

**LITTLE FERRY**  
**BOARD OF EDUCATION**

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2020**

**Little Ferry, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
of the  
Little Ferry Board of Education  
Little Ferry, New Jersey  
For The Fiscal Year Ended June 30, 2020**

**Prepared by  
Little Ferry Board of Education  
Business Office**

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## **INTRODUCTORY SECTION**

# *Little Ferry Public Schools*

*130 Liberty Street, Little Ferry, NJ 07643 (201) 641-6192 FAX (201) 641-6604*

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***Home of Memorial School  
A "Governor's School of Excellence"***

The Honorable President and Members  
Little Ferry Board of Education  
Little Ferry Public School District  
County of Bergen, New Jersey

January 7, 2021

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Little Ferry School District (the "District") for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. 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 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 statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the "Independent Auditor's Report".

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes, providing an overview of the School District's financial position and operating results and other schedules providing detailed budgetary information;
- The Statistical Section includes selected financial and demographic information, financial trends, and the fiscal capacity of the School District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, the U.S. Uniform Guidance, and the New Jersey State Office of Management and Budget (OMB) Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit,

including the independent auditor’s reports on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES**

The Little Ferry Public School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Little Ferry Board of Education and its all of its schools constitute the District’s reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 8 for regular and special education handicapped youngsters. The District completed the 2019/2020 fiscal year with an average daily enrollment of 863 students, which represents a decrease of 12 students from the previous year’s average daily enrollment. The following details the changes in the student enrollment of the District over the last nine (9) years.

**Average Daily Enrollment**

<b>Fiscal Year</b>	<b>Average Daily Enrollment</b>	<b>Percentage Change</b>
2019/2020	863	(-1.4%)
2018/19	875	(-4.34%)
2017/18	913	(-2.67%)
2016/17	938	(-3.9%)
2015/16	976	(-18.46%)
2014/15	1,197	21.03%
2013/14	989	0.20%
2012/13	991	0.164%
2011/12	975	0.83%

**2) ECONOMIC CONDITION AND OUTLOOK**

The Little Ferry Borough and surrounding area is substantially developed with both residential and industrial taxpayers. The situation is expected to continue, which suggests that the tax base will remain stable.

**3) MAJOR INITIATIVES**

The District continued with physical plant upgrades adding new LED lighting, 7 new univents, upgraded it’s security system with new cameras and a server, ceiling tiles, paint, and replacing carpeted classrooms with tile during the 19/20 fiscal year. The district is continuing to align of the New Jersey Student Learning Standards to the District curriculum. The district implemented a successful chrome book roll out and began class room learning in September 2019.

The District has continued with physical plant upgrades in 2020/2021 by constructing a Child Study Team Office, a Business Office and replacing ceiling tiles, plumbing and flooring. In 2020/2021 the district made a significant investment in upgrading staff chromebooks, purchasing new promethean boards and continuing the roll out of chrome books to all students in district to facilitate virtual learning due to the COVID-19 Pandemic.

Due to the damage incurred during Storm Sandy the District is planning to budget for the demolition of Washington School in 2021/2022 due to safety concerns.

#### **4) INTERNAL ACCOUNTING CONTROLS**

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft, or misuse. In addition, District administration must ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system 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 including that portion related to major Federal and State financial award programs, as well as to determine that the District has complied with applicable laws and regulations, contracts and grants.

#### **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 approved by the voters of the municipality. Annual appropriated budgets are adopted for the general and special revenue funds. The District does not have any outstanding debt service. Project length budgets are approved for the capital improvements accounted for in the capital projects 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as commitments/ assignments of fund balance at June 30, 2020.

#### **6) ACCOUNTING SYSTEMS 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 and account groups. These funds are explained in "Notes to the Financial Statements", Note 1.

#### **7) DEBT ADMINISTRATION**

At June 30, 2020, there is no outstanding long-term debt obligations.



## 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 public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Projection 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, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found in Exhibit J-20.

## 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 and Higgins, LLP, was selected by the Board to perform the audit. 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 and the related U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific, required supplementary information 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.

## 10) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Little Ferry 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,



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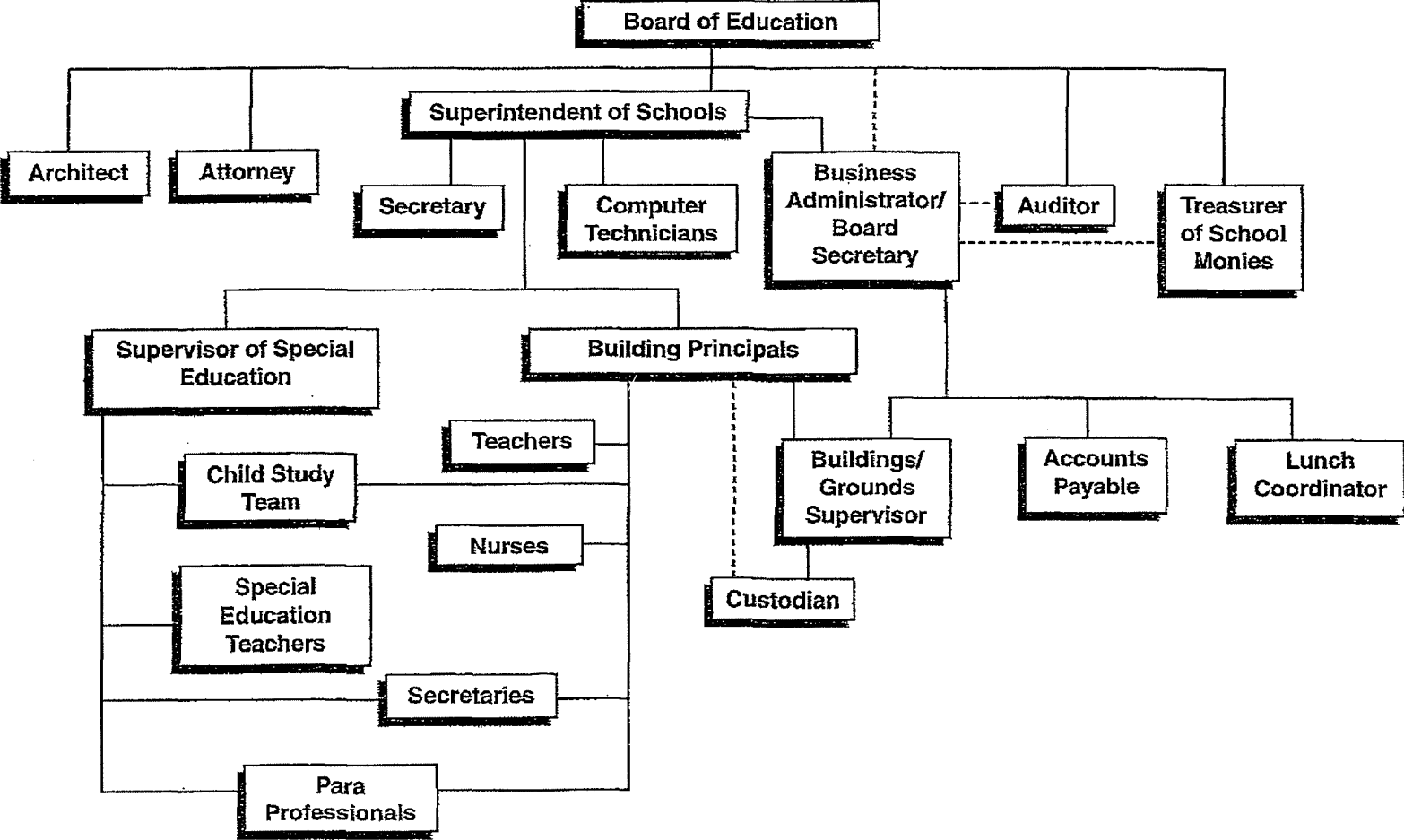
Mr. Frank R. Scarafilo  
Superintendent  
Little Ferry Board of Education



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Tina Trueba  
SBA/Board Secretary  
Little Ferry Board of Education

**Little Ferry Board of Education  
Table of Organization**



**LITTLE FERRY BOARD OF EDUCATION**  
**Little Ferry, New Jersey**

**ROSTER OF OFFICIALS**  
**June 30, 2020**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Raymond Vorisek	2021
Nicholas Fytros, President	2022
Michelle Brattoli	2022
Suzanne Ferrante	2023
Jeanine Ferrara	2021
Vera Bradley	2023
Brian Bonelli	2023
Maria DeLourdes Villasuso, Vice President	2021
Frank Mele	2022
<b><u>Other Officials</u></b>	
Frank R. Scarafile Superintendent of Schools	
Tina L. Trueba Business Administrator/Board Secretary	
Antoinette Kelly Treasurer of School Monies	



***LITTLE FERRY BOARD OF EDUCATION  
LITTLE FERRY, NEW JERSEY***

***CONSULTANTS AND ADVISORS***

***Audit Firm***

Lerch, Vinci & Higgins, LLP  
17-17 Route 208  
Fair Lawn, NJ 07410

***Attorney***

Winne Banta Basralian & Kahn, PC  
21 Main Street, Suite 101  
PO Box 647  
Hackensack, NJ 07601

***Official Depositories***

TD Bank North  
PNC Bank  
State of New Jersey Cash Management Fund

## **FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Little Ferry Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Little Ferry Board of Education as of June 30, 2020, 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.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

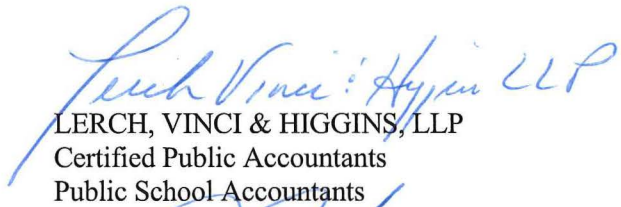
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Little Ferry Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures 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 Little Ferry Board of Education.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

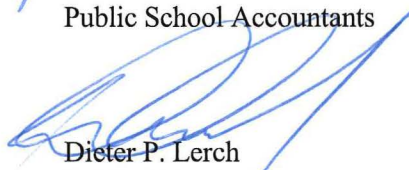
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2021 on our consideration of the Little Ferry 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 Little Ferry 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 Little Ferry Board of Education's internal control over financial reporting and compliance.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 7, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# **Little Ferry Board of Education**

## **Little Ferry, New Jersey**

### **Management's Discussion and Analysis**

#### **Fiscal Year Ended June 30, 2020**

This section of the Little Ferry Board of Education's comprehensive annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34- Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

#### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2019-2020 fiscal year are as follows:

- Net position increased by \$834,600 from the June 30, 2019 balance of \$3,475,485 to \$4,310,085 at June 30, 2020.
- General revenues of \$22,383,936 accounted for 77 percent of all revenues. Program revenues of \$6,513,679 accounted for 23 percent of total revenues of \$28,897,615.
- Among major funds, the General Fund had \$26,845,567 in revenues and \$26,371,124 in expenditures. The General Fund's fund balance increased \$614,298 from the prior year.
- In total, fund balance of Governmental Funds decreased \$463,795, which represents a 29 percent decrease from the prior year's fund balance of \$1,606,195 to \$1,142,400 at June 30, 2020. The decrease is primarily the result of large expenditures in the 2019/20 year related to the lease purchase agreement for the modular classroom project.

#### **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 Little Ferry Board of Education.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Little Ferry Board of Education's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Little Ferry Board of Education, reporting the District's operation in more detail than the district-wide statements.

**Little Ferry Board of Education  
Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

- The governmental funds statements tell how basic services such as regular and special education instruction and support services were financed in short term as well as what remains for future spending.
- Proprietary fund statements offer short- and long-term financial information about the activities the Little Ferry Board of Education operates like a business. The food service operation is considered a proprietary fund.
- Fiduciary funds statements provide information about the financial relationship in which the District acts as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 summarizes the major features of the Little Ferry Board of Education's financial statements, including the portion of the Little Ferry Board of Education activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.



