

MOONACHIE BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Moonachie, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Moonachie Board of Education
Moonachie, New Jersey
For The Fiscal Year Ended June 30, 2023**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

Moonachie Public School

Business Office

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Moonachie, NJ 07074

James Knipper
Superintendent/Principal
JKnipper@moonachieschool.org

Office: (201) 641-5833
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February 7, 2024

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, 2023 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 2022-2023 fiscal year with an average daily enrollment of 361 students, which is an increase of 14 students compared to the previous year's average daily enrollment. In addition, the District is in a sending/receiving relationship for its 9-12th grade students with the Wood-Ridge School District. The following details the changes in the student enrollment of the Moonachie School District over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023	361	4.03%
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%

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 2022-2023 school year:

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

*The District continues to implement renaissance STAR diagnostic assessments in reading and math for all students in grades K-8. Data is collected and analyzed for student progress throughout the year. The entire school received benchmark assessments 3 times a year, with intervention students receiving an additional 2 progress-monitoring assessments. Students are recommended for interventions (during the school day) through our 3-tiered RTI process, as well as before and/or after school tutoring.

3) MAJOR INITIATIVES: (Continued)

*The District has continued our Targeted Ongoing Professional Development plan with two separate consultants, one for ELA and one for Math. The teachers receive intensive training 5-times a year in each content. The teachers are heavily trained on Tier 1 instructional best practices. The practices are: Reciprocal Teaching, Socratic Seminar, Close Reading, Mathematics Discussions, Math 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 continue and expand 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 21st Century Learning Grant has afforded our District to implement a Saturday Tutoring Program. Saturday Tutoring is offered to our current K-8 students, and will be expanded to support students in high school who may be struggling and/or are looking for PSAT Prep support. Additionally, 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 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 PK-2 all are furnished with new Apple iPads, while grades 3-8 have Apple Mac Books. Additionally, all teaching staff has received updated technology devices to increase efficiency and productivity. The District is now creating a long term plan to sustain this educational initiative, post ESSER Grants.

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

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

*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 continues to implement the 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, 2023, the District's outstanding debt issues have been fully satisfied.

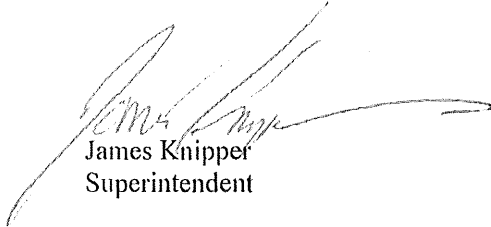
8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit funds in public depositories protected from loss under the provisions 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,

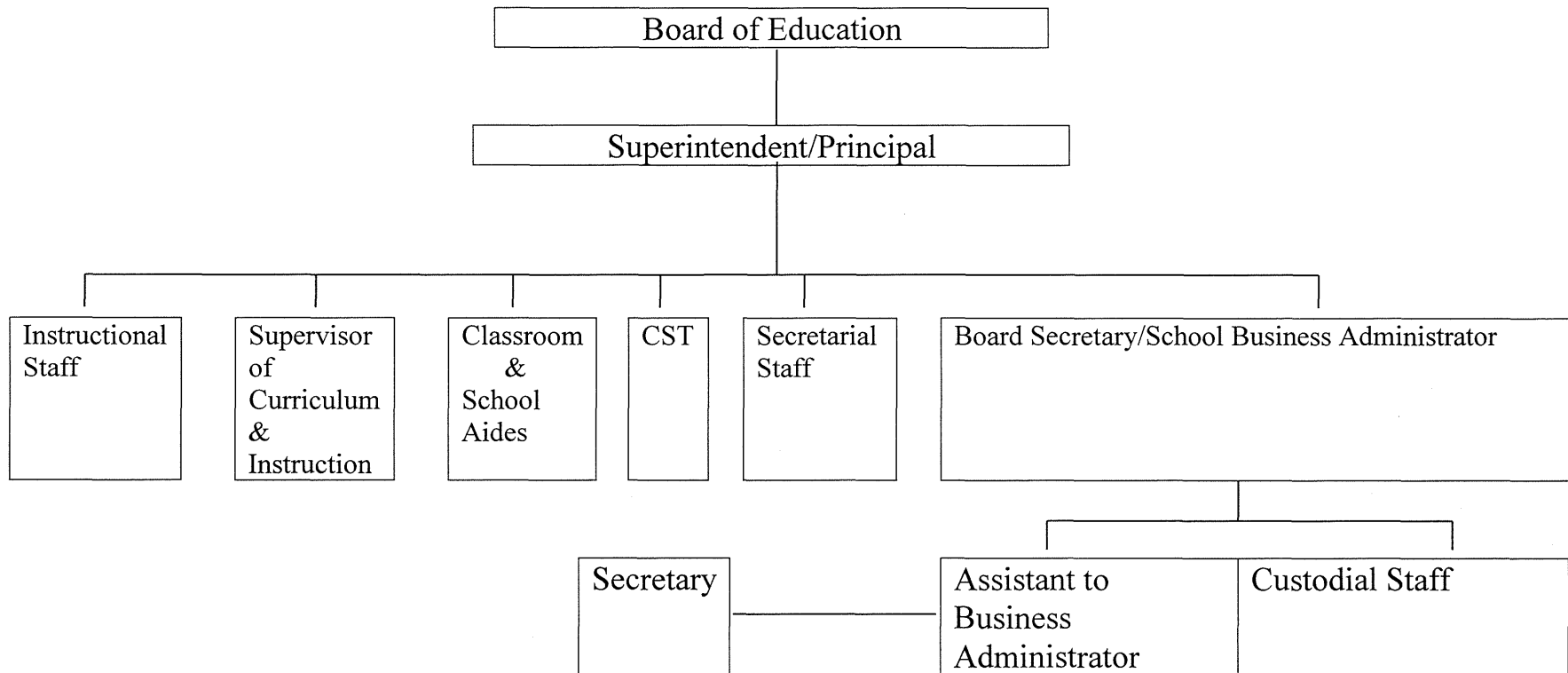


James Knipper
Superintendent



Laurel Spadavecchia
School Business Administrator

**Moonachie Board of Education
2022-2023 Organizational Chart**



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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Vaccaro, President	2024
James Campbell, Vice President	2025
Edmond Monti	2025
Charles Pallas	2026
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

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 E. 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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN 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, 2023 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, 2023, 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.

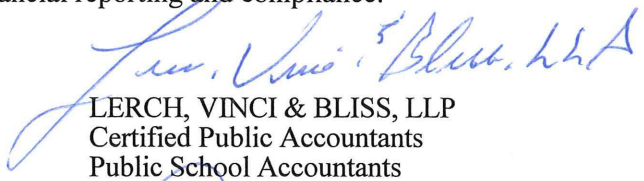
Other Information

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.

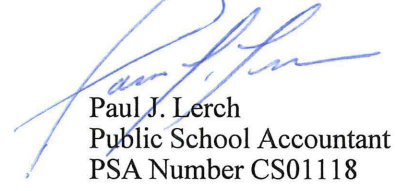
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, 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 7, 2024 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 7, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Moonachie Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Moonachie Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,830,591 (net position).
- Overall District revenues were \$13,197,094. General revenues accounted for \$9,852,685 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$3,344,409 of total revenues.
- The School District had \$11,535,487 in expenses for governmental activities; only \$3,148,298 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$9,852,685 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,015,111 an increase of \$1,206,833 when compared to the ending fund balance at June 30, 2022 of \$3,808,278.
- The General Fund unassigned fund balance at June 30, 2023 was in a surplus position of \$136,997, a decrease of \$154,396 when compared with the ending fund balance of \$291,393 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$421,774 which represents a decrease of \$196,138 when compared to the ending unassigned fund balance at June 30, 2022 of \$617,912.

MOONACHIE BOARD OF EDUCATION

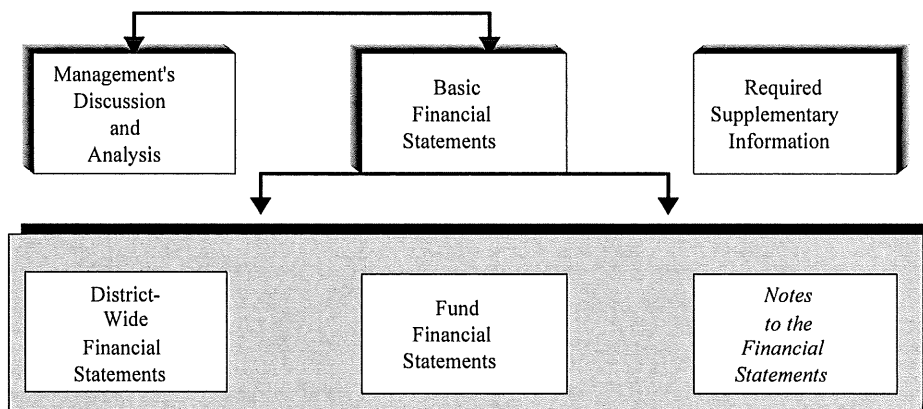
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
 - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows, liabilities, 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, 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.

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial Statements

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess 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 school buildings and other facilities.

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 instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds 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 additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

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. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,830,591 and \$6,389,277 as of June 30, 2023 and 2022, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. 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.

Net Position as of June 30, 2023 and 2022						
	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets						
Current and Other Assets	\$ 5,567,599	\$ 4,299,725	\$ 72,870	\$ 106,289	\$ 5,640,469	\$ 4,406,014
Capital Assets	<u>4,119,436</u>	<u>3,988,012</u>	<u>-</u>	<u>-</u>	<u>4,119,436</u>	<u>3,988,012</u>
Total Assets	<u>9,687,035</u>	<u>8,287,737</u>	<u>72,870</u>	<u>106,289</u>	<u>9,759,905</u>	<u>8,394,026</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	<u>231,438</u>	<u>225,902</u>	<u>-</u>	<u>-</u>	<u>231,438</u>	<u>225,902</u>
Total Assets and Deferred Outflows	<u>9,918,473</u>	<u>8,513,639</u>	<u>72,870</u>	<u>106,289</u>	<u>9,991,343</u>	<u>8,619,928</u>
Liabilities						
Long-Term Liabilities	1,168,631	822,345			1,168,631	822,345
Other Liabilities	<u>552,488</u>	<u>491,447</u>	<u>32,698</u>	<u>41,935</u>	<u>585,186</u>	<u>533,382</u>
Total Liabilities	<u>1,721,119</u>	<u>1,313,792</u>	<u>32,698</u>	<u>41,935</u>	<u>1,753,817</u>	<u>1,355,727</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>406,935</u>	<u>874,924</u>	<u>-</u>	<u>-</u>	<u>406,935</u>	<u>874,924</u>
Total Liabilities and Deferred Inflows	<u>2,128,054</u>	<u>2,188,716</u>	<u>32,698</u>	<u>41,935</u>	<u>2,160,752</u>	<u>2,230,651</u>
Net Position						
Net Investment in Capital Assets	4,029,960	3,968,457	-	-	4,029,960	3,968,457
Restricted	2,903,612	2,703,419			2,903,612	2,703,419
Unrestricted	<u>856,847</u>	<u>(346,953)</u>	<u>40,172</u>	<u>64,354</u>	<u>897,019</u>	<u>(282,599)</u>
Total Net Position	<u>\$ 7,790,419</u>	<u>\$ 6,324,923</u>	<u>\$ 40,172</u>	<u>\$ 64,354</u>	<u>\$ 7,830,591</u>	<u>\$ 6,389,277</u>

