.09%   |
| Non-US Developed Markets Equity | 13.50%                   | 8.71%   |
| Emerging Markets Equity         | 5.50%                    | 10.96%  |
| High Yield                      | 2.00%                    | 3.75%   |
| Real Assets                     | 3.00%                    | 7.40%   |
| Private Credit                  | 8.00%                    | 7.60%   |
| Real Estate                     | 8.00%                    | 9.15%   |
| Private Equity                  | 13.00%                   | 11.30%  |

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***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:

|   | <b>1%<br/>Decrease<br/><u>6.00%</u></b> | <b>Current<br/>Discount Rate<br/><u>7.00%</u></b> | <b>1%<br/>Increase<br/><u>8.00%</u></b> |
|---|---|---|---|
| District's Proportionate Share of<br>the PERS Net Pension Liability | \$ <u>1,014,320</u>                     | \$ <u>744,839</u>                                 | \$ <u>516,146</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, 2021. A sensitivity analysis specific to the District's net pension liability at June 30, 2021 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](http://www.state.nj.us/treasury/pensions).

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2020 through June 30, 2021. 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, 2021, 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$260,736 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, 2022 the State's proportionate share of the net pension liability attributable to the District is \$11,080,876. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .02305 percent, which was an increase of .00136 percent from its proportionate share measured as of June 30, 2020 of .02169 percent.



**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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<br>of Service |
| Thereafter                | 2.75%-5.65%                  |
|                           | Based on Years<br>of Service |
| Investment Rate of Return | 7.00%                        |

***Mortality Rates***

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

The actuarial assumptions used in the July 1, 2020 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, 2022**

**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, 2021) 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, 2021 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%                    | 3.35%   |
| Cash Equivalents                | 4.00%                    | 0.50%   |
| U.S. Treasuries                 | 5.00%                    | 0.95%   |
| Investment Grade Credit         | 8.00%                    | 1.68%   |
| US Equity                       | 27.00%                   | 8.09%   |
| Non-US Developed Markets Equity | 13.50%                   | 8.71%   |
| Emerging Markets Equity         | 5.50%                    | 10.96%  |
| High Yield                      | 2.00%                    | 3.75%   |
| Real Assets                     | 3.00%                    | 7.40%   |
| Private Credit                  | 8.00%                    | 7.60%   |
| Real Estate                     | 8.00%                    | 9.15%   |
| Private Equity                  | 13.00%                   | 11.30%  |

MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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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 liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

*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 7.00%, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

|  | 1%<br>Decrease<br><u>(6.00%)</u> | Current<br>Discount Rate<br><u>(7.00%)</u> | 1%<br>Increase<br><u>(8.00%)</u> |
|--|----------------------------------|--|----------------------------------|
| State's Proportionate Share of<br>the TPAF Net Pension Liability<br>Attributable to the District | \$ <u>13,110,527</u>             | \$ <u>11,080,876</u>                       | \$ <u>9,376,097</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, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

*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](http://www.state.nj.us/treasury/pensions).

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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. 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.

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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

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

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plan 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 plan. 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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the June 30, 2020 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 \$1.23 billion to the OPEB plan in fiscal year 2021.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions (Continued)**

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, 2022, 2021 and 2020 were \$238,150, \$213,965 and \$179,674, 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, 2020 through June 30, 2021. 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$628,562. 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, 2022 the State's proportionate share of the OPEB liability attributable to the District is \$12,165,384. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state's share of the OPEB liability attributable to the District was 0.02 percent, which was unchanged from its proportionate share measured as of June 30, 2020 of 0.02 percent.

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Inflation Rate                      | 2.50%          |                |
| Salary Increases*                   | <u>PERS</u>    | <u>TPAF</u>    |
| Initial Fiscal Year Applied Through | 2026           | 2026           |
| Rate                                | 2.00% to 6.00% | 1.55% to 4.45% |
| Rate Thereafter                     | 3.00% to 7.00% | 2.75% to 5.65% |

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

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disables retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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.

**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**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)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**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, 2022 (measurement date June 30, 2021) is as follows:

|  | <u>(State Share 100%)</u>    |
|--|------------------------------|
| Balance, June 30, 2020 Measurement Date            | \$ <u>13,936,558</u>         |
| Changes Recognized for the Fiscal Year:            |                              |
| Service Cost                                       | 762,714                      |
| Interest on the Total OPEB Liability               | 315,583                      |
| Changes of Benefit Terms                           | (12,949)                     |
| Differences Between Expected and Actual Experience | (2,608,001)                  |
| Changes of Assumptions                             | 12,002                       |
| Gross Benefit Payments                             | (248,591)                    |
| Contributions from the Member                      | <u>8,068</u>                 |
| <b>Net Changes</b>                                 | <b>\$ <u>(1,771,174)</u></b> |
| Balance, June 30, 2021 Measurement Date            | \$ <u>12,165,384</u>         |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.



**MOONACHIE BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 2.16%, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

|  | <b>1%<br/>Decrease<br/><u>(1.16%)</u></b> | <b>Current<br/>Discount Rate<br/><u>(2.16%)</u></b> | <b>1%<br/>Increase<br/><u>(3.16%)</u></b> |
|--|---|---|---|
| State's Proportionate Share of<br>the OPEB Liability<br>Attributable to the District | \$ <u>14,572,220</u>                      | \$ <u>12,165,384</u>                                | \$ <u>10,270,145</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:

|  | <b>1%<br/>Decrease<br/><u>          </u></b> | <b>Healthcare<br/>Cost Trend<br/>Rates<br/><u>          </u></b> | <b>1%<br/>Increase<br/><u>          </u></b> |
|--|--|--|--|
| State's Proportionate Share of<br>the OPEB Liability<br>Attributable to the District | \$ <u>9,847,918</u>                          | \$ <u>12,165,384</u>   | \$ <u>15,277,570</u>                         |

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS**

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)**

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$1,249,198 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District 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 its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|-------------------|---|
| <b>REVENUES</b>   |                            |                    |                         |                   |   |
| Local Sources   |                            |                    |                         |                   |   |
| Local Tax Levy  | \$ 9,168,049               |                    | \$ 9,168,049            | \$ 9,168,049      |   |
| Tuition   |                            |                    |                         | 35,741            | \$ 35,741                               |
| Miscellaneous   | 227,110                    | -                  | 227,110                 | 218,912           | (8,198)                                 |
| Total Local Sources                                     | <u>9,395,159</u>           | <u>-</u>           | <u>9,395,159</u>        | <u>9,422,702</u>  | <u>27,543</u>                           |
| State Sources   |                            |                    |                         |                   |   |
| Special Education Aid                                   | 345,346                    | -                  | 345,346                 | 345,346           | -                                       |
| 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                  | 125,529           | 70,529                                  |
| Additional Nonpublic Transportation Aid                 |                            |                    |                         | 6,670             | 6,670                                   |
| Maintenance of Equity Grant                             |                            |                    |                         | 148,923           | 148,923                                 |
| On-behalf TPAF Pension Payments                         |                            |                    |                         |                   |   |
| Pension Contribution (Non-Budget)                       |                            |                    |                         | 1,005,119         | 1,005,119                               |
| NCGI Premium (Non-Budget)                               |                            |                    |                         | 14,181            | 14,181                                  |
| On-behalf TPAF Pension Payments                         |                            |                    |                         |                   |   |
| Post Retirement Medical Contribution (Non-Budget)       |                            |                    |                         | 238,150           | 238,150                                 |
| On-behalf TPAF Pension Payments                         |                            |                    |                         |                   |   |
| Long Term Disability Insurance                          |                            |                    |                         | 607               | 607                                     |
| On-behalf TPAF Social Security Payments<br>(Non-Budget) | -                          | -                  | -                       | 211,164           | 211,164                                 |
| Total State Sources                                     | <u>636,586</u>             | <u>-</u>           | <u>636,586</u>          | <u>2,331,929</u>  | <u>1,695,343</u>                        |
| Federal Sources   |                            |                    |                         |                   |   |
| FEMA Reimbursement                                      | -                          | -                  | -                       | 29,111            | 29,111                                  |
| Total Federal Sources                                   | <u>-</u>                   | <u>-</u>           | <u>-</u>                | <u>29,111</u>     | <u>29,111</u>                           |
| Total Revenues  | <u>10,031,745</u>          | <u>-</u>           | <u>10,031,745</u>       | <u>11,783,742</u> | <u>1,751,997</u>                        |
| <b>EXPENDITURES</b>                                     |                            |                    |                         |                   |   |
| <b>CURRENT EXPENDITURES</b>                             |                            |                    |                         |                   |   |
| Instruction - Regular Programs                          |                            |                    |                         |                   |   |
| Salaries of Teachers                                    |                            |                    |                         |                   |   |
| Preschool   | 5,000                      | -                  | 5,000                   | 1,360             | 3,640                                   |
| Kindergarten  | 243,180                    | \$ (17,000)        | 226,180                 | 193,001           | 33,179                                  |
| Grades 1-5  | 882,005                    | -                  | 882,005                 | 881,046           | 959                                     |
| Grades 6-8  | 577,225                    | 7,000              | 584,225                 | 581,483           | 2,742                                   |
| Regular Program - Home Instruction                      |                            |                    |                         |                   |   |
| Salaries of Teachers                                    | 20,500                     | -                  | 20,500                  | 6,128             | 14,372                                  |
| Regular Programs - Undistributed Instruction            |                            |                    |                         |                   |   |
| Other Purchased Services                                | 32,000                     | 170                | 32,170                  | 29,038            | 3,132                                   |
| General Supplies  | 70,146                     | 1,152              | 71,298                  | 44,620            | 26,678                                  |
| Textbooks   | 52,954                     | (7,200)            | 45,754                  | 2,040             | 43,714                                  |
| Other Objects   | 18,000                     | 7,200              | 25,200                  | 25,200            | 0                                       |
| Total Regular Programs                                  | <u>1,901,010</u>           | <u>(8,678)</u>     | <u>1,892,332</u>        | <u>1,763,916</u>  | <u>128,416</u>                          |
| Special Education                                       |                            |                    |                         |                   |   |
| Learning and/or Language Disabilities                   |                            |                    |                         |                   |   |
| Salaries of Teachers                                    | 85,365                     | (1,400)            | 83,965                  | 83,864            | 101                                     |
| Other Salaries for Instruction                          | 13,500                     | 1,400              | 14,900                  | 14,884            | 16                                      |
| General Supplies  | 2,000                      | -                  | 2,000                   | 734               | 1,266                                   |
| Total Learning and/or Language Disabilities             | <u>100,865</u>             | <u>-</u>           | <u>100,865</u>          | <u>99,482</u>     | <u>1,383</u>                            |

MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | Original<br>Budget | Adjustments     | Final<br>Budget  | Actual           | Variance<br>Final To<br>Actual |
|---|--------------------|-----------------|------------------|------------------|--------------------------------|
| <b>EXPENDITURES</b>                             |                    |                 |                  |                  |                                |
| <b>CURRENT EXPENDITURES (Continued)</b>         |                    |                 |                  |                  |                                |
| Special Education (Continued)                   |                    |                 |                  |                  |                                |
| Multiple Disabilities                           |                    |                 |                  |                  |                                |
| Salaries of Teachers                            | \$ 166,825         | -               | \$ 166,825       | \$ 166,825       | -                              |
| Other Salaries for Instruction                  | 84,250             | \$ 3,000        | 87,250           | 85,401           | \$ 1,849                       |
| General Supplies                                | 300                | -               | 300              | 299              | 1                              |
| Total Multiple Disabilities                     | <u>251,375</u>     | <u>3,000</u>    | <u>254,375</u>   | <u>252,526</u>   | <u>1,849</u>                   |
| Resource Room                                   |                    |                 |                  |                  |                                |
| Salaries of Teachers                            | 201,650            | (3,000)         | 198,650          | 186,681          | 11,969                         |
| Other Salaries for Instruction                  | 45,250             | -               | 45,250           | 18,632           | 26,618                         |
| General Supplies                                | 1,000              | -               | 1,000            | 914              | 86                             |
| Total Resource Room                             | <u>247,900</u>     | <u>(3,000)</u>  | <u>244,900</u>   | <u>206,227</u>   | <u>38,673</u>                  |
| Preschool Disabilities-Full Time                |                    |                 |                  |                  |                                |
| Salaries of Teachers                            | 3,100              | -               | 3,100            | 3,000            | 100                            |
| Other Salaries for Instruction                  | 22,500             | -               | 22,500           | 21,333           | 1,167                          |
| General Supplies                                | 500                | -               | 500              | -                | 500                            |
| Total Preschool Disabilities-Full Time          | <u>26,100</u>      | <u>-</u>        | <u>26,100</u>    | <u>24,333</u>    | <u>1,767</u>                   |
| Total Special Education                         | <u>626,240</u>     | <u>-</u>        | <u>626,240</u>   | <u>582,568</u>   | <u>43,672</u>                  |
| Basic Skills/Remedial                           |                    |                 |                  |                  |                                |
| Salaries of Teachers                            | 95,812             | -               | 95,812           | 57,873           | 37,939                         |
| General Supplies                                | 1,000              | -               | 1,000            | 292              | 708                            |
| Total Bilingual Education                       | <u>96,812</u>      | <u>-</u>        | <u>96,812</u>    | <u>58,166</u>    | <u>38,646</u>                  |
| Bilingual Education                             |                    |                 |                  |                  |                                |
| Salaries of Teachers                            | 23,300             | 200             | 23,500           | 23,409           | 91                             |
| General Supplies                                | 500                | (200)           | 300              | 193              | 107                            |
| Total Bilingual Education                       | <u>23,800</u>      | <u>-</u>        | <u>23,800</u>    | <u>23,602</u>    | <u>198</u>                     |
| School Sponsored Co/Extra Curricular Activities |                    |                 |                  |                  |                                |
| Salaries  | 32,200             | (1,557)         | 30,643           | 29,807           | 835                            |
| Other Objects                                   | 9,000              | -               | 9,000            | 7,395            | 1,605                          |
| Total School Sponsored Co/Extra Curricular Act. | <u>41,200</u>      | <u>(1,557)</u>  | <u>39,643</u>    | <u>37,202</u>    | <u>2,440</u>                   |
| Total Instruction                               | <u>2,689,062</u>   | <u>(10,235)</u> | <u>2,678,827</u> | <u>2,465,454</u> | <u>213,373</u>                 |

**MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|------------------|---|
| <b>EXPENDITURES</b>                                       |                            |                    |                         |                  |   |
| <b>CURRENT EXPENDITURES (Continued)</b>                   |                            |                    |                         |                  |   |
| Undistributed Expenditures                                |                            |                    |                         |                  |   |
| Instruction   |                            |                    |                         |                  |   |
| Tuition to Other LEAs Within State- Regular               | \$ 1,405,771               | \$ 58,363          | \$ 1,464,134            | \$ 1,464,134     | -                                       |
| Tuition to Other LEAs Within State- Special               | 740,000                    | (58,363)           | 681,637                 | 473,381          | \$ 208,256                              |
| Tuition to County Vocational- Regular                     | 245,000                    | 24,295             | 269,295                 | 178,948          | 90,348                                  |
| Tuition to County Vocational- Special                     | 172,000                    | 14,822             | 186,822                 | 105,427          | 81,395                                  |
| Tuition to CSSD & Reg. Day Schools                        | 173,000                    | -                  | 173,000                 | 138,880          | 34,120                                  |
| Tuition to APSSD Within the State                         | 523,000                    | -                  | 523,000                 | 293,072          | 229,928                                 |
| Tuition - Other   | 85,656                     | (12,500)           | 73,156                  | 13,017           | 60,139                                  |
| <b>Total Undistributed Expenditures -<br/>Instruction</b> | <b>3,344,427</b>           | <b>26,617</b>      | <b>3,371,044</b>        | <b>2,666,859</b> | <b>704,185</b>                          |
| Attendance and Social Work Services                       |                            |                    |                         |                  |   |
| Salaries  | 14,265                     | -                  | 14,265                  | 14,000           | 265                                     |
| Other Purchased Services                                  | 620                        | -                  | 620                     | 620              | -                                       |
| <b>Total Attendance and Social Work Services</b>          | <b>14,885</b>              | <b>-</b>           | <b>14,885</b>           | <b>14,620</b>    | <b>265</b>                              |
| Health Services   |                            |                    |                         |                  |   |
| Salaries  | 109,315                    | -                  | 109,315                 | 105,555          | 3,760                                   |
| Other Purchased Services                                  | 250                        | 85                 | 335                     | 184              | 151                                     |
| Supplies and Materials                                    | 5,100                      | 390                | 5,490                   | 2,114            | 3,376                                   |
| <b>Total Health Services</b>                              | <b>114,665</b>             | <b>475</b>         | <b>115,140</b>          | <b>107,853</b>   | <b>7,287</b>                            |
| Speech, OT, PT & Related Svcs.                            |                            |                    |                         |                  |   |
| Purchased Professional - Educational Services             | 552,000                    | 14,000             | 566,000                 | 466,164          | 99,837                                  |
| Supplies and Materials                                    | 500                        | 24                 | 524                     | -                | 524                                     |
| <b>Total Speech, OT, PT &amp; Related Svcs.</b>           | <b>552,500</b>             | <b>14,024</b>      | <b>566,524</b>          | <b>466,164</b>   | <b>100,360</b>                          |
| Child Study Teams   |                            |                    |                         |                  |   |
| Salaries of Secretarial and Clerical Assistants           | 24,700                     | 1                  | 24,701                  | 24,700           | 1                                       |
| Purchased Professional-Educational Svcs.                  | 250,000                    | (1)                | 249,999                 | 233,342          | 16,657                                  |
| Supplies and Materials                                    | 2,000                      | 13                 | 2,013                   | 1,318            | 695                                     |
| <b>Total Child Study Team</b>                             | <b>276,700</b>             | <b>13</b>          | <b>276,713</b>          | <b>259,360</b>   | <b>17,353</b>                           |
| Improvement of Instructional Services                     |                            |                    |                         |                  |   |
| Salaries of Supervisors of Instruction                    | 74,160                     | -                  | 74,160                  | 74,160           | -                                       |
| Salaries of Secretarial and Clerical Assistants           | 22,390                     | -                  | 22,390                  | 22,380           | 10                                      |
| Other Purchased Services                                  | 500                        | -                  | 500                     | -                | 500                                     |
| Supplies and Materials                                    | 1,000                      | -                  | 1,000                   | 300              | 700                                     |
| Other Objects   | 1,000                      | -                  | 1,000                   | 995              | 5                                       |
| <b>Total Improvement of Instructional Services</b>        | <b>99,050</b>              | <b>-</b>           | <b>99,050</b>           | <b>97,835</b>    | <b>1,215</b>                            |



**MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|   | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>  | <u>Variance<br/>Final To<br/>Actual</u> |
|---|----------------------------|--------------------|-------------------------|----------------|---|
| <b>EXPENDITURES</b>                             |                            |                    |                         |                |   |
| <b>CURRENT EXPENDITURES (Continued)</b>         |                            |                    |                         |                |   |
| Undistributed Expenditures (Continued)          |                            |                    |                         |                |   |
| Educational Media Services/School Library       |                            |                    |                         |                |   |
| Salaries  | \$ 35,300                  | \$ (1,400)         | \$ 33,900               | \$ 31,836      | \$ 2,064                                |
| Salaries of Technology Coordinators             | 20,500                     | 4,189              | 24,689                  | 24,602         | 87                                      |
| Purchased Professional and Technical Services   | 150,000                    | 9,433              | 159,433                 | 156,686        | 2,747                                   |
| Supplies and Materials                          | 20,500                     | (7,341)            | 13,159                  | 10,480         | 2,679                                   |
| Other Objects                                   | 975                        | -                  | 975                     | 575            | 400                                     |
|   | <u>227,275</u>             | <u>4,881</u>       | <u>232,156</u>          | <u>224,179</u> | <u>7,977</u>                            |
| Total Educational Media Serv./School Library    |                            |                    |                         |                |   |
| Instructional Staff Training Services           |                            |                    |                         |                |   |
| Salaries of Other Professional Staff            | 35,000                     | (3,102)            | 31,898                  | -              | 31,898                                  |
| Other Purchased Services                        | 4,100                      | 140                | 4,240                   | 1,060          | 3,180                                   |
|   | <u>39,100</u>              | <u>(2,962)</u>     | <u>36,138</u>           | <u>1,060</u>   | <u>35,079</u>                           |
| Total Instructional Staff Training Services     |                            |                    |                         |                |   |
| Support Services General Administration         |                            |                    |                         |                |   |
| Salaries  | 95,260                     | 1,400              | 96,660                  | 96,580         | 80                                      |
| Legal Services                                  | 20,500                     | 1,104              | 21,604                  | 18,960         | 2,644                                   |
| Audit Fees                                      | 40,000                     | 31,255             | 71,255                  | 32,069         | 39,186                                  |
| Other Purchased Professional Services           | 2,700                      | -                  | 2,700                   | 2,595          | 105                                     |
| Purchased Technical Services                    | 13,500                     | 800                | 14,300                  | 11,364         | 2,936                                   |
| Communications/Telephone                        | 16,000                     | -                  | 16,000                  | 11,425         | 4,575                                   |
| General Supplies                                | 1,500                      | -                  | 1,500                   | 797            | 703                                     |
| BOE Other Purchased Services                    | 5,100                      | -                  | 5,100                   | -              | 5,100                                   |
| Miscellaneous Purchased Services                | 10,750                     | (500)              | 10,250                  | 7,302          | 2,948                                   |
| Miscellaneous Expenditures                      | 8,000                      | 1,000              | 9,000                   | 8,803          | 197                                     |
| BOE Membership Dues and Fees                    | 4,600                      | -                  | 4,600                   | 4,375          | 225                                     |
|   | <u>217,910</u>             | <u>35,059</u>      | <u>252,969</u>          | <u>194,269</u> | <u>58,700</u>                           |
| Total Support Services General Administration   |                            |                    |                         |                |   |
| Support Services School Administration          |                            |                    |                         |                |   |
| Salaries of Principal/Asst. Principals          | 55,200                     | -                  | 55,200                  | 55,200         | -                                       |
| Salaries of Secretarial and Clerical Assistants | 54,924                     | -                  | 54,924                  | 51,774         | 3,150                                   |
| Supplies and Materials                          | 1,000                      | -                  | 1,000                   | 974            | 26                                      |
| Other Objects                                   | 1,000                      | (500)              | 500                     | -              | 500                                     |
|   | <u>112,124</u>             | <u>(500)</u>       | <u>111,624</u>          | <u>107,948</u> | <u>3,676</u>                            |
| Total Support Services School Administration    |                            |                    |                         |                |   |
| Central Services                                |                            |                    |                         |                |   |
| Salaries  | 139,800                    | 3,000              | 142,800                 | 142,058        | 742                                     |
| Purchased Technical Services                    | 32,000                     | (3,000)            | 29,000                  | 12,407         | 16,593                                  |
| Miscellaneous Purchased Services                | 2,000                      | -                  | 2,000                   | 657            | 1,343                                   |
| Supplies and Materials                          | 6,600                      | 1,856              | 8,456                   | 6,580          | 1,876                                   |
| Miscellaneous Expenditures                      | 1,350                      | -                  | 1,350                   | 1,295          | 55                                      |
|   | <u>181,750</u>             | <u>1,856</u>       | <u>183,606</u>          | <u>162,997</u> | <u>20,609</u>                           |
| Total Central Services                          |                            |                    |                         |                |   |

**MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|   | Original<br>Budget | Adjustments  | Final<br>Budget | Actual         | Variance<br>Final To<br>Actual |
|---|--------------------|--------------|-----------------|----------------|--------------------------------|
| <b>EXPENDITURES</b>   |                    |              |                 |                |                                |
| <b>CURRENT EXPENDITURES (Continued)</b>                         |                    |              |                 |                |                                |
| Undistributed Expenditures (Continued)                          |                    |              |                 |                |                                |
| Required Maintenance for School Facilities                      |                    |              |                 |                |                                |
| Salaries  | \$ 164,810         | -            | \$ 164,810      | \$ 160,237     | \$ 4,573                       |
| Cleaning, Repair and Maint. Svc.                                | 180,000            | \$ 5,772     | 185,772         | 52,395         | 133,377                        |
| General Supplies  | 3,100              | 2,744        | 5,844           | 3,248          | 2,596                          |
|   | <u>347,910</u>     | <u>8,516</u> | <u>356,426</u>  | <u>215,879</u> | <u>140,547</u>                 |
| Total Required Maintenance for School Facilities                |                    |              |                 |                |                                |
| Custodial Services  |                    |              |                 |                |                                |
| Salaries  | 57,550             | 5,000        | 62,550          | 60,040         | 2,510                          |
| Salaries of Non-Instructional Aides                             | -                  | -            | -               | -              | -                              |
| Purchased Prof. and Technical Serv.                             | 6,000              | (1,100)      | 4,900           | 4,820          | 80                             |
| Cleaning, Repair and Maint. Serv.                               | 17,000             | (3,543)      | 13,457          | 5,419          | 8,038                          |
| Other Purchased Property Services                               | 6,700              | -            | 6,700           | 6,377          | 323                            |
| Insurance   | 77,000             | 13,150       | 90,150          | 90,106         | 44                             |
| General Supplies  | 22,000             | (12,100)     | 9,900           | 8,918          | 982                            |
| Energy (Natural Gas)  | 31,000             | -            | 31,000          | 27,830         | 3,170                          |
| Energy (Electricity)  | 81,000             | -            | 81,000          | 52,135         | 28,865                         |
| Other Objects   | 1,800              | (400)        | 1,400           | 1,333          | 67                             |
|   | <u>300,050</u>     | <u>1,007</u> | <u>301,057</u>  | <u>256,980</u> | <u>44,077</u>                  |
| Total Custodial Services  |                    |              |                 |                |                                |
| Student Transportation Services                                 |                    |              |                 |                |                                |
| Salaries for Pupil Transportation                               |                    |              |                 |                |                                |
| (Between Home and School) - Regular                             | 17,600             | 5,000        | 22,600          | 22,022         | 578                            |
| Contracted Serv.(Bet. Home & Sch) - Vendors                     | 111,000            | -            | 111,000         | 93,406         | 17,594                         |
| Contracted Serv.(Other Than Bet. Home & Sch) - Vendors          | 5,000              | (4,775)      | 225             | 225            | -                              |
| Contracted Serv.(Reg. Students) - ESCs & CTSA's                 | 214,200            | -            | 214,200         | 194,717        | 19,483                         |
| Contracted Services (Spl. Ed. Students) - ESCs & CTSA's         | 430,000            | -            | 430,000         | 407,532        | 22,468                         |
| Contracted Serv. - Aid in Lieu of Payments - Non-Public Schools | 40,000             | -            | 40,000          | 39,182         | 818                            |
|   | <u>817,800</u>     | <u>225</u>   | <u>818,025</u>  | <u>757,085</u> | <u>60,940</u>                  |
| Total Student Transportation Services                           |                    |              |                 |                |                                |
| Unallocated Benefits - Employee Benefits                        |                    |              |                 |                |                                |
| Social Security Contributions                                   | 74,000             | 315          | 74,315          | 74,312         | 3                              |
| Other Retirement Contributions-PERS                             | 83,000             | (9,000)      | 74,000          | 73,633         | 367                            |
| Other Retirement Contributions-Regular                          | 3,100              | 2,000        | 5,100           | 5,089          | 11                             |
| Unemployment Insurance  | 1,000              | -            | 1,000           | -              | 1,000                          |
| Workmen's Compensation  | 28,000             | (2,000)      | 26,000          | 22,810         | 3,190                          |
| Health Benefits   | 700,000            | -            | 700,000         | 535,572        | 164,428                        |
| Tuition Reimbursement   | 16,000             | -            | 16,000          | 7,998          | 8,002                          |
| Other Employee Benefits   | 45,000             | 8,685        | 53,685          | 38,551         | 15,134                         |
| Unused Sick Payment to Terminated/Retired Staff                 | 12,000             | -            | 12,000          | -              | 12,000                         |
|   | <u>962,100</u>     | <u>-</u>     | <u>962,100</u>  | <u>757,966</u> | <u>204,134</u>                 |
| Total Unallocated Benefits - Employee Benefits                  |                    |              |                 |                |                                |

**MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| EXPENDITURES  | Original<br>Budget | Adjustments  | Final<br>Budget | Actual       | Variance<br>Final To<br>Actual |
|---|--------------------|--------------|-----------------|--------------|--------------------------------|
| <b>CURRENT EXPENDITURES (Continued)</b>                 |                    |              |                 |              |                                |
| On-behalf TPAF Pension Payments                         |                    |              |                 |              |                                |
| Pension Contribution (Non-Budget)                       |                    |              |                 | \$ 1,005,119 | \$ (1,005,119)                 |
| NCGI Premium (Non-Budget)                               |                    |              |                 | 14,181       | (14,181)                       |
| On-behalf TPAF Pension Payments                         |                    |              |                 |              |                                |
| Post Retirement Medical Contribution (Non-Budget)       |                    |              |                 | 238,150      | (238,150)                      |
| On-behalf TPAF Pension Payments                         |                    |              |                 |              |                                |
| Long Term Disability Insurance                          |                    |              |                 | 607          | (607)                          |
| On-behalf TPAF Social Security Payments<br>(Non-Budget) | -                  | -            | -               | 211,164      | (211,164)                      |
| Total On-behalf TPAF Pension Payments                   | -                  | -            | -               | 1,469,221    | (1,469,221)                    |
| Total Undistributed Expenditures                        | \$ 7,608,246       | \$ 89,211    | \$ 7,697,457    | 7,760,275    | (62,818)                       |
| Interest Earned on Maintenance Reserve                  | 20                 | -            | 20              | -            | 20                             |
| Total Current Expenditures                              | 10,297,328         | 78,976       | 10,376,304      | 10,225,729   | 150,575                        |
| <b>CAPITAL OUTLAY</b>                                   |                    |              |                 |              |                                |
| Undistributed Expenditures                              |                    |              |                 |              |                                |
| School Security   |                    | -            |                 |              | -                              |
| Required Maintenance for School Facilities              | -                  | 17,120       | 17,120          | 17,120       | -                              |
| Total Equipment   | -                  | 17,120       | 17,120          | 17,120       | -                              |
| Facilities Acquisition and Construction Services        |                    |              |                 |              |                                |
| Architectural/Engineering Services                      | 50,000             | -            | 50,000          | 12,224       | 37,776                         |
| Assessment for Debt Service on SDA Funding              | 1,245              | -            | 1,245           | 1,245        | -                              |
| Construction Serv                                       | 566,000            | -            | 566,000         | 384,484      | 181,516                        |
| Supplies and Materials                                  | 684,000            | -            | 684,000         | 529,521      | 154,479                        |
| Total Facilities Acquis. and Const. Services            | 1,301,245          | -            | 1,301,245       | 927,474      | 373,771                        |
| Interest Deposit to Capital Reserve                     | 90                 | -            | 90              | -            | 90                             |
| Total Capital Outlay Expenditures                       | 1,301,335          | 17,120       | 1,318,455       | 944,593      | 373,861                        |
| Transfer Funds to Charter Schools                       | 12,497             | 12,500       | 24,997          | 24,992       | 5                              |
| Total Expenditures                                      | 11,611,160         | 108,595      | 11,719,755      | 11,195,314   | 524,441                        |
| Excess (Deficiency) of Revenues                         |                    |              |                 |              |                                |
| Over/(Under) Expenditures                               | (1,579,415)        | (108,595)    | (1,688,010)     | 588,428      | 2,276,438                      |
| Other Financing Sources (Uses)                          |                    |              |                 |              |                                |
| Transfers Out to Food Service Fund                      |                    | (20,000)     | (20,000)        | (16,980)     | 3,020                          |
| Transfers Out to Special Revenue Fund                   | (68,655)           | -            | (68,655)        | (68,655)     | -                              |
| Total Other Financing Sources/(Uses)                    | (68,655)           | (20,000)     | (88,655)        | (85,635)     | 3,020                          |
| Excess (Deficiency) of Revenues Over/(Under)            |                    |              |                 |              |                                |
| Expenditures and Other Financing Sources                | (1,648,070)        | (128,595)    | (1,776,665)     | 502,793      | 2,279,458                      |
| Fund Balance, Beginning of Year                         | 3,674,024          | -            | 3,674,024       | 3,674,024    | -                              |
| Fund Balance, End of Year                               | \$ 2,025,954       | \$ (128,595) | \$ 1,897,359    | \$ 4,176,817 | \$ 2,279,458                   |

**MOONACHIE BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Recapitulation of Fund Balance**

|  |    |                  |
|--|----|------------------|
| Restricted Fund Balance:   |    |                  |
| Reserved Excess Surplus  | \$ | 528,123          |
| Reserved Excess Surplus - Designated for Subsequent<br>Year's Expenditures |    | 300,000          |
| Capital Reserve  |    | 1,372,924        |
| Capital Reserve - Designated for Subsequent<br>Year's Expenditures         |    | 1,000,000        |
| Maintenance Reserve  |    | 187,197          |
| Maintenance Reserve - Designated for Subsequent<br>Year's Expenditures     |    | 130,000          |
| Assigned Fund Balance:   |    |                  |
| Year-end Encumbrances  |    | 40,661           |
| Unassigned Fund Balance  |    | <u>617,912</u>   |
| Reconciliation to Governmental Funds Statements (GAAP):                    |    | 4,176,817        |
| Less: Final State Aid Payments Not Recognized on GAAP Basis                |    | (200,990)        |
| Extraordinary Aid Payments Not Recognized on GAAP Basis                    |    | <u>(125,529)</u> |
| Fund Balance Per Governmental Funds (GAAP)                                 | \$ | <u>3,850,298</u> |

**MOONACHIE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|  | <u>Original<br/>Budget</u> | <u>Adjustments</u> | <u>Final<br/>Budget</u> | <u>Actual</u>      | <u>Variance<br/>Final to Actual</u> |
|--|----------------------------|--------------------|-------------------------|--------------------|-------------------------------------|
| <b>REVENUES</b>  |                            |                    |                         |                    |                                     |
| Intergovernmental  |                            |                    |                         |                    |                                     |
| State  | \$ 617,895                 | \$ 6,554           | \$ 624,449              | \$ 624,449         | -                                   |
| Federal  | 465,111                    | 141,544            | 606,655                 | 547,815            | \$ 58,840                           |
| Local Sources  | 14,730                     | 14,197             | 28,927                  | 5,871              | 23,056                              |
| Total Revenues   | <u>1,097,736</u>           | <u>162,295</u>     | <u>1,260,031</u>        | <u>1,178,135</u>   | <u>81,896</u>                       |
| <b>EXPENDITURES</b>  |                            |                    |                         |                    |                                     |
| Instruction  |                            |                    |                         |                    |                                     |
| Salaries of Teachers   | 360,206                    | 40,535             | 400,741                 | 359,290            | 41,451                              |
| Other Salaries for Instruction                                     | 91,357                     | -                  | 91,357                  | 91,357             | -                                   |
| Purchased Professional and Educational Services                    | 88,741                     | -                  | 88,741                  | 78,866             | 9,875                               |
| School-Sponsored/Cocurricular Activities - Non Budget              | -                          | -                  | -                       | 9,776              | (9,776)                             |
| Tuition  | 75,099                     | 43,341             | 118,440                 | 118,440            | -                                   |
| General Supplies   | 95,414                     | 105,743            | 201,157                 | 201,157            | -                                   |
| Total Instruction  | <u>710,817</u>             | <u>189,619</u>     | <u>900,436</u>          | <u>858,886</u>     | <u>41,550</u>                       |
| Support Services   |                            |                    |                         |                    |                                     |
| Salaries of Supervisors of Instruction                             | 8,240                      | 5,000              | 13,240                  | 13,240             | -                                   |
| Salaries of Program Directors                                      | 13,800                     | -                  | 13,800                  | 13,800             | -                                   |
| Salaries of Secr. and Clerical Assistants                          | 9,416                      | -                  | 9,416                   | 9,416              | -                                   |
| Other Salaries   | 4,500                      | -                  | 4,500                   | 4,500              | -                                   |
| Salaries of Facilitators/Master Teachers                           | 56,438                     | -                  | 56,438                  | 56,438             | -                                   |
| Personal Services - Employee Benefits                              | 157,510                    | 23,826             | 181,336                 | 181,336            | -                                   |
| Purchased Professional and Technical Services                      | 27,705                     | 13,055             | 40,760                  | 33,649             | 7,111                               |
| Contracted Services (Bet. Home & School) - Vendors                 | 61,000                     | (8,000)            | 53,000                  | 53,000             | -                                   |
| Scholarships Awarded - Non-Budget                                  | -                          | -                  | -                       | 100                | (100)                               |
| General Supplies   | 16,250                     | 11,445             | 27,695                  | 27,293             | 402                                 |
| Total Support Services   | <u>354,859</u>             | <u>45,326</u>      | <u>400,185</u>          | <u>392,772</u>     | <u>7,413</u>                        |
| Facilities Acquisition and Construction Services                   |                            |                    |                         |                    |                                     |
| Non-Instructional Equipment  | 100,715                    | (72,650)           | 28,065                  | -                  | 28,065                              |
| Total Facilities Acquisition and Construction Services             | <u>100,715</u>             | <u>(72,650)</u>    | <u>28,065</u>           | <u>-</u>           | <u>28,065</u>                       |
| Total Expenditures   | <u>1,166,391</u>           | <u>162,295</u>     | <u>1,328,686</u>        | <u>1,251,658</u>   | <u>77,028</u>                       |
| Excess (Deficiency) of Revenues<br>Over/(Under) Expenditures       | <u>(68,655)</u>            | <u>-</u>           | <u>(68,655)</u>         | <u>(73,523)</u>    | <u>4,868</u>                        |
| Other Financing Sources  |                            |                    |                         |                    |                                     |
| Transfer In - General Fund   | 68,655                     | -                  | 68,655                  | 68,655             | -                                   |
| Fund Balances, Beginning of Year                                   | -                          | -                  | -                       | 18,166             | (18,166)                            |
| Fund Balances, End of Year   | <u>\$ -</u>                | <u>\$ -</u>        | <u>\$ -</u>             | <u>\$ 13,298</u>   | <u>\$ (13,298)</u>                  |
| Reconciliation to Governmental Funds Statements (GAAP):            |                            |                    |                         |                    |                                     |
| Less: Current Year State Aid Payments Not Recognized on GAAP Basis |                            |                    |                         | <u>\$ (55,318)</u> |                                     |
| Fund Balance Per Governmental Funds (GAAP)                         |                            |                    |                         | <u>\$ (42,020)</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, 2022**

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.

|   | <b>General<br/>Fund</b> | <b>Special<br/>Revenue<br/>Fund</b> |
|---|-------------------------|-------------------------------------|
| <b>Sources/Inflows of Resources</b>   |                         |                                     |
| Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)  | \$ 11,783,742           | \$ 1,178,135                        |
| 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, 2021   |                         | 6,696                               |
| Encumbrances, June 30, 2022   |                         | (175)                               |
| State Aid payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2020/2021 State Aid)   | 132,155                 | 47,079                              |
| State Aid payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2021/2022 State Aid)   | <u>(326,519)</u>        | <u>(55,318)</u>                     |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)   | <u>\$ 11,589,378</u>    | <u>\$ 1,176,417</u>                 |
| <b>Uses/Outflows of Resources</b>   |                         |                                     |
| Actual amounts (budgetary basis) total outflows from the Budgetary Comparison Schedule (Exhibits C-1 and C-2)   | \$ 11,195,314           | \$ 1,251,658                        |
| 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, 2021   |                         | 6,696                               |
| Encumbrances, June 30, 2022   | <u>-</u>                | <u>(175)</u>                        |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)  | <u>\$ 11,195,314</u>    | <u>\$ 1,258,179</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>2022</u> | <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)  | 0.00629 %   | 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)  | \$ 744,839  | \$ 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   | \$ 503,435  | \$ 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 | 148.0%      | 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                                 | 70.33 %     | 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>2022</u>   | <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                                  | \$ 73,633     | \$ 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>73,633</u> | <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>   | <u>\$ -</u>   |
| District's Covered Payroll   | \$ 535,013    | \$ 503,435    | \$ 463,622    | \$ 480,426    | \$ 493,798    | \$ 434,193    | \$ 517,496    | \$ 503,178    | \$ 497,994    |
| Contributions as a Percentage of Covered Payroll                     | 13.76%        | 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>2022</u>          | <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 %                  | 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>\$ 11,080,876</u> | <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>\$ 11,080,876</u> | <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   | \$ 2,655,923         | \$ 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%                   | 0%                   |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                 | 35.52%               | 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, 2022**

**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 4C.

**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>2022</u>          | <u>2021</u>          | <u>2020</u>         | <u>2019</u>         |
|---|----------------------|----------------------|---------------------|---------------------|
| <b>Total OPEB Liability</b>   |                      |                      |                     |                     |
| Service Cost  | \$ 762,714           | \$ 390,867           | \$ 321,318          | \$ 410,920          |
| Interest on Total OPEB Liability  | 315,583              | 313,910              | 385,150             | 448,694             |
| Changes in Benefit Terms  | (12,949)             |                      |                     |                     |
| Differences Between Expected and Actual Experience  | (2,608,001)          | 2,226,721            | (1,641,658)         | (1,975,910.0)       |
| Changes of Assumptions  | 12,002               | 2,545,730            | 129,637             | (1,119,910)         |
| Gross Benefit Payments  | (248,591)            | (242,624)            | (266,898)           | (260,956)           |
| Contribution from the Member  | <u>8,068</u>         | <u>7,354</u>         | <u>7,912</u>        | <u>9,019</u>        |
| <b>Net Change in Total OPEB Liability</b>   | (1,771,174)          | 5,241,958            | (1,064,539)         | (2,488,143)         |
| <b>Total OPEB Liability - Beginning</b>   | <u>13,936,558</u>    | <u>8,694,600</u>     | <u>9,759,139</u>    | <u>12,247,282</u>   |
| <b>Total OPEB Liability - Ending</b>  | <u>\$ 12,165,384</u> | <u>\$ 13,936,558</u> | <u>\$ 8,694,600</u> | <u>\$ 9,759,139</u> |
| <br>  |                      |                      |                     |                     |
| District's Proportionate Share of OPEB Liability  | \$ -                 | \$ -                 | \$ -                | \$ -                |
| State's Proportionate Share of OPEB Liability   | <u>12,165,384</u>    | <u>13,936,558</u>    | <u>8,694,600</u>    | <u>9,759,139</u>    |
| Total OPEB Liability - Ending   | <u>\$ 12,165,384</u> | <u>\$ 13,936,558</u> | <u>\$ 8,694,600</u> | <u>\$ 9,759,139</u> |
| <br>  |                      |                      |                     |                     |
| District's Covered Payroll  | <u>\$ 3,175,277</u>  | <u>\$ 3,175,277</u>  | <u>\$ 2,949,004</u> | <u>\$ 2,868,750</u> |
| <br>  |                      |                      |                     |                     |
| District's Proportionate Share of the<br>Total OPEB Liability as a Percentage of its<br>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, 2022**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**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, 2022