**Little Ferry Board of Education  
Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

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

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activity of the district that are not proprietary or fiduciary, such as special education and building maintenance, administration and community education and building	Activities the district operates similar to private businesses:  Food Service	Instances in which the district administers resources on behalf of someone else, such as payroll related activities and student activity 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 Fund Net Position  Statement of Cash Flows	Statements of Fiduciary Net Position  Statement of changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/deferred inflows/outflows of resources/liability information	All assets, deferred inflows/outflows of resources and liabilities, 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 inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities both short-term and long term; funds do not currently contain capital assets, although they can.
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.	All additions and dedications during the year, regardless of when cash is received or paid.

**Little Ferry Board of Education**  
**Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2020**

**District-wide Statements**

The district-wide statements report information about the Little Ferry Board of Education 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/inflows of resources, and liabilities. 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 Little Ferry Board of Education's net position and how they have changed. Net position – the difference between the district's assets/deferred outflows of resources and deferred inflows of resources/liabilities – 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 and special education, transportation and administration. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service Program 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/or by bond covenants.
- The district uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

**Little Ferry Board of Education**  
**Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2020**

The district has three 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 explain 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 in the district-wide statements.
- *Fiduciary funds*- The District is the trustee, or *fiduciary*, for assets that belong to others such as payroll and payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's district-wide financial statements because the District cannot use these assets to finance its operations.

This report also includes Notes to the Financial Statements. The notes provide additional information provided in the district-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also includes the required supplementary information.

**FINANCIAL ANALYSIS OF THE LITTLE FERRY BOARD OF EDUCATION AS A WHOLE**

The district's financial position is the product of many financial transactions including the net results of activities, the issuance and payment of long term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table provides a summary of the school district's net position as of June 30, 2020 and 2019.

**Net Position.** The district's combined net position was \$4,310,085 as of June 30, 2020 and \$3,475,485 as of June 30, 2019.

The table on the following page shows changes in net position for fiscal years 2020 and 2019.

**Little Ferry Board of Education**  
**Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2020**

Statement of Net Position  
As of June 30, 2020 and 2019

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u> (Restated)
Current and Other Assets	\$ 1,731,954	\$ 1,734,392	\$ 77,208	\$ 53,084	\$ 1,809,162	\$ 1,787,476
Capital Assets - Net	<u>9,090,950</u>	<u>8,174,890</u>	<u>41,553</u>	<u>41,919</u>	<u>9,132,503</u>	<u>8,216,809</u>
<b>Total Assets</b>	<u>10,822,904</u>	<u>9,909,282</u>	<u>118,761</u>	<u>95,003</u>	<u>10,941,665</u>	<u>10,004,285</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	<u>714,202</u>	<u>735,677</u>	<u>-</u>	<u>-</u>	<u>714,202</u>	<u>735,677</u>
<b>Total Deferred Outflows of Resources</b>	<u>714,202</u>	<u>735,677</u>	<u>-</u>	<u>-</u>	<u>714,202</u>	<u>735,677</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>11,537,106</u>	<u>10,644,959</u>	<u>118,761</u>	<u>95,003</u>	<u>11,655,867</u>	<u>10,739,962</u>
Long-Term Liabilities	5,513,303	5,963,432			5,513,303	5,963,432
Other Liabilities	<u>589,554</u>	<u>146,686</u>	<u>8,247</u>	<u>3,262</u>	<u>597,801</u>	<u>149,948</u>
<b>Total Liabilities</b>	<u>6,102,857</u>	<u>6,110,118</u>	<u>8,247</u>	<u>3,262</u>	<u>6,111,104</u>	<u>6,113,380</u>
Deferred Inflows of Resources						
Deferred Commodities Revenue		-		1,033	-	1,033
Deferred Amounts on Net Pension Liability	<u>1,208,407</u>	<u>1,150,064</u>	<u>-</u>	<u>-</u>	<u>1,208,407</u>	<u>1,150,064</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,208,407</u>	<u>1,150,064</u>	<u>-</u>	<u>1,033</u>	<u>1,208,407</u>	<u>1,151,097</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>7,311,264</u>	<u>7,260,182</u>	<u>8,247</u>	<u>4,295</u>	<u>7,319,511</u>	<u>7,264,477</u>
Net Position:						
Net Investment in Capital Assets	6,847,867	6,394,651	41,553	41,919	6,889,420	6,436,570
Restricted	400,000	1,332,450			400,000	1,332,450
Unrestricted	<u>(3,048,296)</u>	<u>(4,342,324)</u>	<u>68,961</u>	<u>48,789</u>	<u>(2,979,335)</u>	<u>(4,293,535)</u>
<b>Total Net Position</b>	<u>\$ 4,199,571</u>	<u>\$ 3,384,777</u>	<u>\$ 110,514</u>	<u>\$ 90,708</u>	<u>\$ 4,310,085</u>	<u>\$ 3,475,485</u>

**Changes in Net Position.** The District's total revenues were \$28,897,615 for the fiscal year ended June 30, 2020. Property taxes accounted for 67% of the total revenues for the school year. Operating grants and contributions and unrestricted federal and state aids were 32%. The balance or 1% was obtained from charges for services, investment earnings and other miscellaneous revenue.

The total cost of all programs and services was \$28,063,015. The District's expenses are predominantly related to instruction and student and instruction related services accounting for 79% of total costs. The purely administrative activities of the District accounted for just 7% of total costs.

Total revenues exceeded expenses, which resulted in an increase in net position of \$834,600 over last year.

**Little Ferry Board of Education  
Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2020 and 2019**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u> (Restated)
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 64,655	\$ 113,757	\$ 105,890	\$ 143,975	\$ 170,545	\$ 257,732
Operating Grants and Contributions	6,100,060	6,548,168	243,074	270,373	6,343,134	6,818,541
General Revenues						
Property Taxes	19,437,775	19,150,517			19,437,775	19,150,517
Unrestricted Federal and State Aid	2,896,686	2,483,789			2,896,686	2,483,789
Investment Earnings	12,524	31,267			12,524	31,267
Other	36,951	59,499	-	-	36,951	59,499
<b>Total Revenues</b>	<u>28,548,651</u>	<u>28,386,997</u>	<u>348,964</u>	<u>414,348</u>	<u>28,897,615</u>	<u>28,801,345</u>
<b>Expenses</b>						
Instruction						
Regular	14,837,687	14,887,061			14,837,687	14,887,061
Special Education	4,061,039	4,526,929			4,061,039	4,526,929
Other Instruction	650,276	762,980			650,276	762,980
School Sponsored Activities and Athletics	63,025	58,038			63,025	58,038
Support Services						
Student and Instruction Related Serv.	2,665,960	2,281,443			2,665,960	2,281,443
General Administration Services	444,410	543,820			444,410	543,820
School Administration Services	1,087,232	931,232			1,087,232	931,232
Business / Central Services	489,689	531,442			489,689	531,442
Plant Operations and Maintenance	2,656,066	2,291,137			2,656,066	2,291,137
Pupil Transportation	686,988	839,614			686,988	839,614
Interest on Long Term Debt	91,485	101,586			91,485	101,586
Food Services	-	-	329,158	382,491	329,158	382,491
<b>Total Expenses</b>	<u>27,733,857</u>	<u>27,755,282</u>	<u>329,158</u>	<u>382,491</u>	<u>28,063,015</u>	<u>28,137,773</u>
Change in Net Position	814,794	631,715	19,806	31,857	834,600	663,572
Net Position, Beginning of Year - Restated	<u>3,384,777</u>	<u>2,753,062</u>	<u>90,708</u>	<u>58,851</u>	<u>3,475,485</u>	<u>2,811,913</u>
Net Position, End of Year	<u>\$ 4,199,571</u>	<u>\$ 3,384,777</u>	<u>\$ 110,514</u>	<u>\$ 90,708</u>	<u>\$ 4,310,085</u>	<u>\$ 3,475,485</u>

**Little Ferry Board of Education  
Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

**Total Cost and Net Cost of Services of Governmental Activities  
For the Fiscal Years Ended June 30, 2020 and 2019**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Governmental Activities				
Instruction				
Regular	\$ 14,837,687	\$ 14,887,061	\$ 12,136,533	\$ 11,599,531
Special Education	4,061,039	4,526,929	2,047,727	2,705,185
Other Instruction	650,276	762,980	410,463	516,380
School Sponsored Activities and Athletics	63,025	58,038	44,429	39,319
Support Services				
Student and Instruction Related Svcs.	2,665,960	2,281,443	2,408,918	1,930,611
General Administration Services	444,410	543,820	442,811	529,805
School Administration Services	1,087,232	931,232	835,781	746,112
Business / Central Services	489,689	531,442	489,241	506,240
Plant Operations and Maintenance	2,656,066	2,291,137	2,283,140	1,860,458
Pupil Transportation	686,988	839,614	378,614	558,130
Interest on Long Term Debt	91,485	101,586	91,485	101,586
	<u>\$ 27,733,857</u>	<u>\$ 27,755,282</u>	<u>\$ 21,569,142</u>	<u>\$ 21,093,357</u>
Total Governmental Activities				

The following schedule presents a comparison of General Fund (GAAP basis) revenues for the fiscal years ended June 30, 2020 and 2019.

**General Fund Revenues**

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2020</u>	<u>2019</u>		
Local Sources:				
Property Taxes	\$ 19,437,775	\$ 19,150,517	\$ 287,258	1.5%
Tuition	19,490	27,217	(7,727)	-28.4%
Rentals	45,165	86,540	(41,375)	-47.8%
Interest Earnings	8,310	2,789	5,521	198.0%
Miscellaneous	36,951	59,499	(22,548)	-37.9%
Intergovernmental:				
State Sources	<u>7,297,876</u>	<u>6,576,649</u>	<u>721,227</u>	11.0%
Total Revenues	<u>\$ 26,845,567</u>	<u>\$ 25,903,211</u>	<u>\$ 942,356</u>	3.6%

**Little Ferry Board of Education  
Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)  
Fiscal Year Ended June 30, 2020**

The following schedule presents a comparison of General Fund (GAAP Basis) expenditures for the fiscal years ended June 30, 2020 and 2019.

**General Fund Expenditures**

	<b>Fiscal Year Ended June 30,</b>		<b>Amount of Increase (Decrease)</b>	<b>Percent Change</b>
	<b><u>2020</u></b>	<b><u>2019</u></b>		
Instruction	\$ 18,303,340	\$ 18,229,742	\$ 73,598	0.4%
Undistributed Expenditures	6,831,069	6,399,414	431,655	6.7%
Debt Service	782,864	757,890	24,974	3.3%
Capital Outlay	<u>453,851</u>	<u>1,031,259</u>	<u>(577,408)</u>	100.0%
 Total Expenditures	 <u>\$ 26,371,124</u>	 <u>\$ 26,418,305</u>	 <u>\$ (47,181)</u>	 -0.2%

**Capital Assets.** As of June 30, 2020 and 2019, the school district had invested in land, construction in progress, land improvements, buildings and building improvements and machinery and equipment as follows:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b><u>2020</u></b>	<b><u>2019</u> (Restated)</b>	<b><u>2020</u></b>	<b><u>2019</u> (Restated)</b>	<b><u>2020</u></b>	<b><u>2019</u> (Restated)</b>
Land	\$ 2,473,220	\$ 2,473,220			\$ 2,473,220	\$ 2,473,220
Construction in Progress		2,275,981			-	2,275,981
Land Improvements	336,913	318,213			336,913	318,213
Buildings and Building Improvements	13,422,671	9,717,811			13,422,671	9,717,811
Machinery and Equipment	<u>1,660,653</u>	<u>1,412,981</u>	<u>\$ 133,773</u>	<u>\$ 127,569</u>	<u>1,794,426</u>	<u>1,540,550</u>
 <b>Total</b>	 17,893,457	 16,198,206	 133,773	 127,569	 18,027,230	 16,325,775
Less: Accumulated Depreciation	<u>(8,802,507)</u>	<u>(8,023,316)</u>	<u>(92,220)</u>	<u>(85,650)</u>	<u>(8,894,727)</u>	<u>(8,108,966)</u>
 <b>Total Capital Assets, Net</b>	 <u>\$ 9,090,950</u>	 <u>\$ 8,174,890</u>	 <u>\$ 41,553</u>	 <u>\$ 41,919</u>	 <u>\$ 9,132,503</u>	 <u>\$ 8,216,809</u>

**Little Ferry Board of Education**  
**Little Ferry, New Jersey**

**Management's Discussion and Analysis (continued)**  
**Fiscal Year Ended June 30, 2020**

**Debt Administration.** As of June 30, 2020 and 2019 the school district had long-term liabilities in the amount of \$5,513,303 and \$5,963,432 as follows:

**Long-Term Debt**  
**Outstanding Long-Term Liabilities**  
**As of June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Lease Purchase Agreements	\$ 2,405,071	\$ 2,828,258
Compensated Absence (Severance Pay) Payable	44,675	49,519
Net Pension Liability	3,045,731	3,063,811
Deferred Pension Obligation	<u>17,826</u>	<u>21,844</u>
Total	<u>\$ 5,513,303</u>	<u>\$ 5,963,432</u>

**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 financial information, contact the Business Office, Little Ferry Board of Education, District Administration Offices, 130 Liberty Street, Little Ferry, New Jersey 07643. Telephone: 201-641-6192.