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 12,742	\$ 159,189	\$ 45,453	\$ 43,544	\$ 58,195	\$ 202,733
Operating Grants and Contributions	2,699,981	2,834,942	150,658	297,993	2,850,639	3,132,935
Capital Grants and Contributions	435,575	-			435,575	-
General Revenues						
Property Taxes	9,510,870	9,168,049			9,510,870	9,168,049
State Aid	16,418	16,551			16,418	16,551
Miscellaneous	325,397	218,912	-	-	325,397	218,912
Total Revenues	<u>13,000,983</u>	<u>12,397,643</u>	<u>196,111</u>	<u>341,537</u>	<u>13,197,094</u>	<u>12,739,180</u>
Expenses						
Instruction						
Regular	4,869,434	4,816,095			4,869,434	4,816,095
Special Education	2,101,426	1,968,206			2,101,426	1,968,206
Other Instruction	256,217	408,671			256,217	408,671
School Sponsored Activities and Athletics	48,811	62,291			48,811	62,291
Support Services						
Student and Instruction Related Services	1,729,308	1,642,124			1,729,308	1,642,124
General Administration Services	254,549	260,452			254,549	260,452
School Administration Services	197,352	171,912			197,352	171,912
Plant Operation and Maintenance	877,661	810,658			877,661	810,658
Pupil Transportation	963,374	814,828			963,374	814,828
Central Services	234,638	247,327			234,638	247,327
Interest and Other Chgs on Long-Term Debt	2,717	1,187			2,717	1,187
Food Service	-	-	220,293	317,865	220,293	317,865
Total Expenses	<u>11,535,487</u>	<u>11,203,751</u>	<u>220,293</u>	<u>317,865</u>	<u>11,755,780</u>	<u>11,521,616</u>
Transfers	-	(16,980)	-	16,980	-	-
Change in Net Position	1,465,496	1,176,912	(24,182)	40,652	1,441,314	1,217,564
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 7,790,419</u>	<u>\$ 6,324,923</u>	<u>\$ 40,172</u>	<u>\$ 64,354</u>	<u>\$ 7,830,591</u>	<u>\$ 6,389,277</u>

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

	<u>Total Cost</u> <u>of Services</u>		<u>Net Cost</u> <u>of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction				
Regular	\$ 4,869,434	\$ 4,816,095	\$ 4,011,270	\$ 3,897,622
Special Education	2,101,426	1,968,206	1,296,902	1,226,037
Other Instruction	256,217	408,671	156,730	96,743
School Sponsored Activities and Athletics	48,811	62,291	29,347	47,462
Support Services				
Student and Instruction Related Services	1,729,308	1,642,124	1,200,932	1,192,363
General Administration	254,549	260,452	207,722	208,137
School Administration Services	197,352	171,912	182,357	129,620
Plant Operation and Maintenance	877,661	810,658	331,839	620,218
Pupil Transportation	963,374	814,828	805,660	645,685
Central Services	234,638	247,327	161,713	154,546
Interest and Other Charges on Long-Term Debt	<u>2,717</u>	<u>1,187</u>	<u>2,717</u>	<u>1,187</u>
Total	<u>\$ 11,535,487</u>	<u>\$ 11,203,751</u>	<u>\$ 8,387,189</u>	<u>\$ 8,219,620</u>

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$5,015,111, an increase of \$1,206,833 from last year's fund balance of \$3,808,278.

Revenues and other financing sources for the District's governmental funds were \$13,853,287; total expenditures and other financing uses were \$12,646,454.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues and other financing sources of the General Fund were \$12,398,092 for the fiscal year ended June 30, 2023. State sources amounted to \$2,459,811, local sources were \$9,836,267 and capital financing amounted to \$102,014.

Expenditures and other financing uses of the General Fund were \$11,189,234. Instructional expenditures were \$7,229,352 for support services were \$3,646,241, capital expenditures totaled \$208,866 and transfers were \$69,965 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues and other financing sources of the Special Revenue Fund were \$1,455,195 for the fiscal year ended June 30, 2023. State sources amounted to \$567,076, federal sources totaled \$779,098, local sources were \$39,056 and transfers were \$69,965.

Expenditures of the Special Revenue Fund were \$1,457,220. Instructional expenditures were \$697,909 for support services were \$472,659 and capital expenditures totaled \$286,652 for the fiscal year ended June 30, 2023.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$4,119,436 and \$3,988,012 (net of accumulated depreciation), respectively. The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$364,094 for governmental activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

	Governmental Activities	
	<u>2023</u>	<u>2022</u>
Land	\$ 381,056	\$ 381,056
Construction in Progress	253,700	904,095
Land Improvements	23,849	28,531
Buildings & Building Improvements	3,283,418	2,624,470
Machinery and Equipment	<u>177,413</u>	<u>49,860</u>
Total	<u>\$ 4,119,436</u>	<u>\$ 3,988,012</u>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

MOONACHIE BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$59,598, capital financing agreements of \$89,476, and net pension liability of \$1,019,557 totaling \$1,168,631. This is in comparison to long-term liabilities at June 30, 2022 of \$822,345 or an increase of \$346,286.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our 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 information contact the Board of Education Office, Robert L. Craig School, Moonachie, NJ 07074.

FINANCIAL STATEMENTS

MOONACHIE BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,017,870	\$ 99,584	\$ 5,117,454
Receivables, net			
Receivables from Other Governments	515,078	7,612	522,690
Other	325		325
Internal	34,326	(34,326)	-
Capital Assets			
Not Being Depreciated	634,756		634,756
Being Depreciated, Net	3,484,680	-	3,484,680
	<u>9,687,035</u>	<u>72,870</u>	<u>9,759,905</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>231,438</u>	-	<u>231,438</u>
Total Assets and Deferred Outflows of Resources	<u>9,918,473</u>	<u>72,870</u>	<u>9,991,343</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	154,917	32,698	187,615
Accrued Salaries	201,616		201,616
Payroll Deductions and Withholdings	28,670		28,670
Unearned Revenues	167,285		167,285
Noncurrent Liabilities			
Due Within One Year	19,394		19,394
Due Beyond One Year	1,149,237	-	1,149,237
Total Liabilities	<u>1,721,119</u>	<u>32,698</u>	<u>1,753,817</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>406,935</u>	-	<u>406,935</u>
Total Deferred Inflows of Resources	<u>406,935</u>	-	<u>406,935</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,128,054</u>	<u>32,698</u>	<u>2,160,752</u>
NET POSITION			
Net Investment in Capital Assets	4,029,960		4,029,960
Restricted for:			
Capital Projects	2,574,546		2,574,546
Other Purposes	329,066		329,066
Unrestricted	856,847	40,172	897,019
Total Net Position	<u>\$ 7,790,419</u>	<u>\$ 40,172</u>	<u>\$ 7,830,591</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, 2023**

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
Governmental Activities							
Instruction							
Regular	\$ 4,869,434		\$ 858,164		\$ (4,011,270)		\$ (4,011,270)
Special Education	2,101,426		804,524		(1,296,902)		(1,296,902)
Other Instruction	256,217		99,487		(156,730)		(156,730)
School Sponsored Activities and Athletics	48,811	\$ 12,742	6,722		(29,347)		(29,347)
Support Services							
Student and Instruction Related Services	1,729,308		528,376		(1,200,932)		(1,200,932)
General Administrative Services	254,549		46,827		(207,722)		(207,722)
School Administrative Services	197,352		14,995		(182,357)		(182,357)
Plant Operations and Maintenance	877,661		110,247	\$ 435,575	(331,839)		(331,839)
Pupil Transportation	963,374		157,714		(805,660)		(805,660)
Central Services	234,638		72,925		(161,713)		(161,713)
Interest on Debt	2,717	-	-	-	(2,717)	-	(2,717)
Total Governmental Activities	11,535,487	12,742	2,699,981	435,575	(8,387,189)	-	(8,387,189)
Business-Type Activities							
Food Service	220,293	45,453	150,658	-	-	\$ (24,182)	(24,182)
Total Business-Type Activities	220,293	45,453	150,658	-	-	(24,182)	(24,182)
Total Primary Government	\$ 11,755,780	\$ 58,195	\$ 2,850,639	\$ 435,575	(8,387,189)	(24,182)	(8,411,371)
General Revenues							
Property Taxes					9,510,870		9,510,870
Miscellaneous Income					325,397		325,397
Unrestricted State Aid					16,418	-	16,418
Total General Revenues					9,852,685	-	9,852,685
Change in Net Position					1,465,496	(24,182)	1,441,314
Net Position, Beginning of Year					6,324,923	64,354	6,389,277
Net Position, End of Year					\$ 7,790,419	\$ 40,172	\$ 7,830,591

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, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 5,006,001	\$ 11,869	\$ 5,017,870
Receivables From Other Governments	83,577	431,501	515,078
Other Receivables		325	325
Due from Other Funds	<u>306,524</u>	<u>-</u>	<u>306,524</u>
 Total Assets	 <u>\$ 5,396,102</u>	 <u>\$ 443,695</u>	 <u>\$ 5,839,797</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ 106,660	\$ 48,257	\$ 154,917
Accrued Salaries	201,616		201,616
Payroll Deductions and Withholdings	28,670		28,670
Due to Other Funds	-	272,198	272,198
Unearned Revenue	<u>-</u>	<u>167,285</u>	<u>167,285</u>
 Total Liabilities	 <u>336,946</u>	 <u>487,740</u>	 <u>824,686</u>
Fund Balances			
Restricted Fund Balance:			
Excess Surplus	700,000		700,000
Excess Surplus - Designated for Subsequent			
Year Expenditures	528,123		528,123
Capital Reserve	1,374,546		1,374,546
Capital Reserve - Designated for Subsequent			
Year Expenditures	1,200,000		1,200,000
Maintenance Reserve	187,197		187,197
Maintenance Reserve - Designated for Subsequent			
Year Expenditures	130,000		130,000
Student Activities		11,188	11,188
Scholarship Awards		681	681
Assigned Fund Balance:			
Year-end Encumbrances	434,381		434,381
Unreserved - Designated for Subsequent			
Year Expenditures	367,912		367,912
Unassigned Fund Balance (Deficit)			
General Fund	136,997		136,997
Special Revenue Fund	<u>-</u>	<u>(55,914)</u>	<u>(55,914)</u>
 Total Fund Balances (Deficit)	 <u>5,059,156</u>	 <u>(44,045)</u>	 <u>5,015,111</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,396,102</u>	 <u>\$ 443,695</u>	 <u>\$ 5,839,797</u>

**MOONACHIE BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

Total Fund Balances (Exhibit B-1) \$ 5,015,111

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 \$9,863,228 and the accumulated depreciation is \$5,743,792.