|  | IDEA              |                     |                     |                         | ESEA<br>Title I  | ESEA<br>Title I SIA | ESEA<br>Title III Imm. | ESEA<br>Title II | ESEA<br>Title IV | To<br>Exhibit<br>E-1A |
|--|-------------------|---------------------|---------------------|-------------------------|------------------|---------------------|------------------------|------------------|------------------|-----------------------|
|  | Part B<br>Basic   | Part B<br>Preschool | ARP Part B<br>Basic | ARP Part B<br>Preschool |                  |                     |                        |                  |                  |                       |
| <b>REVENUES</b>  |                   |                     |                     |                         |                  |                     |                        |                  |                  |                       |
| Intergovernmental  |                   |                     |                     |                         |                  |                     |                        |                  |                  |                       |
| State  |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Federal  | \$ 100,119        | \$ 5,552            | \$ 18,321           | \$ 1,555                | \$ 80,442        | \$ 11,408           | \$ 1,400               | \$ 10,667        | \$ 9,286         | \$ 238,750            |
| Local Sources  | -                 | -                   | -                   | -                       | -                | -                   | -                      | -                | -                | -                     |
| Total Revenues   | <u>\$ 100,119</u> | <u>\$ 5,552</u>     | <u>\$ 18,321</u>    | <u>\$ 1,555</u>         | <u>\$ 80,442</u> | <u>\$ 11,408</u>    | <u>\$ 1,400</u>        | <u>\$ 10,667</u> | <u>\$ 9,286</u>  | <u>\$ 238,750</u>     |
| <b>EXPENDITURES</b>  |                   |                     |                     |                         |                  |                     |                        |                  |                  |                       |
| Instruction  |                   |                     |                     |                         |                  |                     |                        |                  |                  |                       |
| Salaries of Teachers   |                   |                     |                     |                         | \$ 55,257        |                     |                        |                  |                  | \$ 55,257             |
| Other Salaries for Instruction   |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Purchased Professional and Educational Services  |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| School-Sponsored/Cocurricular Activities   |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Tuition  | \$ 100,119        |                     | \$ 18,321           |                         |                  |                     |                        |                  |                  | 118,440               |
| General Supplies   | -                 | -                   | -                   | -                       | 319              |                     | \$ 1,400               | -                | -                | 1,719                 |
| Total Instruction  | <u>100,119</u>    | <u>-</u>            | <u>18,321</u>       | <u>-</u>                | <u>55,576</u>    | <u>-</u>            | <u>1,400</u>           | <u>-</u>         | <u>-</u>         | <u>175,416</u>        |
| Support Services   |                   |                     |                     |                         |                  |                     |                        |                  |                  |                       |
| Salaries of Supervisors of Instruction   |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Salaries of Program Directors  |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Salaries of Secr. and Clerical Assistants  |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Other Salaries   |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Salaries of Facilitators/Master Teachers   |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| Personal Services - Employee Benefits  |                   |                     |                     |                         | 24,866           |                     |                        |                  |                  | 24,866                |
| Purchased Professional and Technical Services  |                   | \$ 5,552            |                     | \$ 1,555                |                  | \$ 11,408           |                        | \$ 10,667        | \$ 4,467         | 33,649                |
| Contracted Services (Bet. Home & School) - Vendors                                       |                   |                     |                     |                         |                  |                     |                        |                  |                  | -                     |
| General Supplies   | -                 | -                   | -                   | -                       | -                | -                   | -                      | -                | 4,819            | 4,819                 |
| Total Support Services   | <u>-</u>          | <u>5,552</u>        | <u>-</u>            | <u>1,555</u>            | <u>24,866</u>    | <u>11,408</u>       | <u>-</u>               | <u>10,667</u>    | <u>9,286</u>     | <u>63,334</u>         |
| Total Expenditures   | <u>100,119</u>    | <u>5,552</u>        | <u>18,321</u>       | <u>1,555</u>            | <u>80,442</u>    | <u>11,408</u>       | <u>1,400</u>           | <u>10,667</u>    | <u>9,286</u>     | <u>238,750</u>        |
| Excess (Deficiency) of Revenues and Other<br>Financing Sources Over/(Under) Expenditures | <u>-</u>          | <u>-</u>            | <u>-</u>            | <u>-</u>                | <u>-</u>         | <u>-</u>            | <u>-</u>               | <u>-</u>         | <u>-</u>         | <u>-</u>              |
| Other Financing Sources  |                   |                     |                     |                         |                  |                     |                        |                  |                  |                       |
| Transfers In - General Fund  | -                 | -                   | -                   | -                       | -                | -                   | -                      | -                | -                | -                     |
| Fund Balances, Beginning of Year (Restated)  | -                 | -                   | -                   | -                       | -                | -                   | -                      | -                | -                | -                     |
| Fund Balances, End of Year   | <u>\$ -</u>       | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ -</u>         | <u>\$ -</u>            | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ -</u>           |

MOONACHIE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

|   | Exhibit           | ESSER I          | ESSER II          |                  |                  | SDA             | Preschool         | Local         | Student          | Scholarship   | Grand               |
|---|-------------------|------------------|-------------------|------------------|------------------|-----------------|-------------------|---------------|------------------|---------------|---------------------|
|   | E-1               | CARES            | CRRSA Act         | Learning         | Mental           | Emergent Cap    | Education         |               |                  |               |                     |
|   | Subtotal          | Emergency Relief |                   | Acceleration     | Health           | & Maint         | Aid               | Grants        | Activities       | Account       | Total               |
| <b>REVENUES</b>   |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| Intergovernmental   |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| State   | -                 |                  |                   |                  |                  | \$ 6,554        | \$ 617,895        |               |                  |               | \$ 624,449          |
| Federal   | \$ 238,750        | \$ 7,647         | \$ 245,793        | \$ 25,000        | \$ 30,625        |                 |                   |               |                  |               | 547,815             |
| Local Sources   | -                 | -                | -                 | -                | -                | -               | -                 | 863           | \$ 5,008         | -             | 5,871               |
| <b>Total Revenues</b>   | <b>\$ 238,750</b> | <b>\$ 7,647</b>  | <b>\$ 245,793</b> | <b>\$ 25,000</b> | <b>\$ 30,625</b> | <b>\$ 6,554</b> | <b>\$ 617,895</b> | <b>\$ 863</b> | <b>\$ 5,008</b>  | <b>\$ -</b>   | <b>\$ 1,178,135</b> |
| <b>EXPENDITURES</b>   |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| Instruction   |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| Salaries of Teachers  | \$ 55,257         | \$ 3,800         | \$ 39,330         | \$ 18,750        |                  |                 | \$ 242,153        |               |                  |               | \$ 359,290          |
| Other Salaries for Instruction  | -                 |                  |                   |                  |                  |                 | 91,357            |               |                  |               | 91,357              |
| Purchased Professional and Educational Services                                       | -                 |                  | 12,500            |                  | \$ 30,625        |                 | 35,741            |               |                  |               | 78,866              |
| School-Sponsored/Cocurricular Activities  | -                 |                  |                   |                  |                  |                 |                   |               | \$ 9,776         |               | 9,776               |
| Tuition   | 118,440           |                  |                   |                  |                  |                 |                   |               |                  |               | 118,440             |
| General Supplies  | 1,719             | 3,847            | 179,293           | -                | -                | -               | 15,435            | \$ 863        | -                | -             | 201,157             |
| <b>Total Instruction</b>  | <b>175,416</b>    | <b>7,647</b>     | <b>231,123</b>    | <b>18,750</b>    | <b>30,625</b>    | <b>-</b>        | <b>384,686</b>    | <b>863</b>    | <b>9,776</b>     | <b>-</b>      | <b>858,886</b>      |
| Support Services  |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| Salaries of Supervisors of Instruction  | -                 |                  | 5,000             |                  |                  |                 | 8,240             |               |                  |               | 13,240              |
| Salaries of Program Directors   | -                 |                  |                   |                  |                  |                 | 13,800            |               |                  |               | 13,800              |
| Salaries of Secr. and Clerical Assistants   | -                 |                  |                   |                  |                  |                 | 9,416             |               |                  |               | 9,416               |
| Other Salaries  | -                 |                  |                   |                  |                  |                 | 4,500             |               |                  |               | 4,500               |
| Salaries of Facilitators/Master Teachers  | -                 |                  |                   |                  |                  |                 | 56,438            |               |                  |               | 56,438              |
| Personal Services - Employee Benefits   | 24,866            |                  |                   |                  |                  |                 | 156,470           |               |                  |               | 181,336             |
| Purchased Professional and Technical Services   | 33,649            |                  |                   |                  |                  |                 |                   |               |                  |               | 33,649              |
| Contracted Services (Bet. Home & School) - Vendors                                    | -                 |                  |                   |                  |                  |                 | 53,000            |               |                  |               | 53,000              |
| Scholarship Awarded   | -                 |                  |                   |                  |                  |                 |                   |               |                  | \$ 100        | 100                 |
| General Supplies  | 4,819             | -                | 9,670             | 6,250            | -                | \$ 6,554        | -                 | -             | -                | -             | 27,293              |
| <b>Total Support Services</b>   | <b>63,334</b>     | <b>-</b>         | <b>14,670</b>     | <b>6,250</b>     | <b>-</b>         | <b>6,554</b>    | <b>301,864</b>    | <b>-</b>      | <b>-</b>         | <b>100</b>    | <b>392,772</b>      |
| Capital Outlay  |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| Non-Instructional Equipment   | -                 | -                | -                 | -                | -                | -               | -                 | -             | -                | -             | -                   |
| <b>Total Capital Outlay</b>   | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>-</b>         | <b>-</b>         | <b>-</b>        | <b>-</b>          | <b>-</b>      | <b>-</b>         | <b>-</b>      | <b>-</b>            |
| <b>Total Expenditures</b>   | <b>238,750</b>    | <b>7,647</b>     | <b>245,793</b>    | <b>25,000</b>    | <b>30,625</b>    | <b>6,554</b>    | <b>686,550</b>    | <b>863</b>    | <b>9,776</b>     | <b>100</b>    | <b>1,251,658</b>    |
| Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | -                 | -                | -                 | -                | -                | -               | (68,655)          | -             | (4,768)          | (100)         | (73,523)            |
| Other Financing Sources   |                   |                  |                   |                  |                  |                 |                   |               |                  |               |                     |
| Transfers In - General Fund   | -                 | -                | -                 | -                | -                | -               | 68,655            | -             | -                | -             | 68,655              |
| Fund Balances, Beginning of Year  | -                 | -                | -                 | -                | -                | -               | -                 | -             | 17,285           | 881           | 18,166              |
| <b>Fund Balances, End of Year</b>   | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>       | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>     | <b>\$ -</b>       | <b>\$ -</b>   | <b>\$ 12,517</b> | <b>\$ 781</b> | <b>\$ 13,298</b>    |

**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, 2022**

| <b>EXPENDITURES</b>                                | <b>Original<br/>Budget</b> | <b>Adjustments</b> | <b>Final<br/>Budget</b> | <b>Actual</b>     | <b>Final To Actual<br/>Variance</b> |
|--|----------------------------|--------------------|-------------------------|-------------------|-------------------------------------|
| Instruction  |                            |                    |                         |                   |                                     |
| Salaries of Teachers                               | \$ 210,685                 | \$ 31,467          | \$ 242,152              | \$ 242,152        |                                     |
| Other Salaries for Instruction                     | 64,910                     | 26,447             | 91,357                  | 91,357            |                                     |
| Purchased Professional and Educational Services    | 25,000                     | 10,741             | 35,741                  | 35,741            |                                     |
| General Supplies                                   | 15,436                     | -                  | 15,436                  | 15,436            | -                                   |
| Total Instruction                                  | <u>316,031</u>             | <u>68,655</u>      | <u>384,686</u>          | <u>384,686</u>    | <u>-</u>                            |
| Support Services                                   |                            |                    |                         |                   |                                     |
| Salaries of Supervisors of Instruction             | 8,240                      |                    | 8,240                   | 8,240             |                                     |
| Salaries of Program Directors                      | 13,800                     |                    | 13,800                  | 13,800            |                                     |
| Salaries of Secr. and Clerical Assistants          | 9,416                      |                    | 9,416                   | 9,416             |                                     |
| Other Salaries                                     | 4,500                      |                    | 4,500                   | 4,500             |                                     |
| Salaries of Facilitators/Master Teachers           | 56,438                     |                    | 56,438                  | 56,438            |                                     |
| Personal Services - Employee Benefits              | 148,470                    | \$ 8,000           | 156,470                 | 156,470           |                                     |
| Contracted Services (Bet. Home & School) - Vendors | 61,000                     | (8,000)            | 53,000                  | 53,000            |                                     |
| Supplies and Materials                             | -                          | -                  | -                       | -                 | -                                   |
| Total Support Services                             | <u>301,864</u>             | <u>-</u>           | <u>301,864</u>          | <u>301,864</u>    | <u>-</u>                            |
| Total Expenditures                                 | <u>\$ 617,895</u>          | <u>\$ 68,655</u>   | <u>\$ 686,550</u>       | <u>\$ 686,550</u> | <u>\$ -</u>                         |

**Calculation of Budget Carryover**

|  |                |
|--|----------------|
| Total revised 2021-2022 Preschool Education Aid Allocation                                 | \$ 617,895     |
| General Fund Contribution  | 68,655         |
| Add: Actual PEA Carryover (June 30, 2021)  | <u>-</u>       |
| Total Preschool Ed. Aid Funds Available for 2021-2022 Budget                               | 686,550        |
| Less: 2021-2022 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover) | <u>686,550</u> |
| Available & Unbudgeted Preschool Funds as of June 30, 2022                                 | \$ -           |
| Add: June 30, 2022 Unexpended Preschool Education Aid                                      | <u>-</u>       |
| 2021-2022 Carryover - Preschool Education Aid Programs                                     | <u>\$ -</u>    |
| 2021-2022 Preschool Education Aid Carryover Budgeted in 2022-23                            | <u>\$ -</u>    |