**BASIC FINANCIAL STATEMENTS**

**LITTLE FERRY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,617,780	\$ 52,329	\$ 1,670,109
Receivables, net			
Receivables from Other Governments	114,174	20,130	134,304
Inventories		4,749	4,749
Capital Assets, Not Being Depreciated	2,473,220		2,473,220
Capital Assets, Being Depreciated, Net	<u>6,617,730</u>	<u>41,553</u>	<u>6,659,283</u>
Total Assets	<u>10,822,904</u>	<u>118,761</u>	<u>10,941,665</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>714,202</u>	-	<u>714,202</u>
Total Deferred Outflows of Resources	<u>714,202</u>	-	<u>714,202</u>
Total Assets and Deferred Outflows of Resources	<u>11,537,106</u>	<u>118,761</u>	<u>11,655,867</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	275,000		275,000
Unearned Revenue	314,554	8,247	322,801
Accrued Interest Payable	26,271		26,271
Noncurrent Liabilities			
Due Within One Year	794,965		794,965
Due Beyond One Year	<u>4,718,338</u>	-	<u>4,718,338</u>
Total Liabilities	<u>6,129,128</u>	<u>8,247</u>	<u>6,137,375</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>1,208,407</u>	-	<u>1,208,407</u>
Total Deferred Inflows of Resources	<u>1,208,407</u>	-	<u>1,208,407</u>
Total Liabilities and Deferred Inflows of Resources	<u>7,337,535</u>	<u>8,247</u>	<u>7,345,782</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,847,867	41,553	6,889,420
Restricted for			
Capital Projects	400,000		400,000
Unrestricted	<u>(3,048,296)</u>	<u>68,961</u>	<u>(2,979,335)</u>
Total Net Position	<u>\$ 4,199,571</u>	<u>\$ 110,514</u>	<u>\$ 4,310,085</u>

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

**LITTLE FERRY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 14,837,687	\$ 19,490	\$ 2,681,664		\$ (12,136,533)		\$ (12,136,533)
Special Education	4,061,039		2,013,312		(2,047,727)		(2,047,727)
Other Instruction	650,276		239,813		(410,463)		(410,463)
School Sponsored Activities and Athletics	63,025		18,596		(44,429)		(44,429)
Support Services							
Student and Instruction Related Services	2,665,960		257,042		(2,408,918)		(2,408,918)
General Administrative Services	444,410		1,599		(442,811)		(442,811)
School Administrative Services	1,087,232		251,451		(835,781)		(835,781)
Plant Operations and Maintenance	2,656,066	45,165	327,761		(2,283,140)		(2,283,140)
Pupil Transportation	686,988		308,374		(378,614)		(378,614)
Central Services	489,689		448		(489,241)	-	(489,241)
Interest on Long-Term Debt	91,485	-	-	-	(91,485)	-	(91,485)
Total Governmental Activities	<u>27,733,857</u>	<u>64,655</u>	<u>6,100,060</u>	<u>-</u>	<u>(21,569,142)</u>	<u>-</u>	<u>(21,569,142)</u>
<b>Business-Type Activities</b>							
Food Service	<u>329,158</u>	<u>105,890</u>	<u>243,074</u>	<u>-</u>	<u>-</u>	<u>\$ 19,806</u>	<u>19,806</u>
Total Business-Type Activities	<u>329,158</u>	<u>105,890</u>	<u>243,074</u>	<u>-</u>	<u>-</u>	<u>19,806</u>	<u>19,806</u>
Total Primary Government	<u>\$ 28,063,015</u>	<u>\$ 170,545</u>	<u>\$ 6,343,134</u>	<u>\$ -</u>	<u>(21,569,142)</u>	<u>19,806</u>	<u>(21,549,336)</u>
<b>General Revenues</b>							
Property Taxes Levied for General Purpose					19,437,775		19,437,775
State Aid Not Restricted					2,896,686		2,896,686
Investment Earnings					12,524		12,524
Miscellaneous Income					36,951		36,951
Total General Revenues					<u>22,383,936</u>	<u>-</u>	<u>22,383,936</u>
Change in Net Position					814,794	19,806	834,600
Net Position, Beginning of Year - Restated					<u>3,384,777</u>	<u>90,708</u>	<u>3,475,485</u>
Net Position, End of Year					<u>\$ 4,199,571</u>	<u>\$ 110,514</u>	<u>\$ 4,310,085</u>

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

**FUND FINANCIAL STATEMENTS**

**LITTLE FERRY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,617,780			\$ 1,617,780
Receivables				
Intergovernmental	53,968	\$ 60,206		114,174
Due from Other Funds	<u>60,892</u>	<u>-</u>	<u>-</u>	<u>60,892</u>
Total Assets	<u>\$ 1,732,640</u>	<u>\$ 60,206</u>	<u>\$ -</u>	<u>\$ 1,792,846</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 275,000			\$ 275,000
Due to Other Funds		\$ 60,892		60,892
Unearned Revenue	<u>306,000</u>	<u>8,554</u>	<u>-</u>	<u>314,554</u>
Total Liabilities	<u>581,000</u>	<u>69,446</u>	<u>-</u>	<u>650,446</u>
<b>Fund Balances</b>				
<b>Restricted Fund Balance</b>				
Excess Surplus	212,326			212,326
Capital Reserve	400,000			400,000
Maintenance Reserve	200,000			200,000
<b>Assigned Fund Balance</b>				
Year-End Encumbrances	198,101			198,101
Designated for Subsequent Year's Expenditures	210,005			210,005
<b>Unassigned Fund Balance</b>				
General Fund	(68,792)			(68,792)
Special Revenue Fund	<u>-</u>	<u>(9,240)</u>	<u>-</u>	<u>(9,240)</u>
Total Fund Balances	<u>1,151,640</u>	<u>(9,240)</u>	<u>-</u>	<u>1,142,400</u>
Total Liabilities and Fund Balances	<u>\$ 1,732,640</u>	<u>\$ 60,206</u>	<u>\$ -</u>	

**Amounts Reported for Governmental Activities in the Statement of  
Net Position (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 \$17,893,457 and the accumulated depreciation is \$8,802,507. 9,090,950

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

Deferred Outflows of Resources	\$ 714,202	
Deferred Inflows of Resources	<u>(1,208,407)</u>	(494,205)

The District has financed capital assets through the issuance of lease purchase obligations. The interest accrual at year-end is: (26,271)

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

Long-term liabilities at year end consist of the following:

Severance Pay Payable	(44,675)	
Lease Purchase Agreements Payable	(2,405,071)	
Deferred Pension Obligation	(17,826)	
Net Pension Liability	<u>(3,045,731)</u>	<u>(5,513,303)</u>

**Net Position of Governmental Activities (Exhibit A-1) \$ 4,199,571**

**LITTLE FERRY BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Local Property Tax Levy	\$ 19,437,775			\$ 19,437,775
Tuition	19,490			19,490
Rentals	45,165			45,165
Interest	8,310		\$ 4,214	12,524
Miscellaneous	<u>36,951</u>	<u>\$ 3,030</u>	<u>-</u>	<u>39,981</u>
Total - Local Sources	<u>19,547,691</u>	<u>3,030</u>	<u>4,214</u>	<u>19,554,935</u>
State Sources	7,297,876	92,400		7,390,276
Federal Sources	<u>-</u>	<u>604,238</u>	<u>-</u>	<u>604,238</u>
Total Revenues	<u>26,845,567</u>	<u>699,668</u>	<u>4,214</u>	<u>27,549,449</u>
<b>EXPENDITURES</b>				
Current				
Regular Instruction	14,046,654	129,073		14,175,727
Special Education Instruction	3,690,257	253,309		3,943,566
Other Instruction	508,766	71,843		580,609
School-Sponsored Activities and Athletics	57,663			57,663
Support Services and Undistributed Costs				
Student and Instruction Related Services	2,375,494	245,443		2,620,937
General Administrative Services	442,222			442,222
School Administrative Services	1,008,537			1,008,537
Plant Operations and Maintenance	1,848,470		66,000	1,914,470
Pupil Transportation	668,398			668,398
Central Services	487,948			487,948
Capital Outlay	453,851		1,241,400	1,695,251
Debt Service				
Principal	699,161			699,161
Interest	<u>83,703</u>	<u>-</u>	<u>-</u>	<u>83,703</u>
Total Expenditures	<u>26,371,124</u>	<u>699,668</u>	<u>1,307,400</u>	<u>28,378,192</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>474,443</u>	<u>-</u>	<u>(1,303,186)</u>	<u>(828,743)</u>
<b>OTHER FINANCING USES/SOURCES</b>				
Lease Purchase Proceeds	364,948			364,948
Transfers In	34,288		259,381	293,669
Transfers Out	<u>(259,381)</u>	<u>-</u>	<u>(34,288)</u>	<u>(293,669)</u>
Total Other Financing Uses/Sources	<u>139,855</u>	<u>-</u>	<u>225,093</u>	<u>364,948</u>
Net Change in Fund Balances	614,298	-	(1,078,093)	(463,795)
Fund Balance (Deficit), Beginning of Year	<u>537,342</u>	<u>(9,240)</u>	<u>1,078,093</u>	<u>1,606,195</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,151,640</u>	<u>\$ (9,240)</u>	<u>\$ -</u>	<u>\$ 1,142,400</u>

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

**LITTLE FERRY 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, 2020**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (463,795)

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. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Capital Outlay	\$ 1,695,251	
Depreciation Expense	<u>(779,191)</u>	
		916,060

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position.