4,119,436

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	\$ 231,438	
Deferred Inflows of Resources	<u>(406,935)</u>	(175,497)

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

Compensated Absences	(59,598)	
Capital Financing Payable	(89,476)	
Net Pension Liability	<u>(1,019,557)</u>	<u>(1,168,631)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 7,790,419

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, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Local Sources			
Local Tax Levy	\$ 9,510,870		\$ 9,510,870
Miscellaneous	325,397	\$ 39,056	364,453
	<hr/>	<hr/>	<hr/>
Total - Local Sources	9,836,267	39,056	9,875,323
State Sources	2,459,811	567,076	3,026,887
Federal Sources	-	779,098	779,098
	<hr/>	<hr/>	<hr/>
Total Revenues	12,296,078	1,385,230	13,681,308
EXPENDITURES			
Current			
Regular Instruction	4,815,537	511,253	5,326,790
Special Education Instruction	2,150,883	104,065	2,254,948
Other Instruction	222,186	68,520	290,706
School Sponsored Activities and Athletics	40,746	14,071	54,817
Support Services and Undistributed Costs			
Student and Instruction Related Services	1,370,877	427,659	1,798,536
General Administrative Services	277,023	-	277,023
School Administrative Services	186,481		186,481
Plant Operations and Maintenance	618,599	-	618,599
Pupil Transportation	923,623	45,000	968,623
Central Services	269,638		269,638
Debt Service			
Principal	32,093		32,093
Interest and Other Charges	2,717		2,717
Capital Outlay	208,866	286,652	495,518
	<hr/>	<hr/>	<hr/>
Total Expenditures	11,119,269	1,457,220	12,576,489
Excess (Deficiency) of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>
	1,176,809	(71,990)	1,104,819
OTHER FINANCING SOURCES (USES)			
Capital Financing	102,014		102,014
Transfers In		69,965	69,965
Transfers Out	(69,965)	-	(69,965)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and Uses	32,049	69,965	102,014
Net Change in Fund Balances	1,208,858	(2,025)	1,206,833
Fund Balance, (Deficit) Beginning of Year	<hr/>	<hr/>	<hr/>
	3,850,298	(42,020)	3,808,278
Fund Balance, (Deficit) End of Year	<u>\$ 5,059,156</u>	<u>\$ (44,045)</u>	<u>\$ 5,015,111</u>

**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, 2023**

Total net change in fund balances - governmental funds (Exhibit B-2) **\$ 1,206,833**

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	\$ 495,518	
Depreciation Expense	<u>(364,094)</u>	
		131,424

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	(1,647)
----------------------------------	---------

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	198,807
-----------------------------	---------

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 Financing Issued	(102,014)
Capital Financing Principal Payments	<u>32,093</u>

Change in net position of governmental activities (Exhibit A-2) **\$ 1,465,496**

**MOONACHIE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

		Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS		
Current Assets		
Cash	\$	99,584
Intergovernmental Receivable		
Federal		7,274
State		<u>338</u>
Total Current Assets		<u>107,196</u>
Noncurrent Assets		
Equipment		11,351
Less: Accumulated Depreciation		<u>(11,351)</u>
Total Noncurrent Assets		<u>-</u>
Total Assets		<u>107,196</u>
LIABILITIES		
Accounts Payable		32,698
Due to Other Funds		<u>34,326</u>
Total Liabilities		<u>67,024</u>
NET POSITION		
Unrestricted		<u>40,172</u>
Total Net Position	\$	<u><u>40,172</u></u>

**MOONACHIE BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ <u>45,453</u>
Total Operating Revenues	<u>45,453</u>
OPERATING EXPENSES	
Cost of Sales - Reimbursable	190,941
Salaries and Wages	29,022
Miscellaneous	<u>330</u>
Total Operating Expenses	<u>220,293</u>
Operating Loss	<u>(174,840)</u>
NONOPERATING REVENUES	
Federal Sources	
National School Breakfast Program	19,547
National School Lunch Program	108,442
National PB Lunch Program	2,401
Summer Food Reimbursement	13,937
State Sources	
School Breakfast Program	670
School Lunch Program	<u>5,661</u>
Total Nonoperating Revenues	<u>150,658</u>
Change in Net Position	(24,182)
Net Position, Beginning of Year	<u>64,354</u>
Net Position, End of Year	<u><u>\$ 40,172</u></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, 2023**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 45,453
Cash Payments for Employee Salaries and Wages	(29,022)
Cash Payments to Suppliers for Goods and Services	<u>(171,486)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(155,055)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Subsidy Reimbursements	<u>158,485</u>
Net Cash Provided by Noncapital Financing Activities	<u>158,485</u>
Net Increase in Cash and Cash Equivalents	3,430
Cash and Cash Equivalents, Beginning of Year	<u>96,154</u>
Cash and Cash Equivalents, End of Year	<u>\$ 99,584</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities	
Operating Income (Loss)	\$ <u>(174,840)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Change in Assets and Liabilities	
Increase/(Decrease) in Accounts Payable	(9,237)
Increase/(Decrease) in Due to Other Funds	<u>29,022</u>
Total Adjustments	<u>19,785</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (155,055)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.
- 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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

The District reports the following major proprietary funds which are 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, 2023**

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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

Property taxes, unrestricted state aid, 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.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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(s) 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. 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 are 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; 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.

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.

MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 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, 2022 audited excess surplus that was appropriated in the 2023/2024 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 2023/2024 District budget certified for taxes.

MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 (Continued)

Restricted Fund Balance (Continued)

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 2023/2024 District budget certified for taxes

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

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

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

In the general operating fund and other governmental funds (special revenue, 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.

10. *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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies (Continued)

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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Expenditures

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 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 and internal service 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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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 is voted upon at the annual school election on the third Tuesday in April. 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$189,584 and the special revenue fund by \$982,902. The increases were funded by the additional appropriation of unassigned fund balance, grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of unassigned fund balance of \$148,923 from the general fund.

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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of and \$55,914 in the Special Revenue Fund as of June 30, 2023 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 2022/2023 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 \$55,914 in the Special Revenue Fund is equal to the delayed state aid payments at June 30, 2023.

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, 2023 is as follows:

Balance, July 1, 2022		\$ 2,372,924
Increased by		
Deposits Approved by Board Resolution	\$ 706,246	
Return of Unencumbered Budget Withdrawals	<u>495,376</u>	
		<u>1,201,622</u>
Decreased by:		
Withdrawals Approved in District Budget		<u>1,000,000</u>
Balance, June 30, 2023		<u><u>\$ 2,574,546</u></u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$4,550,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district’s Long Range Facilities Plan. \$1,200,000 of the capital reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$	317,197
Increased by			
Deposits Approved by Board Resolution	\$	77,057	
Return of Unencumbered Budget Withdrawals		<u>52,943</u>	
			<u>130,000</u>
Decreased by:			
Withdrawals Approved in District Budget			<u>130,000</u>
Balance, June 30, 2023		\$	<u><u>317,197</u></u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$317,197. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities. \$130,000 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 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 2% 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, 2023 is \$1,228,123. Of this amount, \$528,123 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$700,000 will be appropriated in the 2024/2025 original budget certified for taxes.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Board's deposits was \$5,117,454 and bank and brokerage firm balances of the Board's deposits amounted to \$6,127,719. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 5,896,451
Uninsured and Collateralized	<u>231,268</u>
	<u>\$ 6,127,719</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, 2023 the Board's bank balance of \$231,268 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 231,268</u>
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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.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Board had no outstanding investments.

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

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

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

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts		\$ 325		\$ 325
Intergovernmental-				-
Federal		431,501	\$ 7,274	438,775
State	\$ 83,577	-	338	83,915
	<u>\$ 83,577</u>	<u>\$ 431,826</u>	<u>\$ 7,612</u>	<u>\$ 523,015</u>
Net Total Receivables	<u>\$ 83,577</u>	<u>\$ 431,826</u>	<u>\$ 7,612</u>	<u>\$ 523,015</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	\$ 6,376
Grant Draw Downs for Year-End Encumbrances	<u>160,909</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 167,285</u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 381,056			\$ 381,056
Construction in Progress	<u>904,095</u>	<u>\$ 253,700</u>	<u>\$ (904,095)</u>	<u>253,700</u>
Total Capital Assets, Not Being Depreciated	<u>1,285,151</u>	<u>253,700</u>	<u>(904,095)</u>	<u>634,756</u>
Capital Assets, Being Depreciated:				
Land Improvements	257,224			257,224
Buildings & Building Improvements	7,433,135	967,006		8,400,141
Machinery and Equipment	<u>500,948</u>	<u>178,907</u>	<u>(108,748)</u>	<u>571,107</u>
Total Capital Assets Being Depreciated	<u>8,191,307</u>	<u>1,145,913</u>	<u>(108,748)</u>	<u>9,228,472</u>
Less Accumulated Depreciation for:				
Land Improvements	(228,693)	(4,682)		(233,375)
Buildings & Building Improvements	(4,808,665)	(308,058)		(5,116,723)
Machinery and Equipment	<u>(451,088)</u>	<u>(51,354)</u>	<u>108,748</u>	<u>(393,694)</u>
Total Accumulated Depreciation	<u>(5,488,446)</u>	<u>(364,094)</u>	<u>108,748</u>	<u>(5,743,792)</u>
Total Capital Assets, Being Depreciated, Net	<u>2,702,861</u>	<u>781,819</u>	<u>-</u>	<u>3,484,680</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,988,012</u>	<u>\$ 1,035,519</u>	<u>\$ (904,095)</u>	<u>\$ 4,119,436</u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2022</u>	Balance, <u>June 30, 2023</u>
Business-Type Activities:		
Capital Assets, Being Depreciated:		
Machinery and Equipment	\$ 11,351	\$ 11,351
Total Capital Assets Being Depreciated	<u>11,351</u>	<u>11,351</u>
Less Accumulated Depreciation for:		
Machinery and Equipment	<u>(11,351)</u>	<u>(11,351)</u>
Total Accumulated Depreciation	<u>(11,351)</u>	<u>(11,351)</u>
Total Capital Assets, Being Depreciated, Net	<u>-</u>	<u>-</u>
Business-Type Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>

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

Governmental Activities:		
Instruction		
Regular		\$ <u>7,689</u>
Total Instruction		<u>7,689</u>
Support Services		
Student and Instruction Related Services		1,424
School Administrative Services		41,231
Plant Operations and Maintenance		<u>313,750</u>
Total Support Services		<u>356,405</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 364,094</u>

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2023:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
HVAC Upgrades	\$ 199,500	\$ 384,105

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 272,198
General Fund	Food Service Fund	<u>34,326</u>
Total		<u>\$ 306,524</u>

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

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

Interfund Transfers

	<u>Transfer In:</u>	
	<u>Special Revenue</u>	<u>Total</u>
Transfer Out:		
General Fund	<u>\$ 69,965</u>	<u>\$ 69,965</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.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreements to finance 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, 2023 are comprised of the following:

\$102,014, fiscal year 2023 Agreement for the acquisition of copiers for a term of 5 years due in monthly installments of \$1,865 through October 28, 2027	<u>\$ 89,476</u>
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The maturity schedule of the remaining capital and other financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 19,394	\$ 2,986	\$ 22,380
2025	20,126	2,254	22,380
2026	20,883	1,497	22,380
2027	21,669	711	22,380
2028	<u>7,404</u>	<u>57</u>	<u>7,461</u>
Total	<u>\$ 89,476</u>	<u>\$ 7,505</u>	<u>\$ 96,981</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, 2023, the district has no outstanding bond debt.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 31,132,312
Less: Net Debt Issued and Authorized But Not Issued	<u>-</u>
Remaining Borrowing Power	<u>\$ 31,132,312</u>

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:					
Capital Financing Agreements	\$ 19,555	\$ 102,014	\$ 32,093	\$ 89,476	\$ 19,394
Compensated Absences	57,951	1,647		59,598	
Net Pension Liability	<u>744,839</u>	<u>359,913</u>	<u>85,195</u>	<u>1,019,557</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 822,345</u>	<u>\$ 463,574</u>	<u>\$ 117,288</u>	<u>\$ 1,168,631</u>	<u>\$ 19,394</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 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 provides individual health coverage with the State Employee Health Benefit Programs.

The District is a member of the School Alliance Insurance Fund (SAIF). 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 fund 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

SAIF 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.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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, 2023, 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.

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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

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

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

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or 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.

Other Pension Funds

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

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

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

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

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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 2023, 2022 and 2021 were equal to the required contributions.

During the fiscal years ended June 30, 2023, 2022 and 2021 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2023	\$ 85,195	\$ 1,002,100	\$ 6,276
2022	73,633	1,019,300	5,089
2021	79,569	682,756	5,688

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$592, \$607 and \$654, 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 \$220,979 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$1,019,557 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was .00676 percent, which was an increase of .00047 percent from its proportionate share measured as of June 30, 2021 of .00629 percent.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$(113,611) for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 7,359	\$ 6,489
Changes of Assumptions	3,159	152,668
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	42,199	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>178,721</u>	<u>247,778</u>
Total	<u>\$ 231,438</u>	<u>\$ 406,935</u>

At June 30, 2023, 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 Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (112,539)
2024	(73,680)
2025	(43,201)
2026	53,517
2027	406
Thereafter	<u>-</u>
	<u>\$ (175,497)</u>

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022. 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 percent, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>1,309,832</u>	\$ <u>1,019,557</u>	\$ <u>772,521</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, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2021 through June 30, 2022. 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, 2022, the State's pension contribution was more 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$339,027 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$12,597,247. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .02442 percent, which was an increase of .00137 percent from its proportionate share measured as of June 30, 2021 of .02305 percent.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 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%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 14,770,540</u>	<u>\$ 12,597,247</u>	<u>\$ 10,766,521</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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.

