

**MOONACHIE BOARD OF EDUCATION  
AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS -  
FINANCIAL, COMPLIANCE AND PERFORMANCE  
JUNE 30, 2023**

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

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# LERCH, VINCI & BLISS, LLP

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## INDEPENDENT AUDITOR'S MANAGEMENT REPORT

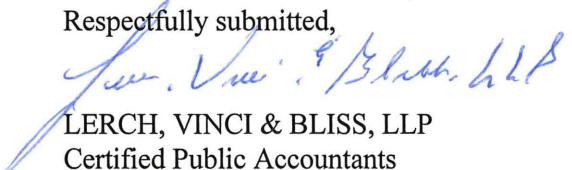
Honorable President and Members  
of the Board of Education  
Moonachie Board of Education  
Moonachie, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Moonachie Board of Education for the fiscal year ended June 30, 2023, and have issued our report thereon dated February 7, 2024.

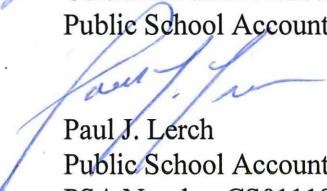
As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

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

Respectfully submitted,



LERCH, VINCI & 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  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Scope of Audit**

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

**Administrative Practices and Procedures**

**Insurance**

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

**Official Bonds**

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

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

**P.L.2020,c.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district. The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

**Financial Planning, Accounting and Reporting**

**Examination of Claims**

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

**Payroll Account**

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

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

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

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

**Reserve for Encumbrances and Accounts Payable**

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

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

Classification of Expenditures

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

**Finding – 2023-1** – Our audit of budget charges revealed that certain professional outside services were charged to a salaries account, as well as employee salaries charged to professional & education services.

**Recommendation** – District/charter schools/renaissance school projects should reference *The Uniform Minimum Chart of Account for New Jersey Public Schools* and other available reference materials, such as the Budget Guidelines for the proper classification required to be in compliance with N.J.A.C. 6A:23A-16.2 (f).

Travel Policy

The district has adopted a policy regulating District travel in compliance with N.J.A.C. 6A:23A-6.13 and N.J.S.A. 18A:11.12. No exception was noted pertaining to travel reimbursement payments tested.

Board Secretary's Records

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

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

Bids received are summarized in the minutes.

The prescribed contracted order system was followed.

Monthly Board Secretary’s report and certifications were approved by the Board in a timely manner.

Treasurer's Records

The Treasurer did perform cash reconciliations for all District accounts.

The Treasurer's bank reconciliations were in agreement with the records of the School Business Administrator/Board Secretary.

The Treasurer's cash balances were in agreement with the reconciled cash balance as determined during the audit.

Acknowledgement of the Board’s receipt of the Treasurer’s monthly financial reports was included in the minutes.

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

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

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

Other Special Federal and/or State Projects

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

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

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

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

**School Purchasing Programs**

**Contracts and Agreements Requiring Advertisement for Bids**

N.J.S.A. 18A:18-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) is \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent). The District has appointed Laurel Spadavecchia as a Qualified Purchasing Agent. The law regulating bidding for public school transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 effective 2022-23.

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the Board of Education may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Board has designated the Board Secretary as the qualified purchasing agent.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

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

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

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Food Service Fund**

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the ages of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The school food service program was not selected as a major federal or State program. However, the program expenditures exceeded \$100,000 in federal support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs.

Non-program foods were not purchased, prepared, sold or offered for sale.

Cash receipts and bank records were reviewed for timely deposit. Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified.

The District contracted with Carlstadt-East Rutherford Board of Education to manage the operations of the School Food Services and deposited funds in accordance with applicable State statutes.

**Student Body Activity Fund**

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

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

**Application for State School Aid**

Our audit procedures included a test of information reported in the October 14, 2022 Application for State School Aid (A.S.S.A.) for on-roll, private school for the handicapped, low income and bilingual education. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

**MOONACHIE BOARD OF EDUCATION  
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Pupil Transportation**

Our audit procedures included a test of on roll status reported in the 2022-2023 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

**Miscellaneous**

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

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

**Facilities and Capital Assets**

The District has no SDA grant projects during the current year.

**Follow Up On Prior Year Findings**

In accordance with government audit standards, our procedures included a review of all prior year recommendations.

**Suggestions to Management**

- Awarded contract amounts be listed in the minutes.
- The excess balance in the payroll agency account be returned to the general fund.