Issuance of Lease Purchase Agreement	(364,948)	
Principal Repayments of Lease Purchase Agreements	<u>788,135</u>	
		423,187

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

Net Decrease in Compensated Absences (Severance Pay)	4,844	
Increase in Pension Expense	(61,738)	
Net Decrease in Deferred Pension Obligation	<u>4,018</u>	
		(52,876)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the fund when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in Accrued Interest		<u>(7,782)</u>
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**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 814,794**

**LITTLE FERRY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2020**

**Enterprise Fund-  
Food Service**

**ASSETS**

## Current Assets

Cash	\$	52,329
Receivables from Other Governments		20,130
Inventory		4,749
		77,208
 Total Current Assets		 77,208

## Capital Assets

Equipment		133,773
Less: Accumulated Depreciation		(92,220)
		41,553
 Total Capital Assets, Net		 41,553

Total Assets		118,761
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**LIABILITIES**

## Current Liabilities

Unearned Revenue		8,247
		8,247
 Total Current Liabilities		 8,247

**NET POSITION**

Investment in Capital Assets		41,553
Unrestricted		68,961
		110,514
 Total Net Position	\$	 110,514



**LITTLE FERRY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Enterprise Fund- Food Service</b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales Reimbursable Programs	\$ 83,467
Daily Sales - Non Reimbursable Programs	<u>22,423</u>
 Total Operating Revenues	 <u>105,890</u>
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	106,502
Cost of Sales - Reimbursable Programs	156,010
Cost of Sales - Non Reimbursable	9,958
Other Purchased Services	19,683
Management Fee	25,000
Miscellaneous Expenses	763
Supplies and Materials	4,672
Depreciation	<u>6,570</u>
 Total Operating Expenses	 <u>329,158</u>
 Operating Income (Loss)	 <u>(223,268)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
State School Lunch Program	3,127
Federal Sources	
National School Lunch Program	126,907
School Breakfast Program	78,350
Food Distribution Program	<u>34,690</u>
 Total Nonoperating Revenues	 <u>243,074</u>
 Change in Net Position	 19,806
 Net Position, Beginning of Year - Restated	 <u>90,708</u>
 Net Position, End of Year	 <u>\$ 110,514</u>

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

**LITTLE FERRY BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Enterprise Fund- Food Service</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 110,875
Cash Payments for Salaries and Benefits	(106,502)
Cash Payments to Suppliers and Employees	<u>(181,283)</u>
Net Cash Used by Operating Activities	<u>(176,910)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Cash Received from State and Federal Reimbursements	<u>203,192</u>
Net Cash Provided by Noncapital Financing Activities	<u>203,192</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	<u>(6,204)</u>
Net Cash Used by Capital Financing Activities	<u>(6,204)</u>
Net Increase in Cash	20,078
Cash, Beginning of Year	<u>32,251</u>
Cash, End of Year	<u>\$ 52,329</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
Operating Income (Loss)	\$ <u>(223,268)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	6,570
Food Distribution (USDA Commodities) Program	34,690
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase/Decrease) in Inventory	1,146
Increase/(Decrease) in Unearned Revenue	4,985
Increase/(Decrease) in Deferred Commodities Revenue	<u>(1,033)</u>
Total Adjustments	<u>46,358</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (176,910)</u>
<b>Non-Cash Investing, Capital and Related Financing Activities</b>	
Fair Value of Food Distribution Program- National School Lunch Program	\$ 33,657

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

**LITTLE FERRY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

		<u>Agency Fund</u>
<b>ASSETS</b>		
Cash	\$	46,389
		<hr/>
Total Assets	\$	46,389
		<hr/> <hr/>
<b>LIABILITIES</b>		
Due to Student Groups	\$	35,016
Reserve for Flexible Spending		11,373
Accrued Salaries & Wages		-
		<hr/>
Total Liabilities	\$	46,389
		<hr/> <hr/>

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

**LITTLE FERRY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

**NOTES TO THE FINANCIAL STATEMENTS**

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Little Ferry 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 nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade eight (8) school district.

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Little Ferry 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**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**C. Basis of Presentation - Financial Statements**

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

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

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

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. 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.



**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**Fund Financial Statements (Continued)**

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.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

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.

Additionally, the government reports the following fund types:

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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 with the exception of the agency fund which does not have a measurement focus. 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.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, rentals, 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. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**4. *Capital Assets***

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

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

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	15-20
Buildings and Building Improvements	20-40
Machinery and Equipment	5-15
Vehicles	8-10

**5. *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 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; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**6. Severance Pay**

It is the District's policy to permit teachers who retire from the District after completing an uninterrupted, continuous service with the District for a minimum of any of the period of years set forth in the policy to be paid a fixed compensation based on the years of service. A long-term liability of accumulated severance pay and salary related payments has been recorded in the governmental activities in the district-side 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.

**7. Pensions**

In the district-wide financial statements and proprietary fund types in the fund 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.

**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.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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** – 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, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 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 2D).

*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 2E).

**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 2020/2021 District budget certified for taxes.

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

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

**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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

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

**3. *Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2018-2019 and 2019-2020 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 the enterprise fund 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.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On February 16, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$387,085. The increase was funded by the additional appropriation of capital reserve, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved an additional fund balance appropriation of \$68,122 from the general fund on February 13, 2020.

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.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**B. Excess Expenditures Over Appropriations**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Unallocated Benefits – Employee Benefits			
Social Security Contributions	\$176,883	\$185,066	\$8,183

The above variances were the result of audit adjustments and were offset with other available resources.

**C. Deficit Fund Equity**

The District has an unassigned fund deficit of \$68,792 in the General Fund and \$9,240 in the Special Revenue Fund as of June 30, 2020 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 2019/2020 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 General and 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) General 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 \$68,792 in the General Fund and \$9,240 in the Special Revenue Fund is less than or equal to the delayed state aid payments at June 30, 2020.

**D. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.



**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 254,357
Increased by:		
Interest Earnings	\$ 79	
Deposits Approved by Board Resolution	<u>213,686</u>	
Total Increases		<u>213,765</u>
		468,122
Decreased by:		
Approved by Resolution		<u>68,122</u>
Balance, June 30, 2020		<u>\$ 400,000</u>

The June 30, 2020 LRFPP balance of local support costs of uncompleted capital projects is \$24,220,188. The withdrawals from the capital reserve were for use consistent with the district's Long Range Facilities Plan.

**E. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Deposits Approved by Board Resolution	<u>\$ 200,000</u>
Balance, June 30, 2020	<u><u>\$ 200,000</u></u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$637,094.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**F. Transfers to Capital Outlay**

During the 2019/2020 school year, the district transferred \$209,895 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent pursuant to N.J.A.C. 6A:23A-13.3(h).

**G. 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, 2020 is \$212,326. This amount will be appropriated in the 2021/2022 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

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, 2020, the book value of the Board's deposits were \$1,716,498 and bank and brokerage firm balances of the Board's deposits amounted to \$2,446,443. 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	\$ 2,444,495
Uninsured and Uncollateralized	<u>1,948</u>
	<u>\$ 2,446,443</u>

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**Cash Deposits (Continued)**

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, 2020 the Board’s bank balance of \$1,948 was exposed to custodial credit risk as follows.

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department not in the Board's name	\$ 1,948
	\$ 1,948

**Investments**

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

As of June 30, 2020, the Board had no outstanding investments.

Interest Rate Risk – 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 – 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 Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are restricted to be used for the repayment of the lease principal and interest.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**B. Receivables**

Receivables as of June 30, 2020 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental- State	\$ 53,968	\$ 60,206	\$ 114,174
Net Total Receivables	<u>\$ 53,968</u>	<u>\$ 60,206</u>	<u>\$ 114,174</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:

	<u>Total</u>
General Fund	
Property Taxes	\$ 306,000
Special Revenue Fund	
Unencumbered Grant Draw Downs	2,170
Grant Drawdowns Reserved for Encumbrances	<u>6,384</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 314,554</u>

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019 (Restated)</u>	<u>Increases</u>	<u>Transfers/ Decreases</u>	<u>Balance, June 30, 2020</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,473,220			\$ 2,473,220
Construction in Progress	<u>2,275,981</u>	<u>-</u>	<u>\$ 2,275,981</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>4,749,201</u>	<u>-</u>	<u>2,275,981</u>	<u>2,473,220</u>
Capital Assets, Being Depreciated:				
Land Improvements	318,213	\$ 18,700		336,913
Building and Building Improvements	9,717,811	1,428,879	2,275,981	11,146,690
Machinery and Equipment	<u>1,412,981</u>	<u>247,672</u>	<u>-</u>	<u>1,660,653</u>
Total Capital Assets Being Depreciated	<u>11,449,005</u>	<u>1,695,251</u>	<u>2,275,981</u>	<u>15,420,237</u>
Less Accumulated Depreciation for:				
Land Improvements	(194,286)	(12,914)		(207,200)
Building and Building Improvements	(6,657,834)	(700,295)		(7,358,129)
Machinery and Equipment	<u>(1,171,196)</u>	<u>(65,982)</u>	<u>-</u>	<u>(1,237,178)</u>
Total Accumulated Depreciation	<u>(8,023,316)</u>	<u>(779,191)</u>	<u>-</u>	<u>(8,802,507)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,425,689</u>	<u>916,060</u>	<u>-</u>	<u>6,617,730</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,174,890</u>	<u>\$ 916,060</u>	<u>\$ -</u>	<u>\$ 9,090,950</u>

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2019</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 127,569	\$ 6,204	-	\$ 133,773
Total Capital Assets Being Depreciated	<u>127,569</u>	<u>6,204</u>	<u>-</u>	<u>133,773</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(85,650)	(6,570)	-	(92,220)
Total Accumulated Depreciation	<u>(85,650)</u>	<u>(6,570)</u>	<u>-</u>	<u>(92,220)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,919</u>	<u>(366)</u>	<u>-</u>	<u>41,553</u>
Business-Type Activities Capital Assets, Net	<u>\$ 41,919</u>	<u>\$ (366)</u>	<u>\$ -</u>	<u>\$ 41,553</u>

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

**Governmental Activities:**

Instruction		
Regular		\$ 19,697
Special Education		1,665
Other Instruction		<u>21,230</u>
Total Instruction		<u>42,592</u>
Support Services		
Student and Instruction Related Services		
School Administrative Services		954
Plant Operations and Maintenance		718,469
Pupil Transportation		<u>17,176</u>
Total Support Services		<u>736,599</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 779,191</u>
<b>Business-Type Activities:</b>		
Food Service Fund		<u>\$ 6,570</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 6,570</u>

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

The composition of interfund balances as of June 30, 2020, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 60,892</u>

The above balances are 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>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 259,381	\$ 259,381
Capital Projects Fund	\$ 34,288	-	34,288
Total transfers out	<u>\$ 34,288</u>	<u>\$ 259,381</u>	<u>\$ 293,669</u>

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

**F. Leases**

**Capital Leases**

The District is leasing modular classrooms and associated leasehold improvements and a 54 passenger school bus totaling \$3,613,986 under capital leases. The leases are for terms of 5 years. In addition the District is leasing computers (supplies) totaling \$250,962 under a lease purchase agreement for a term of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ 3,500,000
Vehicles	<u>113,986</u>
	<u>\$ 3,613,986</u>

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Fiscal Year Ending June 30,	Governmental Activities
2021	\$ 871,838
2022	871,836
2023	782,864
2024	<u>24,974</u>
Total minimum lease payments	\$ 2,551,512
Less: amount representing interest	<u>(146,441)</u>
Present value of minimum lease payments	<u>\$ 2,405,071</u>
Balance at June 30, 2020	
Capital Lease Obligations	\$ 2,243,083
Lease Purchase Agreement	<u>161,988</u>
	<u>\$ 2,405,071</u>

**G. Long-Term Debt**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 32,780,146
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 32,780,146</u>



**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**H. Other Long-Term Liabilities**

**Deferred Pension Obligation**

During the 2008/2009 school year the Board elected to contribute only 50% of its normal and accrued liability components of the Public Employee Retirement System (PERS) obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$34,821 and is being paid back with interest over 15 years beginning in the 2011/2012 fiscal year. The District is permitted to payoff the deferred PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.00% effective July 1, 2017), at June 30, 2020 is \$17,826.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

Fiscal Year Ending <u>June 30,</u>	<u>PERS</u>
2020	\$ 5,547
2019	5,502
2018	5,472

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2020, was as follows:

	<u>Balance,</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Severance Pay	\$ 49,519		\$ 4,844	\$ 44,675	
Lease Purchase Agreements	2,828,258	\$ 364,948	788,135	2,405,071	\$ 794,965
Deferred Pension Obligation	21,844	1,529	5,547	17,826	
Net Pension Liability	<u>3,063,811</u>	<u>136,698</u>	<u>154,778</u>	<u>3,045,731</u>	<u>-</u>
Governmental Activities Long-Term Liabilities	<u>\$ 5,963,432</u>	<u>\$ 503,175</u>	<u>\$ 953,304</u>	<u>\$ 5,513,303</u>	<u>\$ 794,965</u>

For the governmental activities, the liabilities for severance pay, lease purchase agreements, deferred pension obligations and net pension liability are generally liquidated by the general fund.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims and various other types of coverage.

The relationship between the Board and the insurance funds 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.

NESBIG 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.