**MOONACHIE BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|                        | <u>Balance,<br/>July 1, 2021</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Balance,<br/>June 30, 2022</u> |
|------------------------|----------------------------------|--------------------------|-------------------------------|-----------------------------------|
| Elementary School      |                                  |                          |                               |                                   |
| Robert L. Craig School | \$ 17,285                        | \$ 5,008                 | \$ 9,776                      | \$ 12,517                         |
|                        | <u>\$ 17,285</u>                 | <u>\$ 5,008</u>          | <u>\$ 9,776</u>               | <u>\$ 12,517</u>                  |
| Total All Schools      |                                  |                          |                               |                                   |

**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, 2022**

**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, 2022**

**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, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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, 2022

NOT APPLICABLE

LONG-TERM DEBT  
 SCHEDULE OF LEASES PAYABLE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

| <u>Purpose</u>     | <u>Original Issue</u> | <u>Balance, July 1, 2021</u> | <u>Issued</u> | <u>Matured</u>   | <u>Balance, June 30, 2022</u> |
|--------------------|-----------------------|------------------------------|---------------|------------------|-------------------------------|
| 2018 Savin Copiers | \$ 108,748            | \$ 42,236                    | \$ -          | \$ 22,681        | \$ 19,555                     |
|                    |                       | <u>\$ 42,236</u>             | <u>\$ -</u>   | <u>\$ 22,681</u> | <u>\$ 19,555</u>              |

**MOONACHIE BOARD OF EDUCATION  
LONG-TERM DEBT  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE**

## STATISTICAL SECTION

This part of the Moonachie Board of Education's annual comprehensive 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 district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2013                       | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                |
| <b>Governmental Activities</b>                   |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net Investment In Capital Assets                 | \$ 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        | \$ 3,968,457        |
| Restricted                                       |                            | 933,000             | 428,978             | 746,175             | 746,175             | 624,730             | 1,246,175           | 1,991,197           | 2,708,287           | 2,703,419           |
| Unrestricted                                     | <u>944,692</u>             | <u>(1,497,190)</u>  | <u>(281,471)</u>    | <u>(848,903)</u>    | <u>(1,140,799)</u>  | <u>(1,227,970)</u>  | <u>(1,244,713)</u>  | <u>(1,036,574)</u>  | <u>(858,997)</u>    | <u>(346,953)</u>    |
| <b>Total Governmental Activities Net Assets</b>  | <u>\$ 5,638,055</u>        | <u>\$ 4,675,170</u> | <u>\$ 4,983,738</u> | <u>\$ 4,459,053</u> | <u>\$ 3,876,774</u> | <u>\$ 3,402,751</u> | <u>\$ 3,789,931</u> | <u>\$ 4,470,304</u> | <u>\$ 5,148,011</u> | <u>\$ 6,324,923</u> |
| <b>Business-Type Activities</b>                  |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net Investment In Capital Assets                 | \$ 4,168                   | \$ 2,584            | \$ 1,000            |                     |                     |                     |                     |                     |                     |                     |
| Unrestricted                                     | <u>23,983</u>              | <u>32,163</u>       | <u>33,259</u>       | <u>46,304</u>       | <u>\$ 59,279</u>    | <u>\$ 63,430</u>    | <u>\$ 71,023</u>    | <u>\$ 69,263</u>    | <u>\$ 23,702</u>    | <u>\$ 64,354</u>    |
| <b>Total Business-Type Activities Net Assets</b> | <u>\$ 28,151</u>           | <u>\$ 34,747</u>    | <u>\$ 34,259</u>    | <u>\$ 46,304</u>    | <u>\$ 59,279</u>    | <u>\$ 63,430</u>    | <u>\$ 71,023</u>    | <u>\$ 69,263</u>    | <u>\$ 23,702</u>    | <u>\$ 64,354</u>    |
| <b>District-Wide</b>                             |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net Investment In Capital Assets                 | \$ 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        | \$ 3,968,457        |
| Restricted                                       | -                          | 933,000             | 428,978             | 746,175             | 746,175             | 624,730             | 1,246,175           | 1,991,197           | 2,708,287           | 2,703,419           |
| Unrestricted                                     | <u>968,675</u>             | <u>(1,465,027)</u>  | <u>(248,212)</u>    | <u>(802,599)</u>    | <u>(1,081,520)</u>  | <u>(1,164,540)</u>  | <u>(1,173,690)</u>  | <u>(967,311)</u>    | <u>(835,295)</u>    | <u>(282,599)</u>    |
| <b>Total District Net Assets</b>                 | <u>\$ 5,666,206</u>        | <u>\$ 4,709,917</u> | <u>\$ 5,017,997</u> | <u>\$ 4,505,357</u> | <u>\$ 3,936,053</u> | <u>\$ 3,466,181</u> | <u>\$ 3,860,954</u> | <u>\$ 4,539,567</u> | <u>\$ 5,171,713</u> | <u>\$ 6,389,277</u> |

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, |                     |                     |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2013                       | 2014                | 2015                | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
| <b>Expenses</b>                                       |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities</b>                        |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Instruction   |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Regular   | \$ 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         | \$ 4,816,095         |
| Special Education                                     | 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            | 1,968,206            |
| Other Instruction                                     | 159,149                    | 218,034             | 263,058             | 367,119              | 361,056              | 307,671              | 257,328              | 224,087              | 324,607              | 408,671              |
| School Sponsored Activities And Athletics             | 40,005                     | 50,056              | 35,439              | 31,983               | 75,931               | 42,194               | 43,423               | 29,835               | 37,569               | 62,291               |
| Support Services:                                     |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Student & Instruction Related Services                | 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            | 1,642,124            |
| General Administration                                | 267,294                    | 232,767             | 273,770             | 301,344              | 273,352              | 231,790              | 257,792              | 258,682              | 260,969              | 260,452              |
| School Administrative Services                        | 132,510                    | 130,493             | 180,874             | 191,144              | 262,762              | 213,993              | 200,191              | 217,119              | 178,907              | 171,912              |
| Plant Operations And Maintenance                      | 2,779,061                  | 1,865,058           | 897,860             | 934,258              | 855,468              | 822,345              | 780,862              | 801,044              | 855,441              | 810,658              |
| Pupil Transportation                                  | 326,803                    | 317,611             | 318,019             | 489,688              | 536,028              | 670,474              | 678,955              | 687,113              | 727,893              | 814,828              |
| Central Services                                      | 201,209                    | 215,369             | 226,485             | 198,000              | 231,769              | 165,241              | 216,274              | 220,176              | 237,504              | 247,327              |
| Other Support Services                                |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Interest On Long-Term Debt                            | 24,982                     | 30,100              | 2,263               | 5,764                | 3,598                | 3,056                | 3,578                | 2,810                | 2,013                | 1,187                |
| <b>Total Governmental Activities Expenses</b>         | <b>10,757,818</b>          | <b>9,484,326</b>    | <b>9,120,145</b>    | <b>9,964,838</b>     | <b>10,491,262</b>    | <b>11,094,223</b>    | <b>10,494,253</b>    | <b>10,400,849</b>    | <b>11,500,496</b>    | <b>11,203,751</b>    |
| Business-Type Activities:                             |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Food Service  | 99,167                     | 105,528             | 139,635             | 155,041              | 157,957              | 221,184              | 210,776              | 213,811              | 282,568              | 317,865              |
| <b>Total Business-Type Activities Expense</b>         | <b>99,167</b>              | <b>105,528</b>      | <b>139,635</b>      | <b>155,041</b>       | <b>157,957</b>       | <b>221,184</b>       | <b>210,776</b>       | <b>213,811</b>       | <b>282,568</b>       | <b>317,865</b>       |
| <b>Total District Expenses</b>                        | <b>\$ 10,856,985</b>       | <b>\$ 9,589,854</b> | <b>\$ 9,259,780</b> | <b>\$ 10,119,879</b> | <b>\$ 10,649,219</b> | <b>\$ 11,315,407</b> | <b>\$ 10,705,029</b> | <b>\$ 10,614,660</b> | <b>\$ 11,783,064</b> | <b>\$ 11,521,616</b> |
| <b>Program Revenues</b>                               |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities:</b>                       |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Charges For Services:                                 |                            |                     |                     |                      |                      |                      |                      |                      |                      |                      |
| Special Education                                     | \$ 199,041                 | \$ 142,273          | \$ 246,086          | \$ 110,042           | \$ 76,646            | \$ 66,111            | \$ 51,694            | \$ 73,278            | \$ 52,274            | \$ 154,181           |
| School Sponsored Activities & Athletics               |                            |                     |                     |                      |                      |                      |                      |                      |                      | 5,008                |
| Operating Grants And Contributions                    | 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            | 2,834,942            |
| Capital Grants And Contributions                      | -                          | 553,568             | -                   | -                    | -                    | -                    | -                    | -                    | 20,000               | -                    |
| <b>Total Governmental Activities Program Revenues</b> | <b>3,999,629</b>           | <b>2,743,032</b>    | <b>2,269,236</b>    | <b>2,113,697</b>     | <b>2,452,570</b>     | <b>2,643,118</b>     | <b>2,378,897</b>     | <b>2,223,259</b>     | <b>3,160,997</b>     | <b>2,994,131</b>     |

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

|   | Fiscal Year Ended June 30, |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2013                       | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  |
| <b>Business-Type Activities:</b>                          |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges For Services                                      |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Food Service  | \$ 12,135                  | \$ 18,947             | \$ 33,844             | \$ 40,446             | \$ 36,639             | \$ 35,018             | \$ 40,544             | \$ 32,497             | \$ 17,819             | \$ 43,544             |
| Operating Grants And Contributions                        | 63,012                     | 60,322                | 78,448                | 98,617                | 104,361               | 102,024               | 115,509               | 117,541               | 194,188               | 297,993               |
| <b>Total Business Type Activities Program Revenues</b>    | <b>75,147</b>              | <b>79,269</b>         | <b>112,292</b>        | <b>139,063</b>        | <b>141,000</b>        | <b>137,042</b>        | <b>156,053</b>        | <b>150,038</b>        | <b>212,007</b>        | <b>341,537</b>        |
| <b>Total District Program Revenues</b>                    | <b>\$ 4,074,776</b>        | <b>\$ 2,822,301</b>   | <b>\$ 2,381,528</b>   | <b>\$ 2,252,760</b>   | <b>\$ 2,593,570</b>   | <b>\$ 2,780,160</b>   | <b>\$ 2,534,950</b>   | <b>\$ 2,373,297</b>   | <b>\$ 3,373,004</b>   | <b>\$ 3,335,668</b>   |
| <b>Net (Expense)/Revenue</b>                              |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   | \$ (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)        | \$ (8,209,620)        |
| Business-Type Activities                                  | (24,020)                   | (26,259)              | (27,343)              | (15,978)              | (16,957)              | (84,142)              | (54,723)              | (63,773)              | (70,561)              | 23,672                |
| <b>Total District-Wide Net Expense</b>                    | <b>\$ (6,782,209)</b>      | <b>\$ (6,767,553)</b> | <b>\$ (6,878,252)</b> | <b>\$ (7,867,119)</b> | <b>\$ (8,055,649)</b> | <b>\$ (8,535,247)</b> | <b>\$ (8,170,079)</b> | <b>\$ (8,241,363)</b> | <b>\$ (8,410,060)</b> | <b>\$ (8,185,948)</b> |
| <b>General Revenues And Other Changes In Net Position</b> |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:                                  |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Property Taxes Levied For General Purposes, Net           | \$ 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          | \$ 9,168,049          |
| Unrestricted Grants And Contributions                     | 17,264                     | 16,799                | 23,060                | 24,220                | 27,084                | 28,914                | 16,947                | 16,703                | 16,551                | 16,551                |
| Gain on Impairment of Assets                              | 1,866,964                  | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Miscellaneous Income                                      | 204,683                    | 110,946               | 103,612               | 129,476               | 114,512               | 178,710               | 221,955               | 236,606               | 206,709               | 218,912               |
| Transfers   | (28,914)                   | (32,730)              | (26,738)              | (27,974)              | (29,932)              | (88,293)              | (62,316)              | (62,013)              | (25,000)              | (16,980)              |
| <b>Total Governmental Activities</b>                      | <b>9,213,173</b>           | <b>7,339,699</b>      | <b>7,159,477</b>      | <b>7,326,456</b>      | <b>7,456,413</b>      | <b>7,977,082</b>      | <b>8,502,536</b>      | <b>8,837,321</b>      | <b>9,017,206</b>      | <b>9,386,532</b>      |
| Business-Type Activities:                                 |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Investment Earnings                                       | 97                         | 125                   | 117                   | 49                    |                       |                       |                       |                       |                       |                       |
| Transfers   | 28,914                     | 32,730                | 26,738                | 27,974                | 29,932                | 88,293                | 62,316                | 62,013                | 25,000                | 16,980                |
| <b>Total Business-Type Activities</b>                     | <b>29,011</b>              | <b>32,855</b>         | <b>26,855</b>         | <b>28,023</b>         | <b>29,932</b>         | <b>88,293</b>         | <b>62,316</b>         | <b>62,013</b>         | <b>25,000</b>         | <b>16,980</b>         |
| <b>Total District-Wide</b>                                | <b>\$ 9,242,184</b>        | <b>\$ 7,372,554</b>   | <b>\$ 7,186,332</b>   | <b>\$ 7,354,479</b>   | <b>\$ 7,486,345</b>   | <b>\$ 8,065,375</b>   | <b>\$ 8,564,852</b>   | <b>\$ 8,899,334</b>   | <b>\$ 9,042,206</b>   | <b>\$ 9,403,512</b>   |
| <b>Change In Net Position</b>                             |                            |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities                                   | \$ 2,454,984               | \$ 598,405            | \$ 308,568            | \$ (524,685)          | \$ (582,279)          | \$ (474,023)          | \$ 387,180            | \$ 659,731            | \$ 677,707            | \$ 1,176,912          |
| Business-Type Activities                                  | 4,991                      | 6,596                 | (488)                 | 12,045                | 12,975                | 4,151                 | 7,593                 | (1,760)               | (45,561)              | 40,652                |
| <b>Total District</b>                                     | <b>\$ 2,459,975</b>        | <b>\$ 605,001</b>     | <b>\$ 308,080</b>     | <b>\$ (512,640)</b>   | <b>\$ (569,304)</b>   | <b>\$ (469,872)</b>   | <b>\$ 394,773</b>     | <b>\$ 657,971</b>     | <b>\$ 632,146</b>     | <b>\$ 1,217,564</b>   |