**MOONACHIE BOARD OF EDUCATION  
FOOD SERVICE FUND  
SCHEDULE OF MEAL/MILK COUNT ACTIVITY  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOT APPLICABLE**

# MOONACHIE BOARD OF EDUCATION NET CASH RESOURCE SCHEDULE

## Proprietary Funds - Food Service FYE 2023

<u>Net Cash Resources:</u>	<u>Food Service B - 4/5</u>	
<b>Current Assets</b>		
Cash & Cash Equiv.	\$ 99,584	
Due from Other Gov'ts	7,612	
Due from Other Funds	0	
Investments		
<b>Current Liabilities</b>		
Less Accounts Payable	(32,698)	
Less Accruals		
Less Due to Other Funds	(34,326)	
Less Deferred Revenue		
<b>Net Cash Resources</b>	<b><u>\$ 40,172</u></b>	<b>(A)</b>

**Net Adj. Total Operating Expense:**

Tot. Operating Exp.	220,293	
Less Depreciation	<u>0</u>	
Adj. Tot. Oper. Exp.	<b><u>\$ 220,293</u></b>	<b>(B)</b>

**Average Monthly Operating Expense:**

B / 10	<b><u>\$ 22,029.30</u></b>	<b>(C)</b>
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**Three times monthly Average:**

3 x C	<b><u>\$ 66,087.90</u></b>	<b>(D)</b>
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TOTAL IN BOX A	<u>\$ 40,172.00</u>
LESS TOTAL IN BOX D	<u>\$ 66,087.90</u>
NET	<b><u>\$ (25,915.90)</u></b>

**CONCLUSION:** Balance does not exceed the 3 x average monthly operating expenses.

**MOONACHIE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
ENROLLMENT AS OF OCTOBER 14, 2022  
SCHEDULE OF AUDITED ENROLLMENTS**

	2023-2024 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on		Reported on		Errors		Sample		Verified per		Errors per		Reported on		Sample	
	A.S.S.A.		Workpapers				Selected from		Register		Registers		A.S.S.A. as		for	
	On Roll		On Roll		Workpapers		On Roll		On Roll		Private		Verifi-			
Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Schools	cation	Sample	Sample	
													Verified	Verified	Errors	
Half Day Preschool 3 Years Old				-	-											
Half Day Preschool 4 Years Old				-	-											
Full Day Preschool 3 Years Old	16		16			16		16								
Full Day Preschool 4 Years Old	25		25			25		25								
Half Day Kindergarten				-	-											
Full Day Kindergarten	27		27			27		27								
Grade 1	35		35			35		35								
Grade 2	29		29			29		29								
Grade 3	33		33			33		33								
Grade 4	31		31			31		31								
Grade 5	43		43			43		43								
Grade 6	30		30			30		30								
Grade 7	22		22			22		22								
Grade 8	29		29			29		29								
Grade 9				-	-											
Grade 10				-	-											
Grade 11				-	-											
Grade 12				-	-											
Post- Graduate				-	-											
Adult High School (15+ Credits)				-	-											
Adult High School (1-14 Credits)				-	-											
Subtotal	320	-	320	-	-	320	-	320	-	-	-		-	-	-	
Sp Ed - Elementary	23		23			23		23				-				
Sp Ed - Middle School	14		14			14		14				2	2	2		
Sp Ed - High School	-		-			-		-				3	3	3		
Subtotal	37	-	37	-	-	37	-	37	-	-	-	5	5	5	-	
County Vocational - Regular				-												
County Vocational - F.T. Post-Second				-												
Subtotal	-	-	-	-	-	-	-	-	-	-	-		-	-	-	
Totals	357	-	357	-	-	357	-	357	-	-	-	5	5	5	-	
Percentage Error				<u>0.00%</u>					<u>0.00%</u>			<u>0.00%</u>		<u>0.00%</u>		

MOONACHIE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
10/14/2022  
SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application	Sample Errors
Half Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	10	10	-	5	5	-
Grade 1	21	21	-	10	10	-
Grade 2	11	11	-	3	3	-
Grade 3	21	21	-	6	6	-
Grade 4	23	23	-	6	6	-
Grade 5	22	22	-	5	5	-
Grade 6	21	21	-	6	6	-
Grade 7	13	13	-	3	3	-
Grade 8	16	16	-	4	4	-
Grade 9	11	11	-	-	-	-
Grade 10	11	11	-	-	-	-
Grade 11	7	7	-	-	-	-
Grade 12	6	6	-	-	-	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>193.0</b>	<b>193.0</b>	<b>-</b>	<b>48</b>	<b>48</b>	<b>-</b>
Sp Ed - Elementary	14	14	-	4	4	-
Sp Ed - Middle School	13	13	-	4	4	-
Sp Ed - High School	8	8	-	-	-	-
<b>Subtotal</b>	<b>35</b>	<b>35</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>-</b>
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>228</b>	<b>228</b>	<b>-</b>	<b>56</b>	<b>56</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Resident LEP Low Income			Sample for Verification		
	Reported on ASSA as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected	Verified to Test Score and Register	Errors
Half Day Preschool 3 Years Old			-			-
Half Day Preschool 4 Years Old			-			-
Full Day Preschool 3 Years Old			-			-
Full Day Preschool 4 Years Old			-			-
Half Day Kindergarten			-			-
Full Day Kindergarten	1	1	-	-	-	-
Grade 1	5	5	-	1	1	-
Grade 2	-	-	-	-	-	-
Grade 3	1	1	-	1	1	-
Grade 4	3	3	-	1	1	-
Grade 5	3	3	-	1	1	-
Grade 6	1	1	-	1	1	-
Grade 7	-	-	-	-	-	-
Grade 8	-	-	-	-	-	-
Grade 9	4	4	-	-	-	-
Grade 10	1	1	-	-	-	-
Grade 11	2	2	-	-	-	-
Grade 12	-	-	-	-	-	-
Post- Graduate			-			-
Adult High School (15+ Credits)			-			-
Adult High School (1-14 Credits)			-			-
<b>Subtotal</b>	<b>21</b>	<b>21</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>-</b>
Sp Ed - Elementary	1	1	-	1	1	-
Sp Ed - Middle School	1	1	-	1	1	-
Sp Ed - High School	-	-	-	-	-	-
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>-</b>
County Vocational - Regular			-			-
County Vocational - F.T. Post-Second			-			-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>23</b>	<b>23</b>	<b>-</b>	<b>7</b>	<b>7</b>	<b>-</b>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