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contribution Method". Under this plan the District remits quarterly contributions to the New Jersey Unemployment Trust Fund under a consolidated rate established annually and shared by all governmental contributory employees.

**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.

**Pending Litigation** – Ridgefield Park Board of Education v. Little Ferry Board of Education. This is an action seeking the Commissioner to issue and order that Ridgefield Park alone is permitted to determine the tuition amount between the parties, as long as that amount is not above the actual cost per pupil as calculated pursuant to statute and regulation; and that Little Ferry is obligated to sign the 2019-2020 and 2020-2021 tuition contracts and pay the full tuition, including any tuition adjustments. Ridgefield Park Board of Education has estimated the 2019-2020 tuition adjustment to be approximately \$600,000. This amount is being disputed by the Little Ferry Board of Education.

**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, 2020, 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.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION**

**C. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

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

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

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represent the membership tiers for TPAF:

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS 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 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 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 2020.

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, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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>
2020	\$ 164,421	\$ 1,399,274	\$ 18,201
2019	154,778	1,287,171	15,498
2018	141,112	971,520	14,166

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$345, \$416 and \$1,395, respectively for PERS and the State contributed \$811, \$1,007 and \$965, 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 \$493,783 during the fiscal year ended June 30, 2020 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 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, 2018 through June 30, 2019. 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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$3,045,731 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. 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, 2019. At June 30, 2019, the District's proportionate share was .01690 percent, which was an increase of .00134 percent from its proportionate share measured as of June 30, 2018 of .01556 percent.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$226,159 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	2019		2018	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 54,667	\$ 13,455	\$ 58,427	\$ 15,798
Changes of Assumptions	304,127	1,057,164	504,865	979,644
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		48,078		28,739
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>355,408</u>	<u>89,710</u>	<u>172,385</u>	<u>125,883</u>
Total	<u>\$ 714,202</u>	<u>\$ 1,208,407</u>	<u>\$ 735,677</u>	<u>\$ 1,150,064</u>

At June 30, 2020, 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>December 31,</u>	<u>Total</u>
2021	\$ (46,308)
2022	(238,953)
2023	(215,818)
2024	(72,815)
2025	79,689
Thereafter	<u>-</u>
	<u>\$ (494,205)</u>



**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***Discount Rate***

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

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

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, 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 (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,847,253</u>	<u>\$ 3,045,731</u>	<u>\$ 2,370,335</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, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2018 through June 30, 2019. 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, 2019, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,320,468 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$39,341,516. 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, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .06410 percent, which was a decrease of .00031 percent from its proportionate share measured as of June 30, 2018 of .06441 percent.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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, 2019 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%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 46,392,355</u>	<u>\$ 39,341,516</u>	<u>\$ 33,491,546</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**D. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.



**LITTLE FERRY BOARD OF EDUCATION  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>364,943</u>

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an 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. over a period not to exceed thirty years. 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, 2020, 2019 and 2018 were \$519,105, \$583,859 and \$627,484, 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, 2018 through June 30, 2019. 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$597,113. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$22,900,560. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .04966 percent, which was a decrease of .00583 percent from its proportionate share measured as of June 30, 2018 of .05549 percent.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

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

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions (Continued)**

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

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

**Long-Term Expected Rate of Return**

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

**Discount Rate**

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

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

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**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, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>25,586,630</u>
Changes Recognized for the Fiscal Year:	
Service Cost	976,451
Interest on the Total OPEB Liability	1,014,917
Differences Between Expected and Actual Experience	(4,336,746)
Changes of Assumptions	341,449
Gross Benefit Payments	(702,979)
Contributions from the Member	20,838
<b>Net Changes</b>	<u>\$ (2,686,070)</u>
Balance, June 30, 2019 Measurement Date	<u>\$ 22,900,560</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease (<u>2.50%</u>)</b>	<b>Current Discount Rate (<u>3.50%</u>)</b>	<b>1% Increase (<u>4.50%</u>)</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>27,054,611</u>	\$ <u>22,900,560</u>	\$ <u>19,600,810</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ <u>18,869,041</u>	\$ <u>22,900,560</u>	\$ <u>28,237,464</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**LITTLE FERRY BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 RESTATEMENT**

The governmental activities financial statements for June 30, 2019 have been restated to reflect an updated inventory of the District’s capital assets as provided by an independent consultant. The effect of this restatement results in a net decrease of \$519,877 in governmental activities capital assets with a corresponding decrease in the net investment in capital assets component of net position at June 30, 2019.

The business activities financial statements for June 30, 2019 have also been restated to reflect an updated inventory of the District’s capital assets as provided by an independent consultant. The effect of this restatement results in a net increase of \$1,674 in business activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2019.

The results of these restatements is to decrease total net position of Governmental Activities as of June 30, 2019 from \$3,904,654, as originally reported to \$3,384,777. In addition, the results of these restatements is to increase total net position of business activities as of June 30, 2019 from \$89,034, as originally reported to \$90,708. The effects of these restatements are as follows:

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<b><u>Governmental Activities:</u></b>			
<b>ASSETS</b>			
Capital Assets, Being Depreciated	\$ 11,567,994	\$ (118,989)	\$ 11,449,005
Accumulated Depreciation	(7,622,428)	(400,888)	(8,023,316)
Total Capital Assets, Net	8,694,767	(519,877)	8,174,890
Total Assets	10,429,159	(519,877)	9,909,282
Total Assets and Deferred Outflows of Resources	11,164,836	(519,877)	10,644,959
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,914,528	(519,877)	6,394,651
Total Net Position	\$ 3,904,654	\$ (519,877)	\$ 3,384,777

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 5 RESTATEMENT (Continued)**

	Beginning Balance Prior <u>to Restatement</u>	<u>Restatement</u>	Beginning Balance <u>Restated</u>
<b><u>Business Activities:</u></b>			
<b>ASSETS</b>			
Capital Assets, Being Depreciated	\$ 104,700	\$ 22,869	\$ 127,569
Accumulated Depreciation	(64,455)	(21,195)	(85,650)
Total Capital Assets, Net	40,245	1,674	41,919
Total Assets	93,329	1,674	95,003
<b>NET POSITION</b>			
Net Investment in Capital Assets	40,245	1,674	41,919
Total Net Position	\$ 89,034	\$ 1,674	\$ 90,708

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

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

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect a of the date of audit (**verify**). As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

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



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Property Tax Levy	\$ 19,437,775		\$ 19,437,775	\$ 19,437,775	
Tuition- Individuals (Pre K)	30,000		30,000	19,490	\$ (10,510)
Rentals	49,300		49,300	45,165	(4,135)
Interest Earned on Capital Reserve Funds	50		50	79	29
Interest Earned				8,231	
Other Revenues from Local Sources	7,000	-	7,000	36,951	29,951
<b>Total Local Sources</b>	<u>19,524,125</u>	<u>-</u>	<u>19,524,125</u>	<u>19,547,691</u>	<u>23,566</u>
State Sources					
Categorical Special Education Aid	1,040,076	-	1,040,076	1,040,076	
Categorical Transportation Aid	299,736	-	299,736	299,736	
Categorical Security Aid	319,475	-	319,475	319,475	
Equalization Aid	2,901,349	-	2,901,349	2,901,349	
Extraordinary Aid	150,000	-	150,000	287,928	137,928
Additional Nonpublic Transportation Aid				6,090	6,090
On-behalf TPAF Pension System Payments - Non-Contributory Insurance (Non-Budget)				24,639	24,639
On-behalf TPAF Pension System Payments - Normal Cost & Accrued Liab. (Non-Budget)				1,374,635	1,374,635
On-behalf TPAF Pension System Payments - Long-Term Disability Insurance (Non-Budget)				811	811
On-behalf TPAF Pension System Payments - Post-Retirement Medical Contribution (Non-Budget)				519,105	519,105
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	493,783	493,783
<b>Total State Sources</b>	<u>4,710,636</u>	<u>-</u>	<u>4,710,636</u>	<u>7,267,627</u>	<u>2,556,991</u>
Federal Sources					
Medicaid Reimbursement	25,124	-	25,124	-	(25,124)
<b>Total Federal Sources</b>	<u>25,124</u>	<u>-</u>	<u>25,124</u>	<u>-</u>	<u>(25,124)</u>
<b>Total Revenues</b>	<u>24,259,885</u>	<u>-</u>	<u>24,259,885</u>	<u>26,815,318</u>	<u>2,555,433</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	112,170	\$ 12,694	124,864	116,604	8,260
Kindergarten	373,324	(32,763)	340,561	340,561	-
Grades 1-5	2,923,813	29,100	2,952,913	2,911,579	41,334
Grades 6-8	1,113,357	257,719	1,371,076	1,366,287	4,789
Regular Programs - Home Instruction					
Salaries of Teachers	8,000	-	8,000	4,110	3,890
Purchased Professional-Educational Services		2,400	2,400	800	1,600
Purchased Technical Services	151,280	(151,280)			-
Other Purchased Services	26,500	(26,500)			-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	159,881	(74,200)	85,681	59,265	26,416
Purchased Technical Services		153,280	153,280	115,438	37,842
Other Purchased Services		26,500	26,500	20,900	5,600
General Supplies	169,850	37,606	207,456	168,140	39,316
General Supplies - (Non Budgeted - Lease Purchase)				250,962	(250,962)
Textbooks	79,000	(35,729)	43,271	43,271	-
Other Objects	-	4,500	4,500	3,283	1,217
<b>Total Regular Programs</b>	<u>5,117,175</u>	<u>203,327</u>	<u>5,320,502</u>	<u>5,401,200</u>	<u>(80,698)</u>

**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Special Education					
Multiple Disabilities					
Salaries of Teachers	\$ 228,856	\$ 16,817	\$ 245,673	\$ 245,673	-
General Supplies	4,200	(235)	3,965	3,570	\$ 395
Textbooks	1,600	-	1,600	1,600	-
Total Multiple Disabilities	<u>234,656</u>	<u>16,582</u>	<u>251,238</u>	<u>250,843</u>	<u>395</u>
Resource Room/Resource Center					
Salaries of Teachers	386,160	123,101	509,261	509,261	-
General Supplies	1,100	235	1,335	1,311	24
Total Resource Room/Resource Center	<u>387,260</u>	<u>123,336</u>	<u>510,596</u>	<u>510,572</u>	<u>24</u>
Total Special Education	<u>621,916</u>	<u>139,918</u>	<u>761,834</u>	<u>761,415</u>	<u>419</u>
Basic Skills					
Salaries of Teachers	91,166	750	91,916	91,916	-
General Supplies	946	107	1,053	1,044	9
Total Basic Skills	<u>92,112</u>	<u>857</u>	<u>92,969</u>	<u>92,960</u>	<u>9</u>
Bilingual Education					
Salaries	319,125	(54,833)	264,292	223,837	40,455
General Supplies	3,000	(108)	2,892	817	2,075
Total Bilingual Education	<u>322,125</u>	<u>(54,941)</u>	<u>267,184</u>	<u>224,654</u>	<u>42,530</u>
School Sponsored Co/Extracurricular Activities-Instruction					
Salaries	30,406	(11,230)	19,176	19,176	-
Total Co/Extracurricular Activities-Instruction	<u>30,406</u>	<u>(11,230)</u>	<u>19,176</u>	<u>19,176</u>	<u>-</u>
School Sponsored Athletics-Instruction					
Salaries	10,000	5,783	15,783	15,783	-
Purchased Services	2,400	-	2,400	1,540	860
Total School Sponsored Athletics-Instruction	<u>12,400</u>	<u>5,783</u>	<u>18,183</u>	<u>17,323</u>	<u>860</u>
Total Instruction	<u>6,196,134</u>	<u>283,714</u>	<u>6,479,848</u>	<u>6,516,728</u>	<u>(36,880)</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	4,242,540	388,860	4,631,400	4,629,888	1,512
Tuition to Other LEAs Within the State - Special	2,841,419	(669,194)	2,172,225	2,172,225	-
Tuition to County Vocational School Districts - Regular	474,300	282,769	757,069	757,069	-
Tuition to County Vocational School Districts - Special	31,896	149,204	181,100	134,353	46,747
Tuition to CSSD & Reg. Day Schools	165,240	-	165,240	165,240	-
Tuition to APSSD W/I State	483,979	(145,066)	338,913	327,442	11,471
Total Undistributed Expenditures - Instruction	<u>8,239,374</u>	<u>6,573</u>	<u>8,245,947</u>	<u>8,186,217</u>	<u>59,730</u>