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

|   | Fiscal Year Ended June 30, |                            |                            |                            |                            |                            |                            |                            |                            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 2013                       | 2014                       | 2015                       | 2016                       | 2017                       | 2018                       | 2019                       | 2020                       | 2021                       | 2022                       |
| General Fund                              |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Restricted                                | \$ 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               | \$ 3,518,244               |
| Committed                                 |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Assigned                                  | 835,754                    | 164,484                    | 95,149                     | 46,722                     | 45,099                     | 57,256                     | 60,481                     | 83,301                     | 197,791                    | 40,661                     |
| Unassigned                                | <u>100,272</u>             | <u>226,031</u>             | <u>223,464</u>             | <u>231,654</u>             | <u>224,492</u>             | <u>214,619</u>             | <u>123,080</u>             | <u>208,985</u>             | <u>255,083</u>             | <u>291,393</u>             |
| <b>Total General Fund</b>                 | <u><u>\$ 1,680,243</u></u> | <u><u>\$ 1,593,515</u></u> | <u><u>\$ 1,793,863</u></u> | <u><u>\$ 1,546,698</u></u> | <u><u>\$ 1,351,891</u></u> | <u><u>\$ 1,207,316</u></u> | <u><u>\$ 1,770,051</u></u> | <u><u>\$ 2,685,014</u></u> | <u><u>\$ 3,541,869</u></u> | <u><u>\$ 3,850,298</u></u> |
| All Other Governmental Funds              |                            |                            |                            |                            |                            |                            |                            |                            |                            |                            |
| Unassigned                                | \$ (663,306)               | \$ (507,336)               |                            |                            |                            |                            | \$ (29,881)                | \$ (9,764)                 | \$ (47,079)                | \$ (55,318)                |
| Restricted                                |                            |                            |                            |                            |                            |                            |                            | 18,166                     | 13,298                     |                            |
| <b>Total All Other Governmental Funds</b> | <u><u>\$ (663,306)</u></u> | <u><u>\$ (507,336)</u></u> | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>         | <u><u>\$ (29,881)</u></u>  | <u><u>\$ (9,764)</u></u>   | <u><u>\$ (28,913)</u></u>  | <u><u>\$ (42,020)</u></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, |                   |                   |                     |                     |                     |                   |                   |                   |                   |
|---|----------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2013                       | 2014              | 2015              | 2016                | 2017                | 2018                | 2019              | 2020              | 2021              | 2022              |
| <b>Revenues</b>                             |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| Tax Levy                                    | \$ 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      | \$ 9,168,049      |
| Tuition Charges                             | 199,041                    | 142,273           | 246,086           | 110,042             | 76,646              | 66,111              | 51,694            | 73,278            | 52,274            | 35,741            |
| Miscellaneous                               | 204,683                    | 280,325           | 107,638           | 138,856             | 114,512             | 178,710             | 223,702           | 239,678           | 210,279           | 224,783           |
| State Sources                               | 982,560                    | 860,037           | 946,985           | 1,007,350           | 1,059,620           | 1,160,618           | 1,586,902         | 1,782,176         | 2,207,888         | 2,753,775         |
| Federal Sources                             | 198,633                    | 204,197           | 192,492           | 197,581             | 192,646             | 208,192             | 237,766           | 229,299           | 361,433           | 583,447           |
| <b>Total Revenue</b>                        | <b>8,738,093</b>           | <b>8,731,516</b>  | <b>8,552,744</b>  | <b>8,654,563</b>    | <b>8,788,173</b>    | <b>9,471,382</b>    | <b>10,426,014</b> | <b>10,970,456</b> | <b>11,650,820</b> | <b>12,765,795</b> |
| <b>Expenditures</b>                         |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| <b>Instruction</b>                          |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| Regular Instruction                         | 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         | 5,147,451         |
| Special Education Instruction               | 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         | 2,074,946         |
| Other Instruction                           | 174,769                    | 217,808           | 232,086           | 321,048             | 307,992             | 251,456             | 235,664           | 216,369           | 303,925           | 425,182           |
| School Sponsored Activities And Athletics   | 40,005                     | 50,056            | 30,922            | 26,623              | 38,246              | 31,970              | 38,013            | 28,361            | 34,132            | 68,346            |
| <b>Support Services:</b>                    |                            |                   |                   |                     |                     |                     |                   |                   |                   | -                 |
| Student & Inst. Related Services            | 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         | 1,681,149         |
| General Administration                      | 267,294                    | 232,767           | 251,735           | 263,600             | 258,686             | 214,851             | 262,914           | 263,912           | 258,368           | 271,856           |
| School Administrative Services              | 132,190                    | 130,173           | 148,359           | 145,325             | 184,157             | 148,453             | 176,873           | 189,321           | 144,142           | 165,050           |
| Plant Operations And Maintenance            | 2,668,026                  | 1,697,034         | 318,019           | 489,657             | 558,879             | 514,921             | 521,301           | 542,161           | 583,851           | 569,921           |
| Pupil Transportation                        | 326,803                    | 317,611           | 199,277           | 197,649             | 534,358             | 665,034             | 679,589           | 687,881           | 727,456           | 817,542           |
| Central Services                            | 201,209                    | 199,221           | 512,589           | 667,471             | 232,286             | 147,435             | 223,056           | 227,188           | 234,023           | 264,834           |
| Other Support Services                      |                            |                   |                   |                     |                     |                     |                   |                   |                   | -                 |
| Capital Outlay                              | 3,076,199                  | 456,429           | 22,411            | 57,230              |                     | 88,959              | 49,424            | 2,200             | 57,322            | 943,348           |
| <b>Debt Service:</b>                        |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| Principal                                   | 366,199                    | 323,105           | 15,215            | 20,328              | 26,570              | 23,360              | 20,290            | 21,058            | 21,855            | 22,681            |
| Interest And Other Charges                  | 29,357                     | 29,465            | 3,085             | 10,098              | 3,598               | 3,056               | 3,578             | 2,810             | 2,013             | 1,187             |
| <b>Total Expenditures</b>                   | <b>14,095,423</b>          | <b>10,058,489</b> | <b>8,152,691</b>  | <b>8,925,724</b>    | <b>8,953,048</b>    | <b>9,602,829</b>    | <b>9,830,844</b>  | <b>9,994,005</b>  | <b>10,788,114</b> | <b>12,453,493</b> |
| <b>Excess (Deficiency) Of Revenues</b>      |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| Over (Under) Expenditures                   | (5,357,330)                | (1,326,973)       | 400,053           | (271,161)           | (164,875)           | (131,447)           | 595,170           | 976,451           | 862,706           | 312,302           |
| <b>Other Financing Sources (Uses)</b>       |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| 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                                |                            |                   | 507,336           | -                   |                     |                     | 43,879            | 86,803            | 98,055            | 68,655            |
| Transfers Out                               | (28,914)                   | (32,730)          | (534,074)         | (27,974)            | (29,932)            | (88,293)            | (106,195)         | (148,816)         | (123,055)         | (85,635)          |
| <b>Total Other Financing Sources (Uses)</b> | <b>4,981,416</b>           | <b>1,396,215</b>  | <b>307,631</b>    | <b>23,996</b>       | <b>(29,932)</b>     | <b>(13,128)</b>     | <b>(62,316)</b>   | <b>(62,013)</b>   | <b>(25,000)</b>   | <b>(16,980)</b>   |
| <b>Net Change In Fund Balances</b>          | <b>\$ (375,914)</b>        | <b>\$ 69,242</b>  | <b>\$ 707,684</b> | <b>\$ (247,165)</b> | <b>\$ (194,807)</b> | <b>\$ (144,575)</b> | <b>\$ 532,854</b> | <b>\$ 914,438</b> | <b>\$ 837,706</b> | <b>\$ 295,322</b> |
| <b>Debt Service As A Percentage Of</b>      |                            |                   |                   |                     |                     |                     |                   |                   |                   |                   |
| Noncapital Expenditures                     | 3.59%                      | 3.67%             | 0.23%             | 0.34%               | 0.34%               | 0.28%               | 0.24%             | 0.24%             | 0.22%             | 0.21%             |

\* 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>Miscellaneous</u>                  |                |                               |                                    |             |                  |                                      |              |
|---------------------------------------|----------------|-------------------------------|------------------------------------|-------------|------------------|--------------------------------------|--------------|
| <u>Fiscal Year<br/>Ended June 30,</u> | <u>Tuition</u> | <u>Restricted<br/>Revenue</u> | <u>Interest on<br/>Investments</u> | <u>Rent</u> | <u>Donations</u> | <u>Refunds and<br/>Miscellaneous</u> | <u>Total</u> |
| 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      |
| 2022                                  | 35,741         |                               | 6,287                              | 206,687     |                  | 5,938                                | 254,653      |

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 <sup>a</sup> |
|---------------|--------------|----------------|-----------|-------|---------------|----------------|-----------|----------------------|------------------|-----------------------|---|---|
| 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                                     |
| 2022          | 4,539,800    | 235,217,900    |           |       | 76,993,200    | 648,155,300    |           | 964,906,200          | 1,261,206        | 966,167,406           | 966,167,406                               | 0.985                                     |

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

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

| <u>Calendar<br/>Year</u> | <u>Total</u> | <u>Local<br/>School<br/>District</u> | <u>Municipality</u> | <u>County (1)</u> |
|--------------------------|--------------|--------------------------------------|---------------------|-------------------|
| 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                                | 1.07                | 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             |
| 2022                     | 2.159        | 0.985                                | 0.923               | 0.251             |

(1) County Tax rate includes Open Space Tax.

Source: Tax Duplicate, Borough of Moonachie

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

| Taxpayer                               | 2022                         |  |
|--|------------------------------|--|
|  | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value |
| Forsgate Ventures VIII LLC             | \$ 26,065,400                | 2.70%  |
| TGA-Tri-State Commerce Center LLC      | 22,604,400                   | 2.34%  |
| Liberty Property Trust                 | 18,597,400                   | 1.92%  |
| Forsgate Ind Complex- 125 State Street | 15,939,600                   | 1.65%  |
| L/S Five Crescent Drive LP             | 15,574,400                   | 1.61%  |
| SWS Moonachie Associates               | 15,444,500                   | 1.60%  |
| LPS Industries Inc                     | 15,183,600                   | 1.57%  |
| Liberty Property LTD Partnership       | 14,925,600                   | 1.54%  |
| Jilldarvy Realty                       | 12,776,300                   | 1.32%  |
| Forsgate Ind Complex- 75 Oxford Drive  | 11,722,900                   | 1.21%  |
| Jeni LLC NJ LTD                        | 11,081,200                   | 1.15%  |
|  | <u>\$ 168,834,100</u>        | <u>17.47%</u>                                |

|                             | 2013                         |  |
|-----------------------------|------------------------------|--|
|                             | Taxable<br>Assessed<br>Value | % of Total<br>District Net<br>Assessed Value |
| Forsgate Industries         | \$ 17,414,600                | 2.25%  |
| Cornerstone Partiot Holding | 16,368,100                   | 2.11%  |
| Forsgate Industries         | 15,859,500                   | 2.05%  |
| SWS Moonachie Associates    | 13,859,360                   | 1.79%  |
| Jeni LLC                    | 13,562,100                   | 1.75%  |
| LPS Industries              | 11,973,200                   | 1.55%  |
| Lladro Realty               | 11,634,270                   | 1.50%  |
| Alfred E. Knobler           | 9,324,300                    | 1.20%  |
| Jilldaroy Realty            | 9,201,200                    | 1.19%  |
| 140 State Street LLC        | 6,925,200                    | 0.89%  |
|                             | <u>\$ 126,121,830</u>        | <u>16.29%</u>                                |

Source: Municipal Tax Assessor

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

| Fiscal<br>Year<br>Ended<br>June 30, | Taxes Levied for<br>the Fiscal Year | Collected within the Fiscal Year<br>of the Levy |                       | Collections in<br>Subsequent<br>Years |
|-------------------------------------|-------------------------------------|---|-----------------------|---------------------------------------|
|                                     |                                     | Amount  | Percentage<br>of Levy |                                       |
| 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%               |                                       |
| 2022                                | 9,168,049                           | 9,168,049                                       | 100.00%               |                                       |

Source: District records

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

| Fiscal<br>Year<br>Ended<br>June 30, | <u>Governmental Activities</u>          |                           | <u>Total District</u> | <u>Population</u> | <u>Per Capita</u> |
|-------------------------------------|---|---------------------------|-----------------------|-------------------|-------------------|
|                                     | <u>General<br/>Obligation<br/>Bonds</u> | <u>Capital<br/>Leases</u> |                       |                   |                   |
| 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                |
| 2022                                |   | 19,555                    | 19,555                | 3,108             | 6                 |

Source: District records



**MOONACHIE BOARD OF EDUCATION**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

| Fiscal<br>Year<br>Ended<br>June 30, | General Bonded Debt Outstanding |            | Net General<br>Bonded Debt<br>Outstanding | Percentage of<br>Actual Taxable<br>Value <sup>a</sup> of<br>Property | Per Capita <sup>b</sup> |
|-------------------------------------|---------------------------------|------------|---|--|-------------------------|
|                                     | General<br>Obligation<br>Bonds  | Deductions |   |  |                         |
| 2013                                | \$ 310,000                      |            | \$ 310,000                                | 0.04%  | \$ 115                  |
| 2014                                | -                               |            | -   | 0.00%  | -                       |
| 2015                                | -                               |            | -   | 0.00%  | -                       |
| 2016                                | -                               |            | -   | 0.00%  | -                       |
| 2017                                | -                               |            | -   | 0.00%  | -                       |
| 2018                                | -                               |            | -   | 0.00%  | -                       |
| 2019                                | -                               |            | -   | 0.00%  | -                       |
| 2020                                | -                               |            | -   | 0.00%  | -                       |
| 2021                                | -                               |            | -   | 0.00%  | -                       |
| 2022                                | -                               |            | -   | 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, 2021  
(Unaudited)**

|   | <u>Gross Debt</u>    | <u>Deductions</u>   | <u>Net Debt</u>      |
|---|----------------------|---------------------|----------------------|
| Municipal Debt: (1)                                     |                      |                     |                      |
| Borough of Moonachie                                    | \$ 13,020,501        | \$ 2,225,923        | \$ 10,794,578        |
|   | <u>\$ 13,020,501</u> | <u>\$ 2,225,923</u> | <u>10,794,578</u>    |
| Overlapping Debt Apportioned to the Municipality:       |                      |                     |                      |
| Bergen County   |                      |                     | 7,603,177            |
| Bergen County Utilities Authority - Water Pollution (2) |                      |                     | <u>1,976,253</u>     |
|   |                      |                     | <u>9,579,430</u>     |
| Total Direct and Overlapping Debt                       |                      |                     | <u>\$ 20,374,008</u> |