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, 2022. 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.

**MOONACHIE BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

Measurement Focus and Basis of Accounting

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

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit 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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

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, 2023, 2022 and 2021 were \$263,249, \$238,150 and \$213,965, 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, 2021 through June 30, 2022. 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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$245,997. 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, 2023 the State's proportionate share of the OPEB liability attributable to the District is \$10,369,268. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state's share of the OPEB liability attributable to the District was .02047 percent, which was an increase of .00020 percent from its proportionate share measured as of June 30, 2021 of .02027 percent.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on 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 disabled 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>12,165,384</u>
Changes Recognized for the Fiscal Year:	
Service Cost	639,131
Interest on the Total OPEB Liability	274,797
Differences Between Expected and Actual Experience	335,068
Changes of Assumptions	(2,781,649)
Gross Benefit Payments	(272,195)
Contributions from the Member	<u>8,732</u>
Net Changes	\$ <u>(1,796,116)</u>
Balance, June 30, 2022 Measurement Date	\$ <u>10,369,268</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

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 3.54%, 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 (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>12,187,984</u>	\$ <u>10,369,268</u>	\$ <u>8,911,658</u>

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 (Continued)

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:

	<u>1%</u> <u>Decrease</u>	<u>Healthcare</u> <u>Cost Trend</u> <u>Rates</u>	<u>1%</u> <u>Increase</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 8,570,834	\$ 10,369,268	\$ 12,731,621

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 were not provided by the pension system.

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 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS (Continued)

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,269,074 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 9,510,870		\$ 9,510,870	\$ 9,510,870	
Miscellaneous	231,110	-	231,110	325,397	\$ 94,287
Total Local Sources	9,741,980	-	9,741,980	9,836,267	94,287
State Sources					
Special Education Aid	413,103	-	413,103	413,103	-
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	176,884	121,884
Additional Nonpublic Transportation Aid				6,864	6,864
Maintenance of Equity Grant				43,026	43,026
Homeless Tuition Reimbursement				55,032	55,032
On-behalf TPAF Pension Payments					
Pension Contribution (Non-Budget)				988,387	988,387
NCGI Premium (Non-Budget)				13,713	13,713
On-behalf TPAF Pension Payments					
Post Retirement Medical Contribution (Non-Budget)				263,249	263,249
On-behalf TPAF Pension Payments					
Long Term Disability Insurance				592	592
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	220,979	220,979
Total State Sources	704,343	-	704,343	2,418,069	1,713,726
Total Revenues	10,446,323	-	10,446,323	12,254,336	1,808,013
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	10,175	\$ 100	10,275	2,018	8,257
Kindergarten	252,879	(100)	252,779	245,388	7,391
Grades 1-5	916,545	(6,500)	910,045	876,584	33,461
Grades 6-8	616,372	-	616,372	611,541	4,831
Regular Program - Home Instruction					
Salaries of Teachers	21,000	705	21,705	1,225	20,480
Regular Programs - Undistributed Instruction					
Other Purchased Services	33,000	300	33,300	29,380	3,920
General Supplies	85,725	2,172	87,897	74,658	13,239
Textbooks	20,000	-	20,000	1,887	18,113
Other Objects	20,000	-	20,000	19,540	460
Total Regular Programs	1,975,696	(3,323)	1,972,373	1,862,221	110,152
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	91,720	-	91,720	87,592	4,128
Other Salaries for Instruction	8,000	-	8,000	6,098	1,902
General Supplies	2,000	(300)	1,700	1,550	150
Total Learning and/or Language Disabilities	101,720	(300)	101,420	95,240	6,180

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 176,470	-	\$ 176,470	\$ 175,050	\$ 1,420
Other Salaries for Instruction	81,370	-	81,370	51,940	29,430
General Supplies	310	-	310	290	20
Total Multiple Disabilities	258,150	-	258,150	227,280	30,870
Resource Room					
Salaries of Teachers	208,000	-	208,000	192,466	15,534
Other Salaries for Instruction	46,000	-	46,000	34,935	11,065
General Supplies	1,030	\$ 22	1,052	871	181
Total Resource Room	255,030	22	255,052	228,272	26,780
Preschool Disabilities-Full Time					
Salaries of Teachers	3,200	29,445	32,645	32,562	83
Other Salaries for Instruction	23,245	(23,245)	-	-	-
General Supplies	500	-	500	345	155
Total Preschool Disabilities-Full Time	26,945	6,200	33,145	32,907	238
Total Special Education	641,845	5,922	647,767	583,699	64,068
Basic Skills/Remedial					
Salaries of Teachers	105,495	300	105,795	98,172	7,623
General Supplies	1,000	300	1,300	1,200	100
Total Bilingual Education	106,495	600	107,095	99,372	7,723
Bilingual Education					
Salaries of Teachers	34,545	-	34,545	30,218	4,327
General Supplies	500	-	500	500	-
Total Bilingual Education	35,045	-	35,045	30,718	4,327
School Sponsored Co/Extra Curricular Activities					
Salaries	33,400	-	33,400	22,358	11,042
Other Objects	9,300	(1,100)	8,200	2,350	5,850
Total School Sponsored Co/Extra Curricular Act.	42,700	(1,100)	41,600	24,708	16,892
Total Instruction	2,801,781	2,099	2,803,880	2,600,718	203,162

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within State- Regular	\$ 1,571,256	-	\$ 1,571,256	\$ 1,378,475	\$ 192,781
Tuition to Other LEAs Within State- Special	780,000	-	780,000	593,742	186,258
Tuition to County Vocational- Regular	248,850	-	248,850	237,675	11,175
Tuition to County Vocational- Special	154,728	-	154,728	153,914	814
Tuition to CSSD & Reg. Day Schools	164,041	-	164,041	41,845	122,196
Tuition to APSSD Within the State	410,166	-	410,166	390,882	19,284
Tuition - Other	120,488	-	120,488	-	120,488
Total Undistributed Expenditures - Instruction	3,449,529	-	3,449,529	2,796,533	652,996
Attendance and Social Work Services					
Salaries	14,490	-	14,490	14,448	42
Other Purchased Services	620	-	620	620	-
Total Attendance and Social Work Services	15,110	-	15,110	15,068	42
Health Services					
Salaries	109,805	\$ 275	110,080	107,302	2,778
Other Purchased Services	250	-	250	199	51
Supplies and Materials	5,100	-	5,100	4,453	647
Total Health Services	115,155	275	115,430	111,954	3,476
Speech, OT, PT & Related Svcs.					
Purchased Professional - Educational Services	552,000	(11,545)	540,455	473,678	66,777
Supplies and Materials	500	100	600	525	75
Total Speech, OT, PT & Related Svcs.	552,500	(11,445)	541,055	474,203	66,852
Child Study Teams					
Salaries of Secretarial and Clerical Assistants	25,565	(2,500)	23,065	22,941	124
Purchased Professional-Educational Svcs.	260,000	-	260,000	249,835	10,165
Supplies and Materials	2,000	-	2,000	773	1,227
Total Child Study Team	287,565	(2,500)	285,065	273,549	11,516
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	76,784	1,250	78,034	78,020	14
Salaries of Secretarial and Clerical Assistants	23,164	-	23,164	19,510	3,654
Other Purchased Services	500	-	500	-	500
Supplies and Materials	1,000	-	1,000	50	950
Other Objects	1,000	-	1,000	995	5
Total Improvement of Instructional Services	102,448	1,250	103,698	98,575	5,123

**MOONACHE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Educational Media Services/School Library					
Salaries	\$ 36,245		\$ 36,245	\$ 7,727	\$ 28,518
Salaries of Technology Coordinators	21,330		21,330	15,207	6,123
Purchased Professional and Technical Services	155,000	\$ 5,500	160,500	154,217	6,283
Supplies and Materials	21,000	(5,500)	15,500	9,169	6,331
Other Objects	900	-	900	625	275
Total Educational Media Serv./School Library	234,475	-	234,475	186,945	47,530
Instructional Staff Training Services					
Salaries of Other Professional Staff	33,000	(1,250)	31,750	18,025	13,725
Travel	4,100	-	4,100	2,990	1,110
Total Instructional Staff Training Services	37,100	(1,250)	35,850	21,015	14,835
Support Services General Administration					
Salaries	97,345	(4,535)	92,810	92,785	25
Legal Services	22,000	-	22,000	13,877	8,123
Audit Fees	51,000	33,000	84,000	33,318	50,682
Other Purchased Professional Services	2,700	-	2,700	2,645	55
Purchased Technical Services	13,900	2,376	16,276	13,871	2,405
Communications/Telephone	16,000	-	16,000	14,621	1,379
General Supplies	3,000	-	3,000	2,769	231
BOE Other Purchased Services	5,100	-	5,100	4,861	239
Miscellaneous Purchased Services	12,750	-	12,750	7,776	4,974
Miscellaneous Expenditures	9,000	-	9,000	8,824	176
BOE Membership Dues and Fees	6,000	-	6,000	5,375	625
Total Support Services General Administration	238,795	30,841	269,636	200,722	68,914
Support Services School Administration					
Salaries of Principal/Asst. Principals	56,310	7,035	63,345	63,345	-
Salaries of Secretarial and Clerical Assistants	57,064	-	57,064	55,087	1,977
Supplies and Materials	1,000	-	1,000	695	305
Other Objects	1,000	-	1,000	-	1,000
Total Support Services School Administration	115,374	7,035	122,409	119,127	3,282
Central Services					
Salaries	145,203	-	145,203	144,497	706
Purchased Technical Services	32,000	-	32,000	12,166	19,834
Miscellaneous Purchased Services	3,000	-	3,000	881	2,119
Supplies and Materials	8,000	17	8,017	7,204	813
Miscellaneous Expenditures	1,350	-	1,350	1,240	110
Total Central Services	189,553	17	189,570	165,988	23,582

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 188,468	-	\$ 188,468	\$ 178,858	\$ 9,610
Cleaning, Repair and Maint. Svc.	130,000	\$ 1,544	131,544	77,057	54,487
General Supplies	6,100	(5,600)	500	-	500
Total Required Maintenance for School Facilities	324,568	(4,056)	320,512	255,915	64,597
Custodial Services					
Salaries	99,050	4,000	103,050	47,546	55,504
Salaries of Non-Instructional Aides	-	-	-	-	-
Purchased Prof. and Technical Serv.	6,000	-	6,000	4,565	1,435
Cleaning, Repair and Maint. Serv.	17,000	(4,000)	13,000	6,452	6,548
Other Purchased Property Services	7,500	-	7,500	6,861	639
Insurance	-	100,200	100,200	100,184	16
General Supplies	22,000	-	22,000	21,099	901
Energy (Natural Gas)	32,000	-	32,000	28,772	3,228
Energy (Electricity)	85,000	-	85,000	55,915	29,085
Other Objects	1,800	-	1,800	1,219	581
Total Custodial Services	270,350	100,200	370,550	272,613	97,937
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	18,125	4,500	22,625	21,666	959
Contracted Serv.(Bet. Home & Sch) - Vendors	236,727	-	236,727	236,727	-
Contracted Serv.(Other Than Bet. Home & Sch) - Vendors	5,100	(3,400)	1,700	1,675	25
Contracted Serv.(Reg. Students) - ESCs & CTSA's	222,000	100,000	322,000	260,954	61,046
Contracted Services (Spl. Ed. Students) - ESCs & CTSA's	445,000	48,923	493,923	357,701	136,222
Contracted Serv. - Aid in Lieu of Payments - Non-Public Schools	40,000	-	40,000	36,281	3,719
Total Student Transportation Services	966,952	150,023	1,116,975	915,004	201,971
Unallocated Benefits - Employee Benefits					
Group Insurance	93,000	(93,000)	-	-	-
Social Security Contributions	76,000	7,500	83,500	83,479	21
Other Retirement Contributions-PERS	80,000	5,195	85,195	85,195	-
Other Retirement Contributions-Regular	7,504	-	7,504	6,276	1,228
Unemployment Insurance	1,000	-	1,000	-	1,000
Workmen's Compensation	28,000	-	28,000	27,390	610
Health Benefits	708,703	(7,200)	701,503	609,130	92,373
Tuition Reimbursement	16,000	-	16,000	8,158	7,842
Other Employee Benefits	55,000	(1,000)	54,000	49,280	4,720
Unused Sick Payment to Terminated/Retired Staff	12,000	-	12,000	10,360	1,640
Total Unallocated Benefits - Employee Benefits	1,077,207	(88,505)	988,702	879,268	109,434