	Transportation					
	Reported on DRTRS by DOE / County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools	85	85	-	25	25	-
Transported - Non Public	-	-	-			-
Regular - Special Ed	18	18	-	6	6	-
Special Needs	17	17	-	5	5	-
<b>Subtotal</b>	<b>120</b>	<b>120</b>	<b>-</b>	<b>36</b>	<b>36</b>	<b>-</b>
Percentage Error			<u>0.0%</u>			<u>0.0%</u>

**MOONACHIE BOARD OF EDUCATION  
APPLICATION FOR STATE SCHOOL AID  
10/14/2022  
SCHEDULE OF AUDITED ENROLLMENTS**

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

**MOONACHIE BOARD OF EDUCATION  
CALCULATION OF EXCESS SURPLUS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**SECTION 1A - Two Percent (2%) - Calculation of Excess surplus (2022-23 expenditures of \$100 million or less)**

2022-23 Total General Fund Expenditures per the ACFR		\$ 11,119,269
Increased by:		
Transfer to Special Revenue Fund	\$ 69,965	<u>69,965</u>
		11,189,234
Decreased by:		
Capital Lease Finance Agreement (Non-Budget)	102,014	
On-Behalf TPAF Pension & Social Security	<u>1,486,920</u>	<u>1,588,934</u>
Total Decreases		
Adjusted 22-23 General Fund Expenditures		<u>\$ 9,600,300</u>
2% of Adjusted 2022-23 General Fund Expenditures (\$250,000 Minimum)		\$ 250,000
Allowable Adjustment - Extraordinary Aid, Nonpublic Transportation, Maintenance of Equity		<u>171,774</u>
Maximum Unreserved/Undesignated Fund Balance		<u>\$ 421,774</u>

**SECTION 2**

Total General Fund - Fund Balance at June 30, 2023		\$ 5,343,933
Decreased by:		
Year-end Encumbrance	434,381	
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, Designated for Subsequent Year's Expenditures	<u>367,912</u>	<u>4,222,159</u>
Total Unreserved/Undesignated Fund Balance		\$ 1,121,774

**SECTION 3**

Reserved Fund Balance - Excess Surplus		\$ 700,000
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**Recapitulation of Excess Surplus as of June 30, 2023**

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures		\$ 528,123
Reserved Excess Surplus		<u>700,000</u>
		<u>\$ 1,228,123</u>

**Allowable Adjustments**

Non Budget - Extraordinary Aid		\$ 121,884
Non Budget - Transportation Aid		6,864
Non Budget - Maintenance of Equity Aid		<u>43,026</u>
		<u>\$ 171,774</u>

**MOONACHIE BOARD OF EDUCATION  
RECOMMENDATIONS**

**I. Administrative Practices and Procedures**

There are none.

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

It is recommended that the District/charter schools/renaissance school projects should reference *The Uniform Minimum Chart of Account for New Jersey Public Schools* and other available reference materials, such as the Budget Guidelines for the proper classification required to be in compliance with *N.J.A.C. 6A:23A-16.2 (f)*.

**III. School Purchasing Program**

There are none.

**IV. School Food Services**

There are none.

**V. Student Body Activities**

There are none.

**VI. Application for State School Aid**

There are none.

**VII. Pupil Transportation**

There are none.

**VIII. Miscellaneous**

There are none.

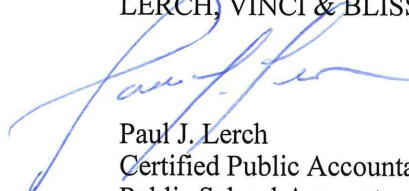
**IX. Status of Prior Years' Audit Findings/Recommendations**

Prior year findings were reviewed and corrective action was taken on all items.

**ACKNOWLEDGEMENT**

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

Respectfully submitted,  
LERCH, VINCI & BLISS, LLP



Paul J. Lerch  
Certified Public Accountant  
Public School Accountant