## Sources:

- (1) Borough of Moonachie Annual Debt Statement
- (2) BCUA 2021 Audit
- (3) Bergen County Debt Statement December 31, 2021

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

Legal Debt Margin Calculation for Fiscal Year 2022

|  |                           |
|--|---------------------------|
|  | Equalized valuation basis |
|  | 2021 \$ 1,035,411,253     |
|  | 2020 1,009,855,189        |
|  | 2019 <u>939,408,612</u>   |
|  | <u>\$ 2,984,675,054</u>   |
| Average Equalized Valuation                    | \$ 994,891,685            |
| Debt limit (3 % of average equalization value) | 29,846,751                |
| Total Net Debt Applicable to Limit             | <u>-</u>                  |
| Legal Debt Margin                              | <u>\$ 29,846,751</u>      |

|   | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt limit  | \$ 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        | \$ 29,846,751        |
| Total net debt applicable to limit                                      | <u>310,000</u>       | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             | <u>-</u>             |
| Legal debt margin   | <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> | <u>\$ 29,846,751</u> |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 1.38%                | 0.00%                | 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<br/>Capita Personal<br/>Income</u> | <u>Unemployment<br/>Rate</u> |
|-------------|-------------------|--|------------------------------|
| 2013        | 2,709             | \$ 71,773  | 9.20%                        |
| 2014        | 2,703             | 71,286   | 7.90%                        |
| 2015        | 2,707             | 73,883   | 6.90%                        |
| 2016        | 2,721             | 77,323   | 6.30%                        |
| 2017        | 2,717             | 78,836   | 5.70%                        |
| 2018        | 2,722             | 81,024   | 5.00%                        |
| 2019        | 2,714             | 85,191   | 4.90%                        |
| 2020        | 2,702             | 88,241   | 15.20%                       |
| 2021        | 2,689             | 91,972   | 10.00%                       |
| 2022        | 3,108             | 91,972 *   | N/A                          |

Source: New Jersey State Department of Education

\* Estimate

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

| Employer | 2022      |  | 2013      |  |
|----------|-----------|--|-----------|--|
|          | 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>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>2022</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction                            |             |             |             |             |             |             |             |             |             |             |
| Regular                                | 23.0        | 24.1        | 24.8        | 24.8        | 20.0        | 22.0        | 22.0        | 25.0        | 26.0        | 27.0        |
| Special education                      | 5.6         | 5.0         | 5.5         | 5.5         | 8.5         | 5.2         | 5.8         | 6.0         | 6.0         | 6.0         |
| Other special education                | -           | -           |             |             | 0.5         | 0.8         | 0.8         | 3.5         | 5.5         | 5.5         |
| Other instruction                      | 1.0         | -           |             |             | 8.5         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         |
| Support Services:                      |             |             |             |             |             |             |             |             |             |             |
| Student & instruction related services | 11.0        | 9.0         | 10.0        | 10.0        | 2.0         | 5.0         | 5.0         | 5.0         | 7.0         | 7.0         |
| General administration                 | 1.5         | 1.5         | 1.5         | 1.5         | 3.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         |
| School administrative services         | 0.5         | 0.5         | 0.5         | 0.5         | 1.0         | 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         | 2.8         | 3.0         | 3.0         | 3.0         | 3.0         | 3.0         |
| Other support services                 | 3.0         | 3.0         | 3.5         | 3.5         | 1.0         | 1.0         | 3.0         | 2.5         | 2.0         | 2.0         |
| Food Service                           | 0.5         | 0.5         | 0.5         | 0.5         | 0.8         | 0.8         | 0.8         | 1.0         | 1.0         | 1.0         |
| Total                                  | <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> | <u>58.5</u> |

Source: District Personnel Records

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

| <u>Fiscal Year</u> | <u>Enrollment <sup>a</sup></u> | <u>Operating Expenditures <sup>b</sup></u> | <u>Cost Per Pupil <sup>c</sup></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> |
|--------------------|--------------------------------|--|------------------------------------|--------------------------|-----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|--------------------------------------|
| 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                    | 0.048611111                           | 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%                               |
| 2022               | 452                            | 11,486,277                                 | 25,412                             | 9.88%                    | 36                    | 1:10                                  | 347                                   | 325                                   | 4.20%                                       | 93.66%                               |

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>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>2022</u> |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b><u>District Building</u></b> |             |             |             |             |             |             |             |             |             |             |
| <b><u>Elementary</u></b>        |             |             |             |             |             |             |             |             |             |             |
| 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                      | 276         | 288         | 295         | 304         | 318         | 420         | 312         | 352         | 348         | 347         |

Number of Schools at June 30, 2022

Elementary = 1

Source: District Records



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

|                                   | <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>2022</u>       |
|-----------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| School Facilities                 |                  |                   |                  |                   |                  |                   |                   |                   |                   |                   |
| Robert L. Craig Elementary School | \$ 78,026        | \$ 108,975        | \$ 80,715        | \$ 203,995        | \$ 98,223        | \$ 121,446        | \$ 178,679        | \$ 200,113        | \$ 210,614        | \$ 215,879        |
| Grand Total                       | <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> | <u>\$ 215,879</u> |

Source: School District's Financial Statements

**MOONACHIE BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2022**  
**(Unaudited)**

|   | <u>Coverage</u> | <u>Deductible</u> |
|---|-----------------|-------------------|
| School Alliance Insurance Fund                                      |                 |                   |
| <b>School Package Policy</b>  |                 |                   |
| 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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, 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, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA

**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, 2022 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 6, 2023.

**Report on 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.

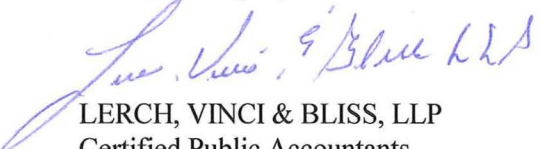
### Report on Compliance and Other Matters

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 6, 2023.

### 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 & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
February 6, 2023





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND 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 Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Moonachie Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and 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 federal and state programs for the fiscal year ended June 30, 2022. The Moonachie Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Moonachie Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

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

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



## Report on 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 federal or 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 federal or 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 federal or 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and 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, 2022, 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 6, 2023, 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 federal awards as required by the U.S. Uniform Guidance and 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 federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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

Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
February 6, 2023



**MOONACHIE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Federal/Grantor/Pass-Through Grantor/<br>Program Title                                    | Federal<br>A.L.<br>Number | FAIN<br>Number | Grant<br>Period | Award<br>Amount | Balance<br>July 1, 2021 | Def Rev<br>Carryover | A/R<br>Carryover | Cash<br>Received | Budgetary<br>Expenditures | Adjustment | Balance, June 30, 2022 |                         | MEMO<br>GAAP<br>Receivable |
|---|---------------------------|----------------|-----------------|-----------------|-------------------------|----------------------|------------------|------------------|---------------------------|------------|------------------------|-------------------------|----------------------------|
|   |                           |                |                 |                 |                         |                      |                  |                  |                           |            | Unearned<br>Revenue    | (Account<br>Receivable) |                            |
| <b>U.S. Department of Agriculture</b>   |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| <b>Passed-through State Department of Education</b>                                       |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| <b>Food Service Fund</b>  |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| National School Lunch Program   | 10.555                    | 211NJ304N1099  | 9/1/20-6/30/21  | \$ 111,733      | \$ (10,310)             |                      |                  | \$ 10,310        |                           |            |                        |                         |                            |
| National School Lunch Program   | 10.555                    | 221NJ304N1099  | 9/1/21/6/30/22  | 169,329         |                         |                      |                  | 160,104          | \$ 169,329                |            | \$ (9,225)             | \$ (9,225)              |                            |
| National School Breakfast Program   | 10.553                    | 2116NJ304N1099 | 9/1/20-6/30/21  | 69,805          | (6,473)                 |                      |                  | 6,473            |                           |            |                        |                         |                            |
| National School Breakfast Program   | 10.553                    | 2216NJ304N1099 | 9/1/21/6/30/22  | 100,305         | -                       | -                    | -                | 94,303           | 100,305                   |            | (6,002)                | (6,002)                 |                            |
| Seamless Summer Option  | 10.559                    | 211NJ304N1099  | 9/1/20-6/30/21  | 6,916           | (6,916)                 |                      |                  | 6,916            |                           |            |                        |                         |                            |
| Seamless Summer Option  | 10.559                    | 221NJ304N1099  | 9/1/21/6/30/22  | 17,361          | -                       | -                    | -                | 17,361           | 17,361                    |            |                        |                         |                            |
| Emergency Operational Cost Program  | 10.555                    | 20212H170341   | 9/1/20-6/30/21  | 5,771           |                         |                      |                  | 5,771            | 5,771                     |            |                        |                         |                            |
| Pandemic EBT Admin Costs  | 10.649                    | 202125900941   | 10/1/21-9/30/22 | 1,242           |                         |                      |                  | 1,242            | 1,242                     |            |                        |                         |                            |
| <i>Total U.S. Department of Agriculture - Child Nutrition Cluster / Food Service Fund</i> |                           |                |                 |                 | (23,699)                | -                    | -                | 302,480          | 294,008                   | -          | -                      | (15,227)                | (15,227)                   |
| <b>General Fund</b>   |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| Disaster Grants - Public Assistance (FEMA)  | 97.036                    | N/A            | 3/1/20-12/31/21 | 29,111          | -                       | -                    | -                | 29,111           | 29,111                    | -          | -                      | -                       | -                          |
| <i>Total - Disaster Grants - Public Assistance / General Fund</i>                         |                           |                |                 |                 | -                       | -                    | -                | 29,111           | 29,111                    | -          | -                      | -                       | -                          |
| <b>U.S. Department of Education</b>   |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| <b>Passed-through State Department of Education</b>                                       |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| <b>Special Revenue Fund</b>   |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| ESEA Consolidated:  |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| Title I   | 84.010A                   | S010A200030    | 7/1/21-9/30/22  | 80,442          |                         |                      |                  | 55,576           | 80,442                    |            |                        | (24,866)                | (24,866)                   |
| Title I   | 84.010A                   | S010A200030    | 7/1/20-9/30/21  | 87,740          | (35,119)                |                      |                  | 35,119           |                           |            |                        |                         |                            |
| Title II  | 84.367                    | S367B200027    | 7/1/21-9/30/22  | 10,202          | -                       | \$ 795               | \$ (795)         | 10,667           | 10,667                    | \$ 330     | (330)                  |                         |                            |
| Title II  | 84.367                    | S367B200027    | 7/1/20-9/30/21  | 13,619          | (902)                   | (795)                | 795              | 902              |                           |            |                        |                         |                            |
| Title I SIA   | 84.367A                   | S367A200029    | 7/1/21-9/30/22  | 10,000          | -                       | 1,408                | (1,408)          | 9,480            | 11,408                    |            | (1,928)                | (1,928)                 |                            |
| Title I SIA   | 84.367A                   | S367A200029    | 7/1/20-9/30/21  | 11,300          | (47)                    | (1,408)              | 1,408            | 647              |                           | \$ (600)   |                        |                         |                            |
| Title III Immigrant   | 84.365A                   | S365A210030    | 7/1/21-9/30/22  | 1,400           |                         |                      |                  | 1,400            | 1,400                     |            |                        |                         |                            |
| Title IV  | 84.424                    | S424A200031    | 7/1/21-9/30/22  | 10,000          | -                       | 1,639                | (1,639)          | 8,038            | 9,286                     |            | 2,353                  | (3,601)                 | (1,248)                    |
| Title IV  | 84.424                    | S424A200031    | 7/1/20-9/30/21  | 10,000          | (2,079)                 | (1,639)              | 1,639            | 2,051            |                           | 28         |                        |                         |                            |
| IDEA Consolidated:  |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| IDEA Part B, Basic  | 84.027A                   | H027A200100    | 7/1/20-9/30/21  | 93,874          | (14,945)                |                      |                  | 14,945           |                           |            |                        |                         |                            |
| IDEA Part B, Basic  | 84.027A                   | H027A190100    | 7/1/21-9/30/22  | 100,119         |                         |                      |                  | 68,521           | 100,119                   |            |                        | (31,598)                | (31,598)                   |
| IDEA Part B, Preschool  | 84.173                    | H173A200114    | 7/1/21-9/30/22  | 5,552           | -                       | -                    | -                |                  | 5,552                     |            |                        | (5,552)                 | (5,552)                    |
| ARP IDEA Consolidated:  |                           |                |                 |                 |                         |                      |                  |                  |                           |            |                        |                         |                            |
| ARP IDEA Part B, Basic  | 84.027X                   | H027X210100    | 7/1/21-9/30/22  | 18,321          |                         |                      |                  | 18,321           | 18,321                    |            |                        |                         |                            |
| ARP IDEA Part B, Preschool  | 84.173X                   | H173X210114    | 7/1/21-9/30/22  | 1,555           | -                       | -                    | -                | 1,555            | 1,555                     |            |                        |                         |                            |
| <i>IDEA Cluster</i>   |                           |                |                 |                 | (14,945)                | -                    | -                | 103,342          | 125,547                   | -          | -                      | (37,150)                | (37,150)                   |