**MOONACHE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
CURRENT EXPENDITURES (Continued)					
On-behalf TPAF Pension Payments					
Pension Contribution (Non-Budget)				\$ 988,387	\$ (988,387)
NCGI Premium (Non-Budget)				13,713	(13,713)
On-behalf TPAF Pension Payments					
Post Retirement Medical Contribution (Non-Budget)				263,249	(263,249)
On-behalf TPAF Pension Payments					
Long Term Disability Insurance				592	(592)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	220,979	(220,979)
Total On-behalf TPAF Pension Payments	-	-	-	1,486,920	(1,486,920)
Total Undistributed Expenditures	\$ 7,976,681	\$ 181,885	\$ 8,158,566	8,273,399	(114,833)
Interest Earned on Maintenance Reserve	20	-	20	-	20
Total Current Expenditures	10,778,482	183,984	10,962,466	10,874,117	88,349
CAPITAL OUTLAY					
Undistributed Expenditures					
Support Services	-	97,609	97,609	89,502	8,107
School Admin	-	17,350	17,350	17,350	-
Central Services	-	5,600	5,600	-	5,600
Total Equipment	-	120,559	120,559	106,852	13,707
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	30,000	56,000	86,000	8,500	77,500
Assessment for Debt Service on SDA Funding	1,245	-	1,245	1,245	-
Construction Serv	290,000	509,041	799,041	-	799,041
Supplies and Materials	680,000	(680,000)	-	-	-
Total Facilities Acquis. and Const. Services	1,001,245	(114,959)	886,286	9,745	876,541
Interest Deposit to Capital Reserve	90	-	90	-	90
Capital Assets Acquired under Financing					
Non-Instructional Equipment	-	-	-	102,014	(102,014)
Total Capital Outlay Expenditures	1,001,335	5,600	1,006,935	218,611	788,324
Transfer Funds to Charter Schools	26,541	-	26,541	26,541	-
Total Expenditures	11,806,358	189,584	11,995,942	11,119,269	876,673
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(1,360,035)	(189,584)	(1,549,619)	1,135,067	2,684,686
Other Financing Sources (Uses)					
Capital Financing (Non-Budget)				102,014	102,014
Transfers Out to Special Revenue Fund	(69,965)	-	(69,965)	(69,965)	-
Total Other Financing Sources/(Uses)	(69,965)	-	(69,965)	32,049	102,014
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources	(1,430,000)	(189,584)	(1,619,584)	1,167,116	2,786,700
Fund Balance, Beginning of Year	4,176,817	-	4,176,817	4,176,817	-
Fund Balance, End of Year	\$ 2,746,817	\$ (189,584)	\$ 2,557,233	\$ 5,343,933	\$ 2,786,700

**MOONACHIE BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Recapitulation of Fund Balance

Restricted Fund Balance:	
Reserved Excess Surplus	\$ 700,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	528,123
Capital Reserve	1,374,546
Capital Reserve - Designated for Subsequent Year's Expenditures	1,200,000
Maintenance Reserve	187,197
Maintenance Reserve - Designated for Subsequent Year's Expenditures	130,000
Assigned Fund Balance:	
Year-end Encumbrances	434,381
Unreserved - Designated for Subsequent Year's Expenditures	367,912
Unassigned Fund Balance	<u>421,774</u>
Reconciliation to Governmental Funds Statements (GAAP):	5,343,933
Less: Final State Aid Payments Not Recognized on GAAP Basis	(107,893)
Extraordinary Aid Payments Not Recognized on GAAP Basis	<u>(176,884)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 5,059,156</u>

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 559,720	\$ 7,952	\$ 567,672	\$ 567,672	-
Federal	176,126	944,885	1,121,011	939,832	\$ (181,179)
Local Sources	<u>15,686</u>	<u>30,065</u>	<u>45,751</u>	<u>39,056</u>	<u>(6,695)</u>
Total Revenues	<u>751,532</u>	<u>982,902</u>	<u>1,734,434</u>	<u>1,546,560</u>	<u>(187,874)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	261,848	213,160	475,008	373,958	101,050
Other Salaries for Instruction	98,000	-	98,000	98,000	-
Purchased Professional and Educational Services	25,000	21,803	46,803	46,803	-
School-Sponsored/Cocurricular Activities - Non Budget	15,686	-	15,686	14,071	1,615
Tuition	80,095	23,970	104,065	104,065	-
General Supplies	<u>7,250</u>	<u>57,515</u>	<u>64,765</u>	<u>61,526</u>	<u>3,239</u>
Total Instruction	<u>487,879</u>	<u>316,448</u>	<u>804,327</u>	<u>698,423</u>	<u>105,904</u>
Support Services					
Salaries of Support Staff		51,151	51,151	25,392	25,759
Salaries of Supervisors of Instruction	8,500	-	8,500	8,500	-
Salaries of Program Directors	14,070	-	14,070	14,070	-
Salaries of Secr. and Clerical Assistants	9,700	-	9,700	9,700	-
Other Salaries	4,500	-	4,500	4,500	-
Salaries of Facilitators/Master Teachers	56,500	32,000	88,500	88,500	-
Personal Services - Employee Benefits	163,671	22,621	186,292	186,139	153
Purchased Professional and Technical Services	26,677	109,056	135,733	84,199	51,534
Contracted Services (Bet. Home & School) - Vendors	45,000	-	45,000	45,000	-
Scholarships Awarded - Non-Budget	-	-	-	100	(100)
General Supplies	<u>5,000</u>	<u>2,779</u>	<u>7,779</u>	<u>6,384</u>	<u>1,395</u>
Total Support Services	<u>333,618</u>	<u>217,607</u>	<u>551,225</u>	<u>472,484</u>	<u>78,741</u>
Facilities Acquisition and Construction Services					
Construction Services		25,000	25,000	25,000	-
Non-Instructional Equipment	<u>-</u>	<u>423,847</u>	<u>423,847</u>	<u>422,047</u>	<u>1,800</u>
Total Facilities Acquisition and Construction Services	<u>-</u>	<u>448,847</u>	<u>448,847</u>	<u>447,047</u>	<u>1,800</u>
Total Expenditures	<u>821,497</u>	<u>982,902</u>	<u>1,804,399</u>	<u>1,617,954</u>	<u>186,445</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(69,965)</u>	<u>-</u>	<u>(69,965)</u>	<u>(71,394)</u>	<u>(1,429)</u>
Other Financing Sources					
Transfer In - General Fund	69,965	-	69,965	69,965	-
Fund Balances, Beginning of Year	<u>13,298</u>	<u>-</u>	<u>13,298</u>	<u>13,298</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 13,298</u>	<u>\$ -</u>	<u>\$ 13,298</u>	<u>\$ 11,869</u>	<u>\$ (1,429)</u>
Reconciliation to Governmental Funds Statements (GAAP):					
Less: Current Year State Aid Payments Not Recognized on GAAP Basis				\$ (55,914)	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ (44,045)</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, 2023**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 12,254,336	\$ 1,546,560
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, 2022		175
Encumbrances, June 30, 2023		(160,909)
State Aid payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2021/2022 State Aid)	326,519	55,318
State Aid payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2022/2023 State Aid)	<u>(284,777)</u>	<u>(55,914)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 12,296,078</u>	<u>\$ 1,385,230</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total outflows from the Budgetary Comparison Schedule (Exhibits C-1 and C-2)	\$ 11,119,269	\$ 1,617,954
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, 2022		175
Encumbrances, June 30, 2023	<u>-</u>	<u>(160,909)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 11,119,269</u>	<u>\$ 1,457,220</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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00676 %	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)	\$ 1,019,557	\$ 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	\$ 535,013	\$ 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	190.6%	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	62.91 %	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.

MOONACHIE BOARD OF EDUCATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 85,195	\$ 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>85,195</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 482,993	\$ 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	17.64%	13.76%	15.81%	16.68%	12.61%	15.25%	15.10%	14.84%	12.62%	12.39%

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 Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	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>12,597,247</u>	\$ <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>12,597,247</u>	\$ <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	\$ 2,828,692	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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.

**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, 2023**

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 Six Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 639,131	\$ 762,714	\$ 390,867	\$ 321,318	\$ 410,920	\$ 491,622
Interest on Total OPEB Liability	274,797	315,583	313,910	385,150	448,694	388,859
Changes in Benefit Terms	-	(12,949)				
Differences Between Expected and Actual Experience	335,068	(2,608,001)	2,226,721	(1,641,658)	(1,975,910)	
Changes of Assumptions	(2,781,649)	12,002	2,545,730	129,637	(1,119,910)	(1,618,043)
Gross Benefit Payments	(272,195)	(248,591)	(242,624)	(266,898)	(260,956)	(257,463)
Contribution from the Member	<u>8,732</u>	<u>8,068</u>	<u>7,354</u>	<u>7,912</u>	<u>9,019</u>	<u>9,480</u>
Net Change in Total OPEB Liability	(1,796,116)	(1,771,174)	5,241,958	(1,064,539)	(2,488,143)	(985,545)
Total OPEB Liability - Beginning	<u>12,165,384</u>	<u>13,936,558</u>	<u>8,694,600</u>	<u>9,759,139</u>	<u>12,247,282</u>	<u>13,232,827</u>
Total OPEB Liability - Ending	<u>\$ 10,369,268</u>	<u>\$ 12,165,384</u>	<u>\$ 13,936,558</u>	<u>\$ 8,694,600</u>	<u>\$ 9,759,139</u>	<u>\$ 12,247,282</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>10,369,268</u>	<u>12,165,384</u>	<u>13,936,558</u>	<u>8,694,600</u>	<u>9,759,139</u>	<u>12,247,282</u>
Total OPEB Liability - Ending	<u>\$ 10,369,268</u>	<u>\$ 12,165,384</u>	<u>\$ 13,936,558</u>	<u>\$ 8,694,600</u>	<u>\$ 9,759,139</u>	<u>\$ 12,247,282</u>
District's Covered Payroll	<u>\$ 3,159,358</u>	<u>\$ 3,175,277</u>	<u>\$ 3,175,277</u>	<u>\$ 2,949,004</u>	<u>\$ 2,868,750</u>	<u>\$ 2,513,669</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	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, 2023**