**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 66,600	\$ (5,805)	\$ 60,795	\$ 59,490	\$ 1,305
Total Attendance and Social Work Services	66,600	(5,805)	60,795	59,490	1,305
Health Services					
Salaries	114,206	9,075	123,281	123,281	-
Purchased Professional and Technical Services	8,400	(1,698)	6,702	6,702	-
Supplies and Materials	8,750	5,932	14,682	4,966	9,716
Total Health Services	131,356	13,309	144,665	134,949	9,716
Speech, OT, PT and Related Services					
Purchased Professional- Educational Services	246,170	(65,800)	180,370	159,970	20,400
Total Speech, OT, PT and Related Services	246,170	(65,800)	180,370	159,970	20,400
Other Support Serv. Students - Extra. Svcs.					
Salaries	473,753	22,540	496,293	486,246	10,047
Total Other Support Serv. Students - Extra. Svcs.	473,753	22,540	496,293	486,246	10,047
Guidance					
Salaries of Other Professional Staff	57,295	3,585	60,880	60,880	-
Salaries of Secretarial and Clerical Assistants	42,700	(1,100)	41,600	41,600	-
Other Purchased Professional-Technical Services	4,700	(2,096)	2,604	1,604	1,000
Supplies and Materials	4,000	470	4,470	4,470	-
Total Guidance	108,695	859	109,554	108,554	1,000
Child Study Teams					
Salaries of Other Professional Staff	395,213	(103,242)	291,971	288,915	3,056
Salaries of Secretarial and Clerical Assistants	39,520	-	39,520	39,520	-
Purchased Professional - Educational Services	227,400	117,429	344,829	312,284	32,545
Other Purchased Professional and Tech. Services	15,000	(5,000)	10,000	8,579	1,421
Other Purchased Services	4,000	3,862	7,862	7,057	805
Supplies and Materials	6,000	27,010	33,010	16,428	16,582
Other Objects	3,000	(811)	2,189	1,240	949
Total Child Study Teams	690,133	39,248	729,381	674,023	55,358
Improvement of Instructional Services					
Sal of Supervisor of Instruction	242,600	(242,600)			-
Salaries of Other Professional Staff		56,289	56,289	56,289	-
Salaries of Secretarial and Clerical Assistants	39,520	(39,520)			
Purchased Prof- Educational Services	25,000	2,634	27,634	24,217	3,417
Other Purch Prof and Tech. Services	32,145	16,240	48,385	30,804	17,581
Supplies and Materials	1,500	-	1,500	1,103	397
Other Objects	5,600	(4,367)	1,233	1,084	149
Total Improvement of Instructional Services	346,365	(211,324)	135,041	113,497	21,544
Educational Media Services/School Library					
Salaries	127,827	22,494	150,321	150,321	-
Supplies and Materials	40,000	(32,431)	7,569	7,069	500
Total Educational Media Serv./School Library	167,827	(9,937)	157,890	157,390	500

**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Purchased Professional - Educational Services	\$ 25,000	\$ (10,000)	\$ 15,000	\$ 2,900	\$ 12,100
Other Purchased Services	3,000	-	3,000		3,000
Supplies and Materials	10,000	(10,000)			-
Other Objects	-	509	509	509	-
	<u>38,000</u>	<u>(19,491)</u>	<u>18,509</u>	<u>3,409</u>	<u>15,100</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	180,073	-	180,073	180,073	-
General Admin. Salaries -Governance Staff (BOE Direct Reports Only)	6,000	1,000	7,000	6,000	1,000
Legal Services	51,500	9,942	61,442	50,257	11,185
Audit Fees	43,000	30,000	73,000	39,230	33,770
Architectural / Engineering Services	51,950	(34,750)	17,200	17,200	-
Other Purchased Professional Services	14,000	-	14,000	3,900	10,100
Purchased Technical Services	4,500	-	4,500		4,500
Communications/Telephone	21,100	(2,227)	18,873	18,873	-
BOE Other Purchased Services	2,000	964	2,964	2,764	200
Miscellaneous Purchased Services	41,500	(1,000)	40,500	30,625	9,875
General Supplies	4,300	-	4,300	1,760	2,540
BOE Membership Dues and Fees	6,000	12,187	18,187	18,187	-
Miscellaneous Expenditures	8,200	(1,533)	6,667	6,667	-
	<u>434,123</u>	<u>14,583</u>	<u>448,706</u>	<u>375,536</u>	<u>73,170</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Assistant Principals	145,800	324,258	470,058	469,944	114
Salaries of Secretarial and Clerical Assistants	167,000	(3,015)	163,985	163,985	-
Other Purchased Services	15,000	(115)	14,885	14,885	-
Supplies and Materials	8,750	3,372	12,122	10,437	1,685
Other Objects	4,600	1,033	5,633	4,800	833
	<u>341,150</u>	<u>325,533</u>	<u>666,683</u>	<u>664,051</u>	<u>2,632</u>
Total Support Services School Administration					
Central Services					
Salaries	228,000	(98,000)	130,000	130,000	-
Purchased Professional Services		40,000	40,000	22,745	17,255
Misc. Purchased Services	40,000	(40,000)			-
Supplies and Materials	6,550	15,646	22,196	4,944	17,252
Interest on Lease Purchase Agreements	94,496	(11,000)	83,496	83,496	-
Miscellaneous Expenditures	5,000	2,424	7,424	7,424	-
	<u>374,046</u>	<u>(90,930)</u>	<u>283,116</u>	<u>248,609</u>	<u>34,507</u>
Total Central Services					
Admin. Info. Tech.					
Salaries	137,550	2,999	140,549	140,415	134
Supplies and Materials	22,390	(22,390)			-
Other Objects	4,500	(4,500)			-
	<u>164,440</u>	<u>(23,891)</u>	<u>140,549</u>	<u>140,415</u>	<u>134</u>
Total Admin. Info. Tech.					
Required Maintenance for School Facilities					
Salaries	90,200	600	90,800	90,800	-
Cleaning, Repair and Maintenance Services	125,000	2,450	127,450	104,149	23,301
General Supplies	48,000	23,669	71,669	62,123	9,546
	<u>263,200</u>	<u>26,719</u>	<u>289,919</u>	<u>257,072</u>	<u>32,847</u>
Total Required Maintenance for School Fac.					

**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 458,460	\$ (18,932)	\$ 439,528	\$ 432,597	\$ 6,931
Salaries of Non-Instructional Aides	40,320	49,221	89,541	85,705	3,836
Purchased Professional and Technical Services	12,000	-	12,000	5,152	6,848
Cleaning, Repair, and Maintenance Svc.	46,700	5,686	52,386	35,926	16,460
Rental of Land & Bldg. Oth. Than Lease Purchase	210,000	(210,000)	-	-	-
Other Purchased Property Services	49,400	24,860	74,260	70,996	3,264
Insurance	120,246	281,009	401,255	401,255	-
General Supplies	14,000	13,721	27,721	18,013	9,708
Energy (Electricity)	175,000	60,730	235,730	235,730	-
Energy (Natural Gas)	70,000	(58,000)	12,000	11,501	499
Other Objects	7,800	(548)	7,252	7,252	-
<b>Total Custodial Services</b>	<u>1,203,926</u>	<u>147,747</u>	<u>1,351,673</u>	<u>1,304,127</u>	<u>47,546</u>
Security					
Salaries	63,440	220	63,660	62,059	1,601
Purchased Professional and Technical Services	67,754	(10,770)	56,984	56,984	-
General Supplies	-	6,197	6,197	6,197	-
<b>Total Security</b>	<u>131,194</u>	<u>(4,353)</u>	<u>126,841</u>	<u>125,240</u>	<u>1,601</u>
Student Transportation Services					
Salaries for Pupil Transportation (Bet Home & Sch) Regular	52,325	14,475	66,800	50,573	16,227
Cleaning, Repair and Maintenance Services	3,500	-	3,500	3,495	5
Contracted Serv.-Aid in Lieu of Payments-Non Public Schools	49,500	-	49,500	31,349	18,151
Contracted Services					
(Between Home and School) - Vendors	155,278	-	155,278	143,417	11,861
Contracted Services					
(Other Between Home and School) - Vendors	9,000	(1,743)	7,257	7,245	12
Contracted Services (Bet Home & Sch) - Joint Agreements	-	-	-	-	-
Contracted Services (Spl. Ed. Students) - Joint Agreements	404,540	8,882	413,422	392,448	20,974
Miscellaneous Purchased Services - Transportation	20,400	70	20,470	20,470	-
General Supplies	2,500	(195)	2,305	900	1,405
<b>Total Student Transportation Services</b>	<u>697,043</u>	<u>21,489</u>	<u>718,532</u>	<u>649,897</u>	<u>68,635</u>
Unallocated Benefits - Employee Benefits					
Social Security Contributions	151,000	25,883	176,883	185,066	(8,183)
Other Retirement Contributions - PERS	169,600	713	170,313	170,313	-
Other Retirement Contributions - Regular	15,000	3,300	18,300	18,201	99
Unemployment Compensation	30,000	198	30,198	30,198	-
Workmen's Compensation	79,647	(6,694)	72,953	72,953	-
Health Benefits	2,465,173	(523,565)	1,941,608	1,896,429	45,179
Tuition Reimbursement	14,300	700	15,000	15,000	-
Other Employee Benefits	52,000	(7,262)	44,738	24,360	20,378
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>2,976,720</u>	<u>(506,727)</u>	<u>2,469,993</u>	<u>2,412,520</u>	<u>57,473</u>

**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Undistributed Expenditures (Continued)					
On-behalf TPAF Pension System Payments - Non-Contributory Insurance (Non-Budget)				\$ 24,639	\$ (24,639)
On-behalf TPAF Pension System Payments - Normal Cost & Accrued Liab. (Non-Budget)				1,374,635	(1,374,635)
On-behalf TPAF Pension System Payments - Post-Retirement Medical Contribution (Non-Budget)				519,105	(519,105)
On-behalf TPAF Pension System Payments - Long-Term Disability Insurance (Non-Budget)				811	(811)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	493,783	(493,783)
<b>Total On-Behalf Contributions/Reimbursements</b>	-	-	-	2,412,973	(2,412,973)
<b>Total Undistributed Expenditures</b>	<b>\$ 17,094,115</b>	<b>\$ (319,658)</b>	<b>\$ 16,774,457</b>	<b>18,674,185</b>	<b>(1,899,728)</b>
<b>Total Expenditures - Current Expenditures</b>	<b>23,290,249</b>	<b>(35,944)</b>	<b>23,254,305</b>	<b>25,190,913</b>	<b>(1,936,608)</b>
<b>CAPITAL OUTLAY</b>					
Interest Deposit to Capital Reserve	50	-	50		50
Equipment					
Undistributed Expenditures - Instruction	6,500	(6,500)			-
Undistributed Expenditures- Admin Info Tech	129,300	51,904	181,204	133,686	47,518
School Buses - Regular	23,000	1,974	24,974	24,974	-
Facilities Acquisition and Construction Serv.					
Construction Services		209,895	209,895	206,179	3,716
Lease Purchase Agreements- Principal	1,018,890	(344,496)	674,394	674,394	
Assessment for Debt Service on SDA Funding	811	-	811	811	-
<b>Total Equipment/Facilities Acquisition and Construction Services</b>	<b>1,178,551</b>	<b>(87,223)</b>	<b>1,091,328</b>	<b>1,040,044</b>	<b>51,284</b>
<b>Assets Acquired Under Capital Leases (Nonbudgeted)</b>					
School Buses	-	-	-	113,986	(113,986)
<b>Total Assets Acquired Under Capital Leases</b>	-	-	-	<b>113,986</b>	<b>(113,986)</b>
<b>Total Capital Outlay</b>	<b>1,178,551</b>	<b>(87,223)</b>	<b>1,091,328</b>	<b>1,154,030</b>	<b>(62,702)</b>
<b>TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>					
	<b>26,184</b>	<b>-</b>	<b>26,184</b>	<b>26,181</b>	<b>3</b>
<b>Total Expenditures</b>	<b>24,494,984</b>	<b>(123,167)</b>	<b>24,371,817</b>	<b>26,371,124</b>	<b>(1,999,307)</b>
<b>Excess (Deficiency) of Revenues</b>					
Over/(Under) Expenditures	(235,099)	123,167	(111,932)	444,194	556,126
<b>Other Financing Sources/(Uses)</b>					
Capital Leases				364,948	364,948
Operating Transfers In - Capital Projects Fund				34,288	34,288
Operating Transfers Out - Capital Projects Fund	-	(259,381)	(259,381)	(259,381)	-
<b>Total Other Financing Sources/(Uses)</b>	-	(259,381)	(259,381)	<b>139,855</b>	<b>399,236</b>
<b>Excess (Deficiency) of Revenues and Other Fin. Sources Over/(Under)</b>					
Expenditures and Other Financing Uses	(235,099)	(136,214)	(371,313)	584,049	955,362
<b>Fund Balance, Beginning of Year</b>	<b>1,257,453</b>	<b>-</b>	<b>1,257,453</b>	<b>1,257,453</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ 1,022,354</b>	<b>\$ (136,214)</b>	<b>\$ 886,140</b>	<b>\$ 1,841,502</b>	<b>\$ 955,362</b>



**LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Original Budget</b>	<b>Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>Recapitulation of Fund Balance:</b>					
Restricted Fund Balance					
Excess Surplus				\$ 212,326	
Capital Reserve				400,000	
Maintenance Reserve				200,000	
Assigned Fund Balance					
Year-End Encumbrances				198,101	
Designated for Subsequent Year's Expenditures (2020/2021 Budget)				210,005	
Unassigned Fund Balance				621,070	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>				1,841,502	
Less: Extraordinary Aid Not Recognized on GAAP Basis			\$ (287,928)		
State Aid Not Recognized on GAAP Basis			(401,934)		
				(689,862)	
 Fund Balance Per Governmental Funds (GAAP)				\$ 1,151,640	

**LITTLE FERRY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 92,400		\$ 92,400	\$ 92,400	
Federal	493,576	\$ 245,671	739,247	610,622	\$ (128,625)
Local	-	5,200	5,200	3,030	(2,170)
	<u>585,976</u>	<u>250,871</u>	<u>836,847</u>	<u>706,052</u>	<u>(130,795)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	331,652	(81,109)	250,543	159,243	91,300
Purchased Professional/Technical Services	35,700	(35,700)	-	-	-
Tuition	218,624	34,685	253,309	253,309	-
General Supplies	-	43,843	43,843	41,673	2,170
	<u>585,976</u>	<u>(38,281)</u>	<u>547,695</u>	<u>454,225</u>	<u>93,470</u>
Support Services					
Salaries		9,822	9,822	2,296	7,526
Benefits		29,750	29,750	-	29,750
Purchased Professional Educational Services	-	222,078	222,078	222,078	-
Other Purchased Services		15,874	15,874	15,874	-
Supplies and Materials	-	11,628	11,628	11,579	49
	<u>-</u>	<u>289,152</u>	<u>289,152</u>	<u>251,827</u>	<u>37,325</u>
Total Expenditures	<u>585,976</u>	<u>250,871</u>	<u>836,847</u>	<u>706,052</u>	<u>130,795</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Payments not Recognized on a GAAP Basis				\$ (9,240)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ (9,240)</u>	

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**LITTLE FERRY BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
BUDGET AND ACTUAL  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

		<b>General Fund</b>		<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 26,815,318	(C-2)	\$ 706,052
Difference - Budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized :				
Encumbrance, June 30, 2020				(6,384)
State Aid and Extraordinary Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2018/2019 State Aid)		720,111		9,240
State Aid and Extraordinary Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2019/2020 State Aid)		<u>(689,862)</u>		<u>(9,240)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. (Exhibit B-2)		<u>\$ 26,845,567</u>		<u>\$ 699,668</u>
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 26,371,124	(C-2)	\$ 706,052
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes -				
Encumbrance, June 30, 2020		<u>-</u>		<u>(6,384)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Exhibit B-2)		<u>\$ 26,371,124</u>		<u>\$ 699,668</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**Public Employees Retirement System**

**Last Seven Fiscal Years\***

	<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)	0.01690%	0.01556%	0.01523%	0.01614%	0.01528%	0.01472%	0.01472%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 3,045,731</u>	<u>\$ 3,063,811</u>	<u>\$ 3,545,861</u>	<u>\$ 4,780,690</u>	<u>\$ 3,429,453</u>	<u>\$ 2,755,929</u>	<u>\$ 2,813,153</u>
District's Covered Payroll *	<u>\$ 1,197,903</u>	<u>\$ 1,168,850</u>	<u>\$ 1,078,599</u>	<u>\$ 1,085,927</u>	<u>\$ 1,042,740</u>	<u>\$ 990,542</u>	<u>\$ 966,095</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	254.26%	262.12%	328.75%	440.24%	328.89%	278.22%	291.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

LITTLE FERRY BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 164,421	\$ 154,778	\$ 141,112	\$ 143,400	\$ 131,344	\$ 121,317	\$ 110,907
Contributions in Relation to the Contractually Required Contribution	<u>164,421</u>	<u>154,778</u>	<u>141,112</u>	<u>143,400</u>	<u>131,344</u>	<u>121,317</u>	<u>110,907</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 1,083,896</u>	<u>\$ 1,197,903</u>	<u>\$ 1,168,820</u>	<u>\$ 1,078,599</u>	<u>\$ 1,085,927</u>	<u>\$ 1,042,750</u>	<u>\$ 990,542</u>
Contributions as a Percentage of Covered Payroll	15.17%	12.92%	12.07%	13.30%	12.10%	11.63%	11.20%

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

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

**Teachers Pension and Annuity Fund**

**Last Seven Fiscal Years\***

	<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%
District's Proportionate Share of the Net Pension Liability (Asset)	0	0	0	0	0	0	0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 39,341,516</u>	<u>\$40,974,986</u>	<u>\$41,962,753</u>	<u>\$45,986,987</u>	<u>\$35,614,119</u>	<u>\$32,883,837</u>	<u>\$31,559,825</u>
<b>Total</b>	<u>\$ 39,341,516</u>	<u>\$40,974,986</u>	<u>\$41,962,753</u>	<u>\$45,986,987</u>	<u>\$35,614,119</u>	<u>\$32,883,837</u>	<u>\$31,559,825</u>
District's Covered Payroll	<u>\$ 6,570,481</u>	<u>\$ 6,689,360</u>	<u>\$ 6,850,460</u>	<u>\$ 6,734,609</u>	<u>\$ 6,234,203</u>	<u>\$ 5,717,899</u>	<u>\$ 5,830,911</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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



**LITTLE FERRY 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, 2020**

**Change of Benefit Terms:** None.

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

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

**Postemployment Health Benefit Plan**

**Last Three Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 976,451	\$ 1,128,972	\$ 1,380,001
Interest on Total OPEB Liability	1,014,917	1,081,086	927,588
Differences Between Expected and Actual Experiences	(4,336,746)	(2,423,013)	
Changes of Assumptions	341,449	(2,936,194)	(3,883,678)
Gross Benefit Payments	(702,979)	(684,177)	(616,001)
Contribution from the Member	<u>20,838</u>	<u>23,646</u>	<u>22,683</u>
<b>Net Change in Total OPEB Liability</b>	(2,686,070)	(3,809,680)	(2,169,407)
<b>Total OPEB Liability - Beginning</b>	<u>25,586,630</u>	<u>29,396,310</u>	<u>31,565,717</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 22,900,560</u>	<u>\$ 25,586,630</u>	<u>\$ 29,396,310</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>22,900,560</u>	<u>25,586,630</u>	<u>29,396,310</u>
Total OPEB Liability - Ending	<u>\$ 22,900,560</u>	<u>\$ 25,586,630</u>	<u>\$ 29,396,310</u>
District's Covered Payroll	<u>\$ 7,768,384</u>	<u>\$ 7,858,210</u>	<u>\$ 7,929,059</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	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.

**LITTLE FERRY 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, 2020**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**LITTLE FERRY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Preschool Education Aid</u>	<u>ESEA Title I</u>	<u>ESEA Title III</u>	<u>ESEA Title IV</u>	<u>ESEA Title IIA</u>	<u>IDEA Part B Preschool</u>	<u>IDEA Part B Basic</u>	<u>CARES Act Emergency Relief</u>	<u>Local</u>	<u>Total</u>
<b>REVENUES</b>										
Intergovernmental										
State	\$ 92,400									\$ 92,400
Federal	-	\$ 234,839	\$ 6,739	\$ 14,655	\$ 40,874	\$ 10,477	\$ 242,832	\$ 60,206		\$ 610,622
Local	-	-	-	-	-	-	-	-	\$ 3,030	3,030
Total Revenues	<u>\$ 92,400</u>	<u>\$ 234,839</u>	<u>\$ 6,739</u>	<u>\$ 14,655</u>	<u>\$ 40,874</u>	<u>\$ 10,477</u>	<u>\$ 242,832</u>	<u>\$ 60,206</u>	<u>\$ 3,030</u>	<u>\$ 706,052</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers	\$ 92,400	\$ 64,843	\$ 2,000							\$ 159,243
Tuition						\$ 10,477	\$ 242,832			253,309
General Supplies	-	5,000	-	-	-	-	-	\$ 33,643	\$ 3,030	41,673
Total Instruction	<u>92,400</u>	<u>69,843</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>10,477</u>	<u>242,832</u>	<u>33,643</u>	<u>3,030</u>	<u>454,225</u>
Support Services										
Salaries		1,296	1,000							2,296
Purchased Professional Educational Services		163,700	2,000	\$ 14,655	\$ 25,000			16,723		222,078
Other Purchased Services					15,874					15,874
Supplies	-	-	1,739	-	-	-	-	9,840	-	11,579
Total Support Services	<u>-</u>	<u>164,996</u>	<u>4,739</u>	<u>14,655</u>	<u>40,874</u>	<u>-</u>	<u>-</u>	<u>26,563</u>	<u>-</u>	<u>251,827</u>
Total Expenditures	<u>\$ 92,400</u>	<u>\$ 234,839</u>	<u>\$ 6,739</u>	<u>\$ 14,655</u>	<u>\$ 40,874</u>	<u>\$ 10,477</u>	<u>\$ 242,832</u>	<u>\$ 60,206</u>	<u>\$ 3,030</u>	<u>\$ 706,052</u>

**LITTLE FERRY BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID - SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	\$ 92,400	\$ -	\$ 92,400	\$ 92,400	\$ -
Total Instruction	<u>92,400</u>	<u>-</u>	<u>92,400</u>	<u>92,400</u>	<u>-</u>
Total Expenditures	<u>\$ 92,400</u>	<u>\$ -</u>	<u>\$ 92,400</u>	<u>\$ 92,400</u>	<u>\$ -</u>

**Calculation of Budget and Carryover**

Total Revised 2019-2020 Preschool Education Aid Allocation	\$ 92,400
Add:	
Actual Preschool Education Carryover (June 30, 2019)	
Budgeted Transfer from the General Fund 2019-2020	<u>-</u>
Total Preschool Education Aid Funds Available for 2019-2020 Budget	92,400
Less: 2019-2020 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>92,400</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2020	-
Add: June 30, 2020 Unexpended Preschool Education Aid	<u>-</u>
2019-2020 Carryover - Preschool Education Aid /Preschool Programs	<u>\$ -</u>
2019-2020 Preschool Education Aid Carryover Budgeted in 2020-2021	<u>\$ -</u>