**MOONACHIE BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Federal/Grantor/Pass-Through Grantor/<br>Program Title             | Federal<br>A.L.<br>Number | FAIN<br>Number | Grant<br>Period | Award<br>Amount | Balance<br>July 1, 2021 | Def Rev<br>Carrvoer | A/R<br>Carrvoer | Cash<br>Received | Budgetary<br>Expenditures | Adjustment | Balance, June 30, 2022 |                         | MEMO<br>GAAP<br>Receivable |      |          |
|--|---------------------------|----------------|-----------------|-----------------|-------------------------|---------------------|-----------------|------------------|---------------------------|------------|------------------------|-------------------------|----------------------------|------|----------|
|  |                           |                |                 |                 |                         |                     |                 |                  |                           |            | Unearned<br>Revenue    | (Account<br>Receivable) |                            |      |          |
| Elementary and Secondary School Emergency Relief Fund (ESSER):     |                           |                |                 |                 |                         |                     |                 |                  |                           |            |                        |                         |                            |      |          |
| ESSER I - C.A.R.E.S. Emergency Relief Grant                        | 84.425                    | S425D200027    | 3/13/20-9/30/22 | 70,316          | \$ (2,999)              | \$ 7,647            | \$ (7,647)      | \$ 10,646        | \$ 7,647                  |            |                        | -                       | -                          | *    | -        |
| ESSER II - Coronavirus Response and Relief Supplem. Appropriations | 84.425D                   | S425D200027    | 3/13/20-9/30/23 | 287,575         |                         |                     |                 | 245,507          | 245,793                   |            |                        | \$ 41,782               | \$ (42,068)                | * \$ | (286)    |
| ESSER II - Learning Acceleration                                   | 84.425D                   | S425D200027    | 3/13/20-9/30/23 | 25,000          |                         |                     |                 | 25,000           | 25,000                    |            |                        | -                       | -                          | *    |          |
| ESSER II - Mental Health   | 84.425D                   | S425D200027    | 3/13/20-9/30/23 | 45,000          | -                       | -                   | -               | 24,875           | 30,625                    | -          |                        | 14,375                  | (20,125)                   | *    | (5,750)  |
| American Rescue Plan Consolidated (ARP ESSER):                     |                           |                |                 |                 |                         |                     |                 |                  |                           |            |                        |                         |                            |      |          |
| ARP ESSER  | 84.425U                   | S425U210027    | 3/13/20-9/30/24 | 646,307         |                         |                     |                 |                  |                           |            |                        | 646,307                 | (646,307)                  | *    |          |
| Accelerated Learning Coach and Educator Support                    | 84.425U                   | S425U210027    | 3/13/20-9/30/24 | 50,000          |                         |                     |                 |                  |                           |            |                        | 50,000                  | (50,000)                   | *    |          |
| Evidence Based Summer Learning and Enrichment                      | 84.425U                   | S425U210027    | 3/13/20-9/30/24 | 40,000          |                         |                     |                 |                  |                           |            |                        | 40,000                  | (40,000)                   | *    |          |
| Evidence Based Comprehensive Beyond the School Day                 | 84.425U                   | S425U210027    | 3/13/20-9/30/24 | 40,000          |                         |                     |                 |                  |                           |            |                        | 40,000                  | (40,000)                   | *    |          |
| NJTSS Mental Health Support Staffing                               | 84.425U                   | S425U210027    | 3/13/20-9/30/24 | 45,000          | -                       | -                   | -               | -                | -                         | -          |                        | 45,000                  | (45,000)                   | *    | -        |
| <i>ESSER Cluster</i>   |                           |                |                 |                 |                         |                     |                 |                  |                           |            |                        |                         |                            |      |          |
|  |                           |                |                 |                 | (2,999)                 | 7,647               | (7,647)         | 306,028          | 309,065                   | -          |                        | 877,464                 | (883,500)                  | *    | (6,036)  |
| <i>Total U.S. Department of Education</i>                          |                           |                |                 |                 |                         |                     |                 |                  |                           |            |                        |                         |                            |      |          |
|  |                           |                |                 |                 | (17,944)                | 7,647               | (7,647)         | 409,370          | 434,612                   | \$ -       |                        | 877,464                 | (920,650)                  | *    | (43,186) |
| <i>Total U.S. Department of Education / Special Revenue Fund</i>   |                           |                |                 |                 |                         |                     |                 |                  |                           |            |                        |                         |                            |      |          |
|  |                           |                |                 |                 | (56,091)                | 7,647               | (7,647)         | 533,250          | 547,815                   | (572)      |                        | 880,147                 | (951,375)                  | *    | (71,228) |
| <i>Total Federal Financial Assistance</i>                          |                           |                |                 |                 |                         |                     |                 |                  |                           |            |                        |                         |                            |      |          |
|  |                           |                |                 |                 | \$ (79,790)             | \$ 7,647            | \$ (7,647)      | \$ 864,841       | \$ 870,934                | \$ (572)   |                        | \$ 880,147              | \$ (966,602)               | * \$ | (86,455) |

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, 2022**

| State Grantor/Program Title   | Grant or State Project Number | Grant Period   | Award Amount | Balance, July 1, 2021 | Cash Received | Budgetary Expenditures | Transfers / Adjustments | Balance, June 30, 2022 |                       | MEMO            |                               |         |
|---|-------------------------------|----------------|--------------|-----------------------|---------------|------------------------|-------------------------|------------------------|-----------------------|-----------------|-------------------------------|---------|
|   |                               |                |              |                       |               |                        |                         | Unearned Revenue       | (Accounts Receivable) | GAAP Receivable | Cumulative Total Expenditures |         |
| <b>State Department of Education</b>  |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| <u>General Fund</u>   |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| Special Education Aid   | 21-495-034-5120-089           | 7/1/20-6/30/21 | \$ 264,593   | \$ (23,063)           | \$ 23,063     |                        |                         |                        |                       |                 |                               |         |
| Special Education Aid   | 22-495-034-5120-089           | 7/1/21-6/30/22 | 345,346      |                       | 314,429       | \$ 345,346             |                         | \$ (30,917)            |                       | \$              | 345,346                       |         |
| Security Aid  | 21-495-034-5120-084           | 7/1/20-6/30/21 | 112,578      | (9,812)               | 9,812         |                        |                         |                        |                       |                 |                               |         |
| Security Aid  | 22-495-034-5120-084           | 7/1/21-6/30/22 | 112,578      |                       | 102,499       | 112,578                |                         | (10,079)               |                       |                 | 112,578                       |         |
| Adjustment Aid  | 21-495-034-5120-085           | 7/1/20-6/30/21 | 16,590       | (1,446)               | 1,446         |                        |                         |                        |                       |                 |                               |         |
| Adjustment Aid  | 22-495-034-5120-085           | 7/1/21-6/30/22 | 16,590       | -                     | 15,105        | 16,590                 | -                       | (1,485)                |                       |                 | 16,590                        |         |
| <b>State Aid Public Cluster</b>   |                               |                |              | (34,321)              | 466,354       | 474,514                | -                       | (42,481)               |                       |                 | 474,514                       |         |
| Transportation Aid  | 21-495-034-5120-014           | 7/1/20-6/30/21 | 107,072      | (9,333)               | 9,333         |                        |                         |                        |                       |                 |                               |         |
| Transportation Aid  | 22-495-034-5120-014           | 7/1/21-6/30/22 | 107,072      |                       | 97,486        | 107,072                |                         | (9,586)                |                       |                 | 107,072                       |         |
| Additional Nonpublic Transportation Aid   | 22-495-034-5120-014           | 7/1/21-6/30/22 | 6,670        |                       | 6,670         | 6,670                  |                         | (6,670)                | \$                    | (6,670)         | 6,670                         |         |
| Additional Nonpublic Transportation Aid   | 21-495-034-5120-014           | 7/1/20-6/30/21 | 7,250        | (7,250)               | 7,250         | -                      | -                       | -                      |                       |                 | -                             |         |
| <b>Transportation Aid Cluster</b>   |                               |                |              | (16,583)              | 114,069       | 113,742                | -                       | (16,256)               |                       | (6,670)         | 113,742                       |         |
| Extraordinary Aid   | 21-495-034-5120-044           | 7/1/20-6/30/21 | 88,501       | (88,501)              | 88,501        |                        |                         |                        |                       |                 |                               |         |
| Extraordinary Aid   | 22-495-034-5120-044           | 7/1/21-6/30/22 | 125,529      |                       | 125,529       | 125,529                |                         | (125,529)              |                       |                 | 125,529                       |         |
| Maintenance of Equity Aid   | 22-495-034-5120-128           | 7/1/21-6/30/22 | 148,923      |                       |               | 148,923                |                         | (148,923)              |                       |                 | 148,923                       |         |
| <u>On-Behalf Payments</u>   |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| TPAF Pension Contributions  | 22-495-034-5094-002           | 7/1/21-6/30/22 | 1,005,119    |                       | 1,005,119     | 1,005,119              |                         |                        |                       |                 | 1,005,119                     |         |
| TPAF Pension - NCGI Premium   | 22-100-034-5094-004           | 7/1/21-6/30/22 | 14,181       |                       | 14,181        | 14,181                 |                         |                        |                       |                 | 14,181                        |         |
| TPAF Pension - Post-Retirement Medical  | 22-100-034-5094-001           | 7/1/21-6/30/22 | 238,150      |                       | 238,150       | 238,150                |                         |                        |                       |                 | 238,150                       |         |
| TPAF Long Term Disability Insurance   | 22-100-034-5094-004           | 7/1/21-6/30/22 | 607          |                       | 607           | 607                    |                         |                        |                       |                 | 607                           |         |
| TPAF Social Security Aid  | 22-495-034-5094-003           | 7/1/21-6/30/22 | 211,164      |                       | 200,840       | 211,164                |                         | (10,324)               |                       | (10,324)        | 211,164                       |         |
| TPAF Social Security Aid  | 21-495-034-5094-003           | 7/1/20-6/30/21 | 192,426      | (10,126)              | 10,126        | -                      | -                       | -                      |                       |                 | -                             |         |
| <b>On-Behalf Payments Cluster</b>   |                               |                |              | (98,627)              | 1,557,524     | 1,743,673              | -                       | (284,776)              |                       | (10,324)        | 1,743,673                     |         |
| School Security Grant   | 20E00312                      | 7/1/20-6/30/22 | 20,000       | (20,000)              | 20,000        | -                      | -                       | -                      |                       |                 | -                             |         |
| <b>School Security Grant Cluster</b>  |                               |                |              | (20,000)              | 20,000        | -                      | -                       | -                      |                       |                 | -                             |         |
| <b>Total General Fund</b>   |                               |                |              | (169,531)             | 2,157,947     | 2,331,929              | -                       | (343,513)              |                       | (16,994)        | 2,331,929                     |         |
| <u>Special Revenue Fund</u>   |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| Preschool Education Aid (PEA)   | 21-495-034-5120-086           | 7/1/20-6/30/21 | 638,175      | (47,079)              | 47,079        |                        |                         |                        |                       |                 |                               |         |
| Preschool Education Aid (PEA)   | 22-495-034-5120-086           | 7/1/21-6/30/22 | 686,550      | -                     | 562,577       | 686,550                | 68,655                  | (55,318)               |                       |                 | 686,550                       |         |
| SDA - Emergent Maintenance and Equity Grant                                     | N/A                           | 7/1/21-6/30/22 | 6,554        | -                     | 6,554         | 6,554                  | -                       | -                      |                       |                 | 6,554                         |         |
| <b>Total Special Revenue Fund</b>   |                               |                |              | (47,079)              | 616,210       | 693,104                | 68,655                  | (55,318)               |                       |                 |                               | 693,104 |
| <b>State Department of Agriculture</b>  |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| <u>Enterprise Fund</u>  |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| National School Lunch Program   | 21-100-034-3350-023           | 9/1/20-6/30/21 | 5,734        | (1,288)               | 1,288         |                        |                         |                        |                       |                 |                               |         |
| National School Lunch Program   | 22-100-034-3350-023           | 9/1/21-6/30/22 | 3,985        | -                     | 3,773         | 3,985                  | -                       | (212)                  |                       | (212)           |                               |         |
| <b>Total Enterprise Fund</b>  |                               |                |              | (1,288)               | 5,061         | 3,985                  | -                       | (212)                  |                       | (212)           |                               |         |
| <b>Total State Financial Assistance Subject to a Single Audit Determination</b> |                               |                |              | \$ (217,898)          | \$ 2,779,218  | 3,029,018              | \$ 68,655               | \$ (399,043)           |                       | \$ (17,206)     | \$ 3,025,033                  |         |
| <b>Less On-Behalf Pension and Annuity Aid</b>                                   |                               |                |              |                       |               |                        |                         |                        |                       |                 |                               |         |
| On-Behalf TPAF Pension Contributions  |                               |                |              |                       |               | 1,005,119              |                         |                        |                       |                 |                               |         |
| On-Behalf TPAF Pension - NCGI Premium   |                               |                |              |                       |               | 14,181                 |                         |                        |                       |                 |                               |         |
| On-Behalf TPAF Pension - Post-Retirement Medical                                |                               |                |              |                       |               | 238,150                |                         |                        |                       |                 |                               |         |
| On-Behalf TPAF Long Term Disability Insurance                                   |                               |                |              |                       |               | 607                    |                         |                        |                       |                 |                               |         |
| <b>Total State Financial Assistance Subject to Major Program Determination</b>  |                               |                |              |                       |               | \$ 1,770,961           |                         |                        |                       |                 |                               |         |

**MOONACHIE BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 \$194,364 for the general fund and a decrease of \$1,718 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               | \$ 29,111         | \$ 2,137,565        | \$ 2,166,676        |
| Special Revenue Fund       | 554,336           | 616,210             | 1,170,546           |
| Food Service Fund          | 294,008           | 3,985               | 297,993             |
|                            | <hr/>             | <hr/>               | <hr/>               |
| Total Financial Assistance | <u>\$ 877,455</u> | <u>\$ 2,757,760</u> | <u>\$ 3,635,215</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, 2022**

**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 \$211,164 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$1,019,300, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$238,150 and TPAF Long-Term Disability Insurance in the amount of \$607 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

**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.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**MOONACHIE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses?                      yes       X       none reported

Noncompliance material to the basic financial statements noted?                      yes       X       no

**Federal Awards Section**

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?        yes       X       none reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance (section.510(a))?        yes       X       none

Identification of major programs:

| <u>CFDA Number(s)</u>   | <u>FAIN Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------------|---------------------|---|
| <u>84.425D</u>          | <u>S425D200027</u>  | <u>CRRSA (ESSER II)</u>                   |
| <u>84.425U</u>          | <u>S425U210027</u>  | <u>ARP</u>                                |
| <u>84.027A, 84.027X</u> | <u>H027A200100</u>  | <u>IDEA Basic &amp; ARP</u>               |
| <u>84.173A, 84.173X</u> | <u>H173A2100114</u> | <u>IDEA Preschool &amp; ARP</u>           |

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee?        yes       X       no

**MOONACHIE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*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:

| <b>GMIS Number(s):</b> |
|------------------------|
| 22-495-034-5120-089    |
| 22-495-034-5120-084    |
| 22-495-034-5120-085    |
|                        |
|                        |
|                        |
|                        |

| <b>Name of State Program:</b> |
|-------------------------------|
| Special Education Aid         |
| Security Aid                  |
| Adjustment Aid                |
|                               |
|                               |
|                               |
|                               |

**MOONACHIE BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*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, 2022

*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**

There are none.

**CURRENT YEAR STATE AWARDS**

There are none.

**MOONACHIE BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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.