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, 2023

	IDEA		ESEA Title I	ESEA Title I SIA	ESEA Title II	ESEA Title IV	ESSER II		To Exhibit E-1A
	Part B Basic	Part B Preschool					CRRSA Act	Mental Health	
REVENUES									
Intergovernmental									
State									-
Federal	\$ 104,065	\$ 5,971	\$ 85,873	\$ 21,928	\$ 9,458	\$ 6,054	\$ 41,782	\$ 14,375	\$ 289,506
Local Sources	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 104,065	\$ 5,971	\$ 85,873	\$ 21,928	\$ 9,458	\$ 6,054	\$ 41,782	\$ 14,375	\$ 289,506
EXPENDITURES									
Instruction									
Salaries of Teachers			\$ 56,406				\$ 41,452		\$ 97,858
Other Salaries for Instruction				\$ 11,928				\$ 9,875	21,803
Purchased Professional and Educational Services									-
School-Sponsored/Cocurricular Activities									-
Tuition	\$ 104,065		700						104,065
General Supplies	-	-	700	-	-	-	-	-	700
Total Instruction	104,065	-	57,106	11,928	-	-	41,452	9,875	224,426
Support Services									
Salaries of Support Staff									-
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			28,767						28,767
Purchased Professional and Technical Services		\$ 5,971		10,000	\$ 9,458			4,500	29,929
Contracted Services (Bet. Home & School) - Vendors									-
General Supplies	-	-	-	-	-	\$ 6,054	330	-	6,384
Total Support Services	-	5,971	28,767	10,000	9,458	6,054	330	4,500	65,080
Total Expenditures	104,065	5,971	85,873	21,928	9,458	6,054	41,782	14,375	289,506
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	-	-	-
Other Financing Sources									
Transfers In - General Fund	-	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Exhibit E-1 Subtotal	ESSER III				SDA Emergent Cap & Maint	Preschool Education Aid	Local Grants	Student Activities	Scholarship Account	Grand Total
		ARP ESSER	Accel. Learning	Comprehensive Beyond	Mental Health						
REVENUES											
Intergovernmental											
State	-					\$ 7,952	\$ 559,720				\$ 567,672
Federal	\$ 289,506	\$ 570,806	\$ 10,000	\$ 26,455	\$ 43,065						939,832
Local Sources	-	-	-	-	-	-	-	\$ 26,314	\$ 12,742	-	39,056
Total Revenues	\$ 289,506	\$ 570,806	\$ 10,000	\$ 26,455	\$ 43,065	\$ 7,952	\$ 559,720	\$ 26,314	\$ 12,742	\$ -	\$ 1,546,560
EXPENDITURES											
Instruction											
Salaries of Teachers	\$ 97,858	\$ 68,562		\$ 22,738			\$ 184,800				\$ 373,958
Other Salaries for Instruction	-						98,000				98,000
Purchased Professional and Educational Services	21,803						25,000				46,803
School-Sponsored/Cocurricular Activities	-								\$ 14,071		14,071
Tuition	104,065										104,065
General Supplies	700	50,000	-	3,717	-	-	7,000	\$ 109	-	-	61,526
Total Instruction	224,426	118,562	-	26,455	-	-	314,800	109	14,071	-	698,423
Support Services											
Salaries of Support Staff	-	25,392									25,392
Salaries of Supervisors of Instruction	-						8,500				8,500
Salaries of Program Directors	-						14,070				14,070
Salaries of Secr. and Clerical Assistants	-						9,700				9,700
Other Salaries	-						4,500				4,500
Salaries of Facilitators/Master Teachers	-						88,500				88,500
Personal Services - Employee Benefits	28,767	12,757					144,615				186,139
Purchased Professional and Technical Services	29,929		\$ 10,000		\$ 43,065			1,205			84,199
Contracted Services (Bet. Home & School) - Vendors	-						45,000				45,000
Scholarship Awarded	-									\$ 100	100
General Supplies	6,384	-	-	-	-	-	-	-	-	-	6,384
Total Support Services	65,080	38,149	10,000	-	43,065	-	314,885	1,205	-	100	472,484
Capital Outlay											
Construction Services								25,000			25,000
Non-Instructional Equipment	-	414,095	-	-	-	\$ 7,952	-	-	-	-	422,047
Total Capital Outlay	-	414,095	-	-	-	7,952	-	25,000	-	-	447,047
Total Expenditures	289,506	570,806	10,000	26,455	43,065	7,952	629,685	26,314	14,071	100	1,617,954
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	-	-	-	-	-	-	(69,965)	-	(1,329)	(100)	(71,394)
Other Financing Sources											
Transfers In - General Fund	-	-	-	-	-	-	69,965	-	-	-	69,965
Fund Balances, Beginning of Year	-	-	-	-	-	-	-	-	12,517	781	13,298
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,188	\$ 681	\$ 11,869

**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, 2023**

EXPENDITURES	Original Budget	Adjustments	Final Budget	Actual	Final To Actual Variance
Instruction					
Salaries of Teachers	\$ 216,800	\$ (32,000)	\$ 184,800	\$ 184,800	
Other Salaries for Instruction	98,000	-	98,000	98,000	
Purchased Professional and Educational Services	25,000	-	25,000	25,000	
General Supplies	7,000	-	7,000	7,000	-
Total Instruction	346,800	(32,000)	314,800	314,800	-
Support Services					
Salaries of Supervisors of Instruction	8,500		8,500	8,500	
Salaries of Program Directors	14,070		14,070	14,070	
Salaries of Sec, and Clerical Assistants	9,700		9,700	9,700	
Other Salaries	4,500		4,500	4,500	
Salaries of Facilitators/Master Teachers	56,500	32,000	88,500	88,500	
Personal Services - Employee Benefits	144,615		144,615	144,615	
Contracted Services (Bet. Home & School) - Vendors	45,000	-	45,000	45,000	-
Total Support Services	282,885	32,000	314,885	314,885	-
Total Expenditures	\$ 629,685	\$ -	\$ 629,685	\$ 629,685	\$ -

Calculation of Budget Carryover

Total revised 2022-2023 Preschool Education Aid Allocation	\$ 559,720
General Fund Contribution	69,965
Add: Actual PEA Carryover (June 30, 2022)	-
Total Preschool Ed. Aid Funds Available for 2022-2023 Budget	629,685
Less: 2022-2023 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	629,685
Available & Unbudgeted Preschool Funds as of June 30, 2023	\$ -
Add: June 30, 2023 Unexpended Preschool Education Aid	-
2022-2023 Carryover - Preschool Education Aid Programs	\$ -
2022-2023 Preschool Education Aid Carryover Budgeted in 2023-24	\$ -

**MOONACHIE BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Balance, July 1, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2023</u>
Elementary School Robert L. Craig School	\$ 12,517	\$ 12,742	\$ 14,071	\$ 11,188
Total All Schools	<u>\$ 12,517</u>	<u>\$ 12,742</u>	<u>\$ 14,071</u>	<u>\$ 11,188</u>

CAPITAL PROJECTS FUND

SCHEDULE F-1

**MOONACHIE BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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, 2023**

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, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

NOT APPLICABLE

**LONG-TERM DEBT
SCHEDULE OF LEASES PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Purpose</u>	<u>Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, June 30, 2023</u>
2018 Savin Copiers	\$ 108,748	\$ 19,555		\$ 19,555	
2023 Savin Copiers	102,014	<u>-</u>	<u>\$ 102,014</u>	<u>12,538</u>	<u>\$ 89,476</u>
		<u>\$ 19,555</u>	<u>\$ 102,014</u>	<u>\$ 32,093</u>	<u>\$ 89,476</u>

**MOONACHIE BOARD OF EDUCATION
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 4,029,960
Restricted	933,000	428,978	746,175	746,175	624,730	1,246,175	1,991,197	2,708,287	2,703,419	2,903,612
Unrestricted	(1,497,190)	(281,471)	(848,903)	(1,140,799)	(1,227,970)	(1,244,713)	(1,036,574)	(858,997)	(346,953)	856,847
Total Governmental Activities Net Assets	<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>	<u>\$ 7,790,419</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 2,584	\$ 1,000								
Unrestricted	32,163	33,259	46,304	\$ 59,279	\$ 63,430	\$ 71,023	\$ 69,263	\$ 23,702	\$ 64,354	\$ 40,172
Total Business-Type Activities Net Assets	<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>	<u>\$ 40,172</u>
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 4,029,960
Restricted	933,000	428,978	746,175	746,175	624,730	1,246,175	1,991,197	2,708,287	2,703,419	2,903,612
Unrestricted	(1,465,027)	(248,212)	(802,599)	(1,081,520)	(1,164,540)	(1,173,690)	(967,311)	(835,295)	(282,599)	897,019
Total District Net Assets	<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>	<u>\$ 7,830,591</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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 4,869,434
Special Education	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	2,101,426
Other Instruction	218,034	263,058	367,119	361,056	307,671	257,328	224,087	324,607	408,671	256,217
School Sponsored Activities And Athletics	50,056	35,439	31,983	75,931	42,194	43,423	29,835	37,569	62,291	48,811
Support Services:										
Student & Instruction Related Services	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	1,729,308
General Administration	232,767	273,770	301,344	273,352	231,790	257,792	258,682	260,969	260,452	254,549
School Administrative Services	130,493	180,874	191,144	262,762	213,993	200,191	217,119	178,907	171,912	197,352
Plant Operations And Maintenance	1,865,058	897,860	934,258	855,468	822,345	780,862	801,044	855,441	810,658	877,661
Pupil Transportation	317,611	318,019	489,688	536,028	670,474	678,955	687,113	727,893	814,828	963,374
Central Services	215,369	226,485	198,000	231,769	165,241	216,274	220,176	237,504	247,327	234,638
Other Support Services										
Interest On Long-Term Debt	30,100	2,263	5,764	3,598	3,056	3,578	2,810	2,013	1,187	2,717
Total Governmental Activities Expenses	9,484,326	9,120,145	9,964,838	10,491,262	11,094,223	10,494,253	10,400,849	11,500,496	11,203,751	11,535,487
Business-Type Activities:										
Food Service	105,528	139,635	155,041	157,957	221,184	210,776	213,811	282,568	317,865	220,293
Total Business-Type Activities Expense	105,528	139,635	155,041	157,957	221,184	210,776	213,811	282,568	317,865	220,293
Total District Expenses	\$ 9,589,854	\$ 9,259,780	\$ 10,119,879	\$ 10,649,219	\$ 11,315,407	\$ 10,705,029	\$ 10,614,660	\$ 11,783,064	\$ 11,521,616	\$ 11,755,780
Program Revenues										
Governmental Activities:										
Charges For Services:										
Special Education	\$ 142,273	\$ 246,086	\$ 110,042	\$ 76,646	\$ 66,111	\$ 51,694	\$ 73,278	\$ 52,274	\$ 154,181	
School Sponsored Activities & Athletics									5,008	\$ 12,742
Operating Grants And Contributions	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	2,699,981
Capital Grants And Contributions	553,568		-					20,000	-	435,575
Total Governmental Activities Program Revenues	2,743,032	2,269,236	2,113,697	2,452,570	2,643,118	2,378,897	2,223,259	3,160,997	2,994,131	3,148,298

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-Type Activities:										
Charges For Services										
Food Service	\$ 18,947	\$ 33,844	\$ 40,446	\$ 36,639	\$ 35,018	\$ 40,544	\$ 32,497	\$ 17,819	\$ 43,544	\$ 45,453
Operating Grants And Contributions	60,322	78,448	98,617	104,361	102,024	115,509	117,541	194,188	297,993	150,658
Total Business Type Activities Program Revenues	79,269	112,292	139,063	141,000	137,042	156,053	150,038	212,007	341,537	196,111
Total District Program Revenues	\$ 2,822,301	\$ 2,381,528	\$ 2,252,760	\$ 2,593,570	\$ 2,780,160	\$ 2,534,950	\$ 2,373,297	\$ 3,373,004	\$ 3,335,668	\$ 3,344,409
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (8,387,189)
Business-Type Activities	(26,259)	(27,343)	(15,978)	(16,957)	(84,142)	(54,723)	(63,773)	(70,561)	23,672	(24,182)
Total District-Wide Net Expense	\$ (6,767,553)	\$ (6,878,252)	\$ (7,867,119)	\$ (8,055,649)	\$ (8,535,247)	\$ (8,170,079)	\$ (8,241,363)	\$ (8,410,060)	\$ (8,185,948)	\$ (8,411,371)
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 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	\$ 9,510,870
Unrestricted Grants And Contributions	16,799	23,060	24,220	27,084	28,914	16,947	16,703	16,551	16,551	16,418
Miscellaneous Income	110,946	103,612	129,476	114,512	178,710	221,955	236,606	206,709	218,912	325,397
Transfers	(32,730)	(26,738)	(27,974)	(29,932)	(88,293)	(62,316)	(62,013)	(25,000)	(16,980)	-
Total Governmental Activities	7,339,699	7,159,477	7,326,456	7,456,413	7,977,082	8,502,536	8,837,321	9,017,206	9,386,532	9,852,685
Business-Type Activities:										
Investment Earnings	125	117	49							
Transfers	32,730	26,738	27,974	29,932	88,293	62,316	62,013	25,000	16,980	-
Total Business-Type Activities	32,855	26,855	28,023	29,932	88,293	62,316	62,013	25,000	16,980	-
Total District-Wide	\$ 7,372,554	\$ 7,186,332	\$ 7,354,479	\$ 7,486,345	\$ 8,065,375	\$ 8,564,852	\$ 8,899,334	\$ 9,042,206	\$ 9,403,512	\$ 9,852,685
Change In Net Position										
Governmental Activities	\$ 598,405	\$ 308,568	\$ (524,685)	\$ (582,279)	\$ (474,023)	\$ 387,180	\$ 659,731	\$ 677,707	\$ 1,176,912	\$ 1,465,496
Business-Type Activities	6,596	(488)	12,045	12,975	4,151	7,593	(1,760)	(45,561)	40,652	(24,182)
Total District	\$ 605,001	\$ 308,080	\$ (512,640)	\$ (569,304)	\$ (469,872)	\$ 394,773	\$ 657,971	\$ 632,146	\$ 1,217,564	\$ 1,441,314

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 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	\$ 4,119,866
Committed										
Assigned	164,484	95,149	46,722	45,099	57,256	60,481	83,301	197,791	40,661	802,293
Unassigned	<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>	<u>136,997</u>
Total General Fund	<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>	<u><u>\$ 5,059,156</u></u>
All Other Governmental Funds										
Unassigned	\$ (507,336)					\$ (29,881)	\$ (9,764)	\$ (47,079)	\$ (55,318)	\$ (55,914)
Restricted								<u>18,166</u>	<u>13,298</u>	<u>11,869</u>
Total All Other Governmental Funds	<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>	<u><u>\$ (44,045)</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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax Levy	\$ 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	\$ 9,510,870
Tuition Charges	142,273	246,086	110,042	76,646	66,111	51,694	73,278	52,274	35,741	-
Miscellaneous	280,325	107,638	138,856	114,512	178,710	223,702	239,678	210,279	224,783	364,453
State Sources	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	3,026,887
Federal Sources	204,197	192,492	197,581	192,646	208,192	237,766	229,299	361,433	583,447	779,098
Total Revenue	8,731,516	8,552,744	8,654,563	8,788,173	9,471,382	10,426,014	10,970,456	11,650,820	12,765,795	13,681,308
Expenditures										
Instruction										
Regular Instruction	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	5,326,790
Special Education Instruction	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	2,254,948
Other Instruction	217,808	232,086	321,048	307,992	251,456	235,664	216,369	303,925	425,182	290,706
School Sponsored Activities And Athletics	50,056	30,922	26,623	38,246	31,970	38,013	28,361	34,132	68,346	54,817
Support Services:										
Student & Inst. Related Services	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	1,798,536
General Administration	232,767	251,735	263,600	258,686	214,851	262,914	263,912	258,368	271,856	277,023
School Administrative Services	130,173	148,359	145,325	184,157	148,453	176,873	189,321	144,142	165,050	186,481
Plant Operations And Maintenance	1,697,034	318,019	489,657	558,879	514,921	521,301	542,161	583,851	569,921	618,599
Pupil Transportation	317,611	199,277	197,649	534,358	665,034	679,589	687,881	727,456	817,542	968,623
Central Services	199,221	512,589	667,471	232,286	147,435	223,056	227,188	234,023	264,834	269,638
Other Support Services										
Capital Outlay	456,429	22,411	57,230		88,959	49,424	2,200	57,322	943,348	495,518
Debt Service:										
Principal	323,105	15,215	20,328	26,570	23,360	20,290	21,058	21,855	22,681	32,093
Interest And Other Charges	29,465	3,085	10,098	3,598	3,056	3,578	2,810	2,013	1,187	2,717
Total Expenditures	10,058,489	8,152,691	8,925,724	8,953,048	9,602,829	9,830,844	9,994,005	10,788,114	12,453,493	12,576,489
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(1,326,973)	400,053	(271,161)	(164,875)	(131,447)	595,170	976,451	862,706	312,302	1,104,819
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	45,000		51,970		75,165					102,014
Super Storm Sandy Insurance Recovery	1,383,945	334,369	-							
Transfers In		507,336	-			43,879	86,803	98,055	68,655	69,965
Transfers Out	(32,730)	(534,074)	(27,974)	(29,932)	(88,293)	(106,195)	(148,816)	(123,055)	(85,635)	(69,965)
Total Other Financing Sources (Uses)	1,396,215	307,631	23,996	(29,932)	(13,128)	(62,316)	(62,013)	(25,000)	(16,980)	102,014
Net Change In Fund Balances	\$ 69,242	\$ 707,684	\$ (247,165)	\$ (194,807)	\$ (144,575)	\$ 532,854	\$ 914,438	\$ 837,706	\$ 295,322	\$ 1,206,833
Debt Service As A Percentage Of										
Noncapital Expenditures	3.67%	0.23%	0.34%	0.34%	0.28%	0.24%	0.24%	0.22%	0.21%	0.29%

* 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 Ended June 30,</u>	<u>Tuition</u>	<u>Restricted Revenue</u>	<u>Interest on Investments</u>	<u>Rent</u>	<u>Donations</u>	<u>Refunds and Miscellaneous</u>	<u>Total</u>
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
2023			112,755	210,820		1,822	325,397

Source: District Records

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

Calendar Year	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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
2023	4,659,400	252,565,400			84,177,200	724,767,400		1,066,169,400	1,265,103	1,067,434,503	1,067,434,503	0.908

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality</u>	<u>County (1)</u>
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
2023	2.020	0.908	0.871	0.241

(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	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
Forsgate Industrial - 400 Hollister Rd	\$ 95,182,100	8.92%
Forsgate Ventures VIII LLC	33,054,500	3.10%
Teachers Ins. Annuity Assoc	24,711,500	2.32%
Liberty Property LP - 500 Chesterfield	22,460,300	2.10%
Liberty Property LP - 650 E. Swedesford Rd	20,331,100	1.90%
4S FiveCrecent Drive LP	18,242,500	1.71%
SWS Moonachie Associates	18,090,300	1.69%
LPS Industries	17,784,600	1.67%
GWL Direct Moonachie LLC	16,612,100	1.56%
Jillardarvy Realty	15,825,000	1.48%
	<u>\$ 282,294,000</u>	<u>26.45%</u>

	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Forsgate Industries	\$ 69,724,700	0.00%
Forsgate Ventures VII LLC	24,355,300	0.00%
Cornerstone Partiot Holding	16,368,100	0.00%
SWS Moonachie Associates	13,859,360	0.00%
Lladro Realty	11,634,200	0.00%
Jeni LLC	11,000,000	0.00%
LPS Industries	10,000,000	0.00%
AEK Realty	9,324,300	0.00%
Russo 2000 LLC	9,008,400	0.00%
Jillardaroy Realty	8,900,000	0.00%
	<u>\$ 184,174,360</u>	<u>0.00%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2023	9,510,870	9,510,870	100.00%	

Source: District records

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Financing</u>			
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
2023		102,014	102,014	3,103	33

Source: District records

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	-
2023	-	-	-	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, 2022
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Moonachie	<u>\$ 11,356,723</u>
	<u>11,356,723</u>
Overlapping Debt Apportioned to the Municipality:	
Bergen County	7,816,874
Bergen County Utilities Authority - Water Pollution (2)	<u>1,941,053</u>
	<u>9,757,927</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 21,114,650</u></u>

Sources:

- (1) Borough of Moonachie Annual Debt Statement
- (2) BCUA 2022 Audit
- (3) Bergen County Debt Statement December 31, 2022

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis
	2022 \$ 1,067,964,804
	2021 1,035,411,253
	2020 <u>1,009,855,189</u>
	<u>\$ 3,113,231,246</u>
Average Equalized Valuation	\$ 1,037,743,749
Debt limit (3 % of average equalization value)	31,132,312
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 31,132,312</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 31,132,312
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 31,132,312</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	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 Capita Personal Income</u>	<u>Unemployment Rate</u>
2014	2,703	73,883	7.90%
2015	2,707	77,323	6.90%
2016	2,721	78,836	6.30%
2017	2,717	81,024	5.70%
2018	2,722	85,191	5.00%
2019	2,714	88,241	4.90%
2020	2,702	91,972	15.20%
2021	2,689	97,343	10.00%
2022	3,108	97,343 *	4.30%
2023	3,103	97,343 *	N/A

Source: New Jersey State Department of Education

* Estimate

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

	2023		2014	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2023</u>
Instruction										
Regular	24.1	24.8	24.8	20.0	22.0	22.0	25.0	26.0	27.0	28.0
Special education	5.0	5.5	5.5	8.5	5.2	5.8	6.0	6.0	6.0	6.0
Other special education	-			0.5	0.8	0.8	3.5	5.5	5.5	3.5
Other instruction	-			8.5	3.0	3.0	3.0	3.0	3.0	3.0
										-
Support Services:										
Student & instruction related services	9.0	10.0	10.0	2.0	5.0	5.0	5.0	7.0	7.0	9.0
General administration	1.5	1.5	1.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	0.5	0.5	0.5	1.0	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	1.5
Plant operations and maintenance	2.5	2.5	2.5	2.8	3.0	3.0	3.0	3.0	3.0	3.0
Other support services	3.0	3.5	3.5	1.0	1.0	3.0	2.5	2.0	2.0	2.0
Food Service	0.5	0.5	0.5	0.8	0.8	0.8	1.0	1.0	1.0	1.5
Total	<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>	<u>60.5</u>

Source: District Personnel Records

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

<u>Fiscal Year</u>	<u>Enrollment ^a</u>	<u>Operating Expenditures ^b</u>	<u>Cost Per Pupil ^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Teacher/Pupil Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	353	\$ 9,249,490 (2)	\$ 26,203	-7.02%	29	1:10	288	273	4.35%	94.79%
2015	403	8,111,980	20,129	-23.18%	30	1:10	295	280	2.43%	94.92%
2016	401	8,838,068	22,040	9.49%	30	1:10	304	304	3.05%	100.00%
2017	424	8,922,880	21,045	-4.52%	38	1:11	318	300	4.61%	94.34%
2018	420	9,487,454	22,589	7.34%	31	1:14	313	303	-1.57%	96.81%
2019	420	9,757,552	23,232	2.85%	32	1:10	318	306	1.60%	96.23%
2020	431	9,967,937	23,127	-0.45%	34	1:10	333	322	4.72%	96.70%
2021	433	10,706,924	24,727	6.44%	39	1:10	348	341	9.43%	97.99%
2022	452	11,486,277	25,412	2.77%	36	1:10	347	325	4.20%	93.66%
2023	452	12,046,161	26,651	4.87%	37	1:10	361	337	4.03%	93.35%

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.

(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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Building</u>										
<u>Elementary</u>										
Square Feet	54,017	54,017	54,017	54,017	54,017	54,017	54,017	54,017	54,017	54,017
Capacity (students)	429	429	429	429	429	429	429	429	429	429
Enrollment	288	295	304	318	420	312	352	348	347	347

Number of Schools at June 30, 2023
 Elementary = 1

Source: District Records

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

	<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>	<u>2023</u>
School Facilities										
Robert L. Craig Elementary School	<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>	<u>\$ 255,915</u>
Grand Total	<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>	<u>\$ 255,915</u>

Source: School District's Financial Statements

MOONACHIE BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund		
School Package Policy		
Blanket Building & Contents	\$ 13,156,993	\$ 2,500
Blanket Valuable Papers		
Flood	25,000,000	50,000
Earthquake	25,000,000	5% of SOV
Comprehensive General Liability	10,000,000	
Comprehensive Auto Liability	10,000,000	
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)	2,500
	1,000,000 /	
Environmental	10,000,000	50,000
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
Xs School Board Legal	5,000,000	5,000
NJ CAP Umbrella	25,000,000	
Crime Coverage - Computer Fraud	50,000	1000
Crime Coverage - Funds Transfer Fraud	50,000	1000

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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN 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, 2023 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 7, 2024.

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.

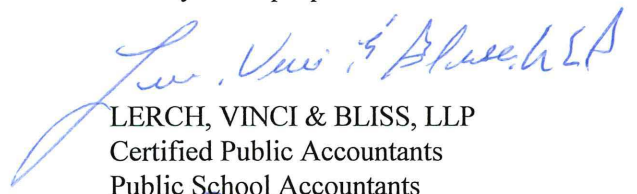
Report on Compliance and Other Matters

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.

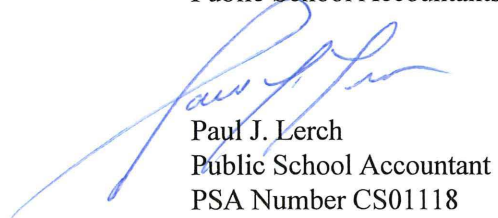
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Moonachie Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated February 7, 2024.

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 7, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**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, 2023. 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, 2023.

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.

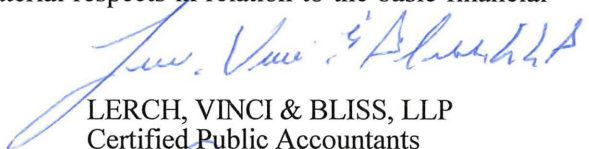
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

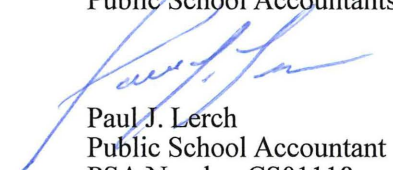
Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

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, 2023, 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 7, 2024, 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 7, 2024

**MOONACHIE BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal A.L. Number	FAIN Number	Grant Period	Award Amount	Balance, June 30, 2022		Def Rev Carryover	A/R Carryover	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2023		MEMO GAAP Receivable
					(Account Receivable)	Unearned Revenue						Unearned Revenue	(Account Receivable)	
U.S. Department of Agriculture														
Passed-through State Department of Education														
Food Service Fund														
National School Lunch Program	10.555	221NJ304N1099	9/1/21-6/30/22	\$ 169,329	\$ (9,225)			\$ 9,225						
National School Lunch Program	10.555	231NJ304N1099	9/1/22-6/30/23	108,442				102,518	\$ 108,442			\$ (5,924)	\$ (5,924)	
National School PB Lunch Program	10.555	231NJ304N1099	9/1/22-6/30/23	2,401				2,272	2,401			-	(129)	
National School Breakfast Program	10.553	2216NJ304N1099	9/1/21/6/30/22	100,305	(6,002)			6,002				-	-	
National School Breakfast Program	10.553	2316NJ304N1099	9/1/22-6/30/23	19,547				18,326	19,547			-	(1,221)	
Seamless Summer Option	10.559	231NJ304N1099	9/1/22-6/30/23	13,937				13,937	13,937			-	-	
Total U.S. Department of Agriculture - Child Nutrition Cluster / Food Service Fund					(15,227)	-	-	-	152,280	144,327	-	-	(7,274)	(7,274)
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund														
ESEA Consolidated:														
Title I	84.010A	S010A220030	7/1/22-9/30/23	85,873				57,106	85,873				(28,767)	(28,767)
Title I	84.010A	S010A210030	7/1/21-9/30/22	80,442	(24,866)			24,866					-	-
Title II	84.367	S367B220027	7/1/22-9/30/23	12,883		\$ 330	\$ (330)	3,625	9,458		\$ 3,755	(9,588)	(5,833)	
Title II	84.367	S367B210027	7/1/21-9/30/22	10,202	(330)	\$ 330	(330)	330					-	
Title I SIA	84.367A	S367A220029	7/1/22-9/30/23	20,000			1,928	(1,928)	21,928	21,928			-	
Title I SIA	84.367A	S367A210029	7/1/21-9/30/22	10,000	(1,928)		(1,928)	1,928	1,928				-	
Title IV	84.424	S424A220031	7/1/22-9/30/23	10,000			2,498	(2,498)	6,054	6,054		6,444	(6,444)	
Title IV	84.424	S424A210031	7/1/21-9/30/22	10,000	(3,601)	2,353	(2,498)	2,498	1,248				-	
ESEA Cluster					(30,725)	2,683	-	-	116,755	123,313	-	10,199	(44,799)	(34,600)
IDEA Consolidated:														
IDEA Part B, Basic	84.027A	H027A210100	7/1/21-9/30/22	100,119	(31,598)			31,598					-	-
IDEA Part B, Basic	84.027A	H027A220100	7/1/22-9/30/23	104,065				93,888	104,065				(10,177)	(10,177)
IDEA Part B, Preschool	84.173	H173A210114	7/1/21-9/30/22	5,552	(5,552)			5,552					-	-
IDEA Part B, Preschool	84.173	H173A220114	7/1/22-9/30/23	5,971				5,971	5,971				-	-
IDEA Cluster					(37,150)	-	-	-	137,009	110,036	-	-	(10,177)	(10,177)
Elementary and Secondary School Emergency Relief Fund (ESSER):														
ESSER II - Coronavirus Response and Relief Supplem. Appropriations	84.425D	S425D200027	3/13/20-9/30/23	287,575	(42,068)	41,782		42,068	41,782				-	-
ESSER II - Mental Health	84.425D	S425D200027	3/13/20-9/30/23	45,000	(20,125)	14,375		20,125	14,375				-	-
American Rescue Plan Consolidated (ARP ESSER):														
ARP ESSER	84.425U	S425U210027	3/13/20-9/30/24	646,307	(646,307)	646,307		196,354	570,806			75,501	(449,953)	(374,452)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	3/13/20-9/30/24	50,000	(50,000)	50,000		10,000	10,000			40,000	(40,000)	
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	3/13/20-9/30/24	40,000	(40,000)	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		25,713	26,455			13,545	(14,287)	(742)
NJTSS Mental Health Support Staffing	84.425U	S425U210027	3/13/20-9/30/24	45,000	(45,000)	45,000		31,535	43,065			1,935	(13,465)	(11,530)
ESSER Cluster					(883,500)	877,464	-	-	325,795	706,483	-	170,981	(557,705)	(386,724)
Total U.S. Department of Education					(951,375)	880,147	-	-	579,559	939,832	-	181,180	(612,681)	(431,501)
Total U.S. Department of Education / Special Revenue Fund					(951,375)	880,147	-	-	579,559	939,832	-	181,180	(612,681)	(431,501)
Total Federal Financial Assistance					\$ (966,602)	\$ 880,147	\$ -	\$ -	\$ 731,839	\$ 1,084,159	\$ -	\$ 181,180	\$ (619,955)	\$ (438,775)

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, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Transfers / Adjustments	Balance, June 30, 2023		MEMO	
								Unearned Revenue	(Accounts Receivable)	GAAP Receivable	Cumulative Total Expenditures
State Department of Education											
General Fund											
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 345,346	\$ (30,917)	\$ 30,917						
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	413,103		371,835	\$ 413,103		\$ (41,268)		\$	413,103
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	112,578	(10,079)	10,079						
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	112,578		101,332	112,578		(11,246)			112,578
Adjustment Aid	22-495-034-5120-085	7/1/21-6/30/22	16,590	(1,485)	1,485						
Adjustment Aid	23-495-034-5120-085	7/1/22-6/30/23	16,590		14,933	16,590		(1,657)			16,590
State Aid Public Cluster				(42,481)	530,581	542,271	-	(54,171)			542,271
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	107,072	(9,586)	9,586						
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	107,072		96,376	107,072		(10,696)			107,072
Additional Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	6,670	(6,670)	6,670					\$	
Additional Nonpublic Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	6,864			6,864		(6,864)		(6,864)	6,864
Transportation Aid Cluster				(16,256)	112,632	113,936	-	(17,560)		(6,864)	113,936
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	125,529	(125,529)	125,529						
Extraordinary Aid	23-495-034-5120-044	7/1/22-6/30/23	176,884			176,884		(176,884)			176,884
Maintenance of Equity Aid	22-495-034-5120-128	7/1/21-6/30/22	148,923	(148,923)	148,923						
Maintenance of Equity Aid	23-495-034-5120-128	7/1/22-6/30/23	43,026			43,026		(43,026)			43,026
Payment for Institutionalized Children - Unknown District of Residence	23-495-034-5120-005	7/1/22-6/30/23	55,032			55,032		(55,032)		(55,032)	55,032
On-Behalf Payments											
TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	988,387		988,387	988,387					988,387
TPAF Pension - NCGI Premium	23-100-034-5094-004	7/1/22-6/30/23	13,713		13,713						13,713
TPAF Pension - Post-Retirement Medical	23-100-034-5094-001	7/1/22-6/30/23	263,249		263,249	263,249					263,249
TPAF Long Term Disability Insurance	23-100-034-5094-004	7/1/22-6/30/23	592		592	592					592
TPAF Social Security Aid	22-495-034-5094-003	7/1/21-6/30/22	211,164	(10,324)	10,324						
TPAF Social Security Aid	23-495-034-5094-003	7/1/22-6/30/23	220,979		199,298	220,979		(21,681)		(21,681)	220,979
Total General Fund				(343,513)	2,393,228	2,418,069	-	(368,354)		(83,577)	2,418,069
Special Revenue Fund											
Preschool Education Aid (PEA)	22-495-034-5120-086	7/1/21-6/30/22	686,550	(55,318)	55,318						
Preschool Education Aid (PEA)	23-495-034-5120-086	7/1/22-6/30/23	629,685		503,806	629,685	\$ 69,965	(55,914)			629,685
SDA - Emergent Maintenance and Equity Grant	N/A	7/1/22-6/30/23	7,952		7,952	7,952					7,952
Total Special Revenue Fund				(55,318)	567,076	637,637	69,965	(55,914)			637,637
State Department of Agriculture											
Enterprise Fund											
National School Lunch Program	22-100-034-3350-023	9/1/21-6/30/22	3,985	(212)	212						
National School Lunch Program	23-100-034-3350-023	9/1/22-6/30/23	5,661		5,372	5,661		(289)		(289)	5,661
National School Breakfast Program	23-100-034-3350-023	9/1/22-6/30/23	670		621	670		(49)		(49)	670
Total Enterprise Fund				(212)	6,205	6,331	-	(338)		(338)	6,331
Total State Financial Assistance Subject to a Single Audit Determination				\$ (399,043)	\$ 2,966,509	3,062,037	\$ 69,965	\$ (424,606)		\$ (83,915)	\$ 3,062,037
Less On-Behalf Pension and Annuity Aid											
On-Behalf TPAF Pension Contributions						988,387					
On-Behalf TPAF Pension - NCGI Premium						13,713					
On-Behalf TPAF Pension - Post-Retirement Medical						263,249					
On-Behalf TPAF Long Term Disability Insurance						592					
Total State Financial Assistance Subject to Major Program Determination						\$ 1,796,688					

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

**MOONACHIE BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Moonachie Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 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 an increase of \$41,742 for the general fund and a decrease of \$161,330 for the 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		\$ 2,459,811	\$ 2,459,811
Special Revenue Fund	\$ 779,098	567,076	1,346,174
Food Service Fund	144,327	6,331	150,658
	<u> </u>	<u> </u>	<u> </u>
Total Awards and Financial Assistance	<u>\$ 923,425</u>	<u>\$ 3,033,218</u>	<u>\$ 3,956,643</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, 2023**

NOTE 5 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 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$220,979 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$1,002,100, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$263,249 and TPAF Long-Term Disability Insurance in the amount of \$592 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 as well as on-behalf School Development Authority Educational Facility Construction and Financing Act Program 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 8 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, 2023**

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 ESSER</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </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
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023

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, 2023**

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.