**CAPITAL PROJECTS FUND**



**LITTLE FERRY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Issue/Project Title</u>	<u>Budgetary Appropriations</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Balance, June 30, 2020</u>
Lease Purchase- 16 Modular Classrooms and Associated Leasehold Improvements	\$ 3,759,381	\$ 2,451,981	\$ 1,307,400	\$ -
	<u>\$ 3,759,381</u>	<u>\$ 2,451,981</u>	<u>\$ 1,307,400</u>	<u>\$ -</u>

**LITTLE FERRY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Revenues and Other Financing Sources****Revenues**

Interest on Lease Purchase Proceeds	\$ 4,214
Transfer from General Fund	<u>259,381</u>
 Total Revenues and Other Financing Sources	 <u>263,595</u>

**Expenditures and Other Financing Uses****Expenditures**

Construction Services	1,241,400
Rentals	66,000
Transfer to General Fund	<u>34,288</u>
 Total Expenditures and Other Financing Uses	 <u>1,341,688</u>

Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(1,078,093)
 Fund Balance - Beginning of Year	 <u>1,078,093</u>
 Fund Balance - End of Year	 <u>\$ -</u>

**LITTLE FERRY BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -  
BUDGETARY BASIS  
LEASE PURCHASE - 16 MODULAR CLASSROOMS AND ASSOCIATED LEASEHOLD IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
Other Financing Sources				
Lease Purchase Proceeds	\$ 3,500,000	-	\$ 3,500,000	\$ 3,500,000
Transfer from General Fund	<u>-</u>	<u>\$ 259,381</u>	<u>259,381</u>	<u>259,381</u>
 Total Revenues and Other Financing Sources	 <u>3,500,000</u>	 <u>259,381</u>	 <u>3,759,381</u>	 <u>3,759,381</u>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Construction Services	2,252,356	\$ 1,241,400	3,493,756	3,471,756
Purchased Professional and Technical Services	9,875		9,875	9,875
Other Objects	13,750		13,750	13,750
Rentals	<u>176,000</u>	<u>66,000</u>	<u>242,000</u>	<u>264,000</u>
 Total Expenditures and Other Financing Uses	 <u>2,451,981</u>	 <u>1,307,400</u>	 <u>3,759,381</u>	 <u>3,759,381</u>
 Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 1,048,019</u>	 <u>\$ (1,048,019)</u>	 <u>\$ -</u>	 <u>\$ -</u>

## Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Issue Date	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 3,500,000
Revised Authorized Cost	\$ 3,759,381

Percentage Completion	100%
Original Target Completion Date	2018/19
Revised Target Completion Date	2019/20

**ENTERPRISE FUND**

**EXHIBIT G-1**

**LITTLE FERRY BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**FIDUCIARY FUNDS**

**LITTLE FERRY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Flexible Spending</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 35,016	\$ 11,373	\$ 46,389
Total Assets	<u>\$ 35,016</u>	<u>\$ 11,373</u>	<u>\$ 46,389</u>
<b>LIABILITIES</b>			
Reserve for Flexible Spending Due to Student Groups	\$ 35,016	\$ 11,373 -	\$ 11,373 35,016
Total Liabilities	<u>\$ 35,016</u>	<u>\$ 11,373</u>	<u>\$ 46,389</u>

**LITTLE FERRY BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Balance, July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance, June 30, 2020</u>
Memorial Middle School	\$ 35,064	\$ 8,200	\$ 8,248	\$ 35,016
Total	<u>\$ 35,064</u>	<u>\$ 8,200</u>	<u>\$ 8,248</u>	<u>\$ 35,016</u>



**LITTLE FERRY BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Receipts</u></b>	<b><u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ASSETS</b>				
Cash	\$ 8,311	\$ 10,358,651	\$ 10,355,589	\$ 11,373
Total Assets	<u>\$ 8,311</u>	<u>\$ 10,358,651</u>	<u>\$ 10,355,589</u>	<u>\$ 11,373</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings		\$ 4,734,560	\$ 4,734,560	
Accrued Salaries and Wages	\$ 364	5,610,141	5,610,505	
Reserve for Flexible Spending	<u>7,947</u>	<u>13,950</u>	<u>10,524</u>	<u>\$ 11,373</u>
Total	<u>\$ 8,311</u>	<u>\$ 10,358,651</u>	<u>\$ 10,355,589</u>	<u>\$ 11,373</u>

**LONG-TERM DEBT**

**LITTLE FERRY BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF INTERGOVERNMENTAL LOANS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

**LITTLE FERRY BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
Modular Classrooms & Associated Leasehold Improvements	3.1378%	\$ 3,500,000	\$ 2,828,258		\$ 674,394	\$ 2,153,864
54 Passenger Bus - 2019/2020	4.50%	113,986		\$ 113,986	24,767	\$ 89,219
Chromebooks - 2019/2020	6.50%	\$ 250,962	-	250,962	88,974	\$ 161,988
Total			<u>\$ 2,828,258</u>	<u>\$ 364,948</u>	<u>\$ 788,135</u>	<u>\$ 2,405,071</u>
					<u>\$ 788,135</u>	
				Paid Budget Appropriation		

**LITTLE FERRY BOARD OF EDUCATION  
LONG-TERM DEBT  
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOT APPLICABLE**

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
						(Restated)	(Restated)		(Restated)	
<b>Governmental Activities</b>										
Net Investment in Capital Assets, Net of Related Debt	\$ 5,309,520	\$ 5,628,178	\$ 5,934,922	\$ 6,915,646	\$ 6,010,002	\$ 5,692,794	\$ 5,586,151	\$ 5,739,062	\$ 6,394,651	\$ 6,847,867
Restricted	535,327	411,692	723,937	1,478,860	321,741	322,833	819,289	3,583,912	1,332,450	400,000
Unrestricted	<u>(116,164)</u>	<u>293,714</u>	<u>354,730</u>	<u>(3,417,490)</u>	<u>(1,683,240)</u>	<u>(1,135,858)</u>	<u>(2,158,179)</u>	<u>(6,050,035)</u>	<u>(4,342,324)</u>	<u>(3,048,296)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 5,728,683</u>	<u>\$ 6,333,584</u>	<u>\$ 7,013,589</u>	<u>\$ 4,977,016</u>	<u>\$ 4,648,503</u>	<u>\$ 4,879,769</u>	<u>\$ 4,247,261</u>	<u>\$ 3,272,939</u>	<u>\$ 3,384,777</u>	<u>\$ 4,199,571</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets, Net of Related Debt	\$ 32,659			\$ 18,703	\$ 16,681	\$ 14,656	\$ 48,427	\$ 43,176	\$ 41,919	\$ 41,553
Restricted										
Unrestricted	<u>37,230</u>	<u>\$ 137,139</u>	<u>\$ 213,357</u>	<u>308,480</u>	<u>189,917</u>	<u>258,977</u>	<u>(5,654)</u>	<u>14,001</u>	<u>48,789</u>	<u>68,961</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 69,889</u>	<u>\$ 137,139</u>	<u>\$ 213,357</u>	<u>\$ 327,183</u>	<u>\$ 206,598</u>	<u>\$ 273,633</u>	<u>\$ 42,773</u>	<u>\$ 57,177</u>	<u>\$ 90,708</u>	<u>\$ 110,514</u>
<b>District-Wide</b>										
Net Investment in Capital Assets, Net of Related Debt	\$ 5,342,179	\$ 5,628,178	\$ 5,934,922	\$ 6,934,349	\$ 6,026,683	\$ 5,707,450	\$ 5,634,578	\$ 5,782,238	\$ 6,436,570	\$ 6,889,420
Restricted	535,327	411,692	723,937	1,478,860	321,741	322,833	819,289	3,583,912	1,332,450	400,000
Unrestricted	<u>(78,934)</u>	<u>430,853</u>	<u>568,087</u>	<u>(3,109,010)</u>	<u>(1,493,323)</u>	<u>(876,881)</u>	<u>(2,163,833)</u>	<u>(6,036,034)</u>	<u>(4,293,535)</u>	<u>(2,979,335)</u>
<b>Total District Net Position</b>	<u>\$ 5,798,572</u>	<u>\$ 6,470,723</u>	<u>\$ 7,226,946</u>	<u>\$ 5,304,199</u>	<u>\$ 4,855,101</u>	<u>\$ 5,153,402</u>	<u>\$ 4,290,034</u>	<u>\$ 3,330,116</u>	<u>\$ 3,475,485</u>	<u>\$ 4,310,085</u>

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions."

Source: School District's financial statements

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 6,215,948	\$ 6,636,823	\$ 7,134,809	\$ 6,764,560	\$ 13,626,681	\$ 14,037,964	\$ 14,793,027	\$ 15,399,923	\$ 14,887,061	\$ 14,837,687
Special Education	1,090,533	1,022,601	1,195,449	1,242,187	3,856,442	3,740,868	3,748,428	4,792,726	4,526,929	4,061,039
Other Special Education	364,523	298,811	218,791	200,590						
Other Instruction	46,389	36,064	44,079	47,807	291,972	287,547	671,170	804,781	762,980	650,276
School Sponsored Activities And Athletics					77,923	83,429	70,947	67,266	58,038	63,025
<b>Support Services:</b>										
Tuition	6,525,640	6,781,408	6,664,699	6,783,940						
Student & Instruction Related Services	1,466,877	1,405,875	1,489,559	1,462,795	1,576,620	1,615,581	2,528,800	2,762,952	2,281,443	2,665,960
General Administrative Services	734,516	705,203	701,099	637,455	521,753	551,987	430,449	511,107	543,820	444,410
School Administrative Services	516,693	424,520	418,918	334,940	413,786	835,264	989,030	807,894	931,232	1,087,232
Central Services					285,170	371,240	585,377	470,179	531,442	489,689
Plant Operations And Maintenance	1,155,018	1,116,424	1,012,875	1,256,027	1,531,927	2,143,885	2,067,782	1,932,464	2,291,137	2,656,066
Pupil Transportation	624,349	628,474	665,391	635,419	709,038	605,985	678,183	733,594	839,614	686,988
Capital Outlay	9,000			499,464						
Special Schools			24,727	24,009						
Interest On Long-Term Debt	47,071	35,855	19,006			938	2,440	20,600	101,586	91,485
Unallocated Depreciation	314,872	307,610	277,907	261,373	-	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>19,111,429</b>	<b>19,399,668</b>	<b>19,867,309</b>	<b>20,150,566</b>	<b>22,891,312</b>	<b>24,274,688</b>	<b>26,565,633</b>	<b>28,303,486</b>	<b>27,755,282</b>	<b>27,733,857</b>
<b>Business-Type Activities:</b>										
EDCP					102,721	162,502	1,124			
Food Service	280,654	326,987	236,460	263,301	459,398	376,466	359,516	337,643	382,491	329,158
<b>Total Business-Type Activities Expense</b>	<b>280,654</b>	<b>326,987</b>	<b>236,460</b>	<b>263,301</b>	<b>562,119</b>	<b>538,968</b>	<b>360,640</b>	<b>337,643</b>	<b>382,491</b>	<b>329,158</b>
<b>Total District Expenses</b>	<b>\$ 19,392,083</b>	<b>\$ 19,726,655</b>	<b>\$ 20,103,769</b>	<b>\$ 20,413,867</b>	<b>\$ 23,453,431</b>	<b>\$ 24,813,656</b>	<b>\$ 26,926,273</b>	<b>\$ 28,641,129</b>	<b>\$ 28,137,773</b>	<b>\$ 28,063,015</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:	54,165	27,718	31,018	72,810	28,266	101,297	145,495	77,140	113,757	64,655
Operating Grants And Contributions	783,870	723,693	833,832	865,744	4,264,415	5,011,210	6,303,186	7,063,981	6,548,168	6,100,060
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities Program Revenues</b>	<b>838,035</b>	<b>751,411</b>	<b>864,850</b>	<b>938,554</b>	<b>4,292,681</b>	<b>5,112,507</b>	<b>6,448,681</b>	<b>7,141,121</b>	<b>6,661,925</b>	<b>6,164,715</b>
<b>Business-Type Activities:</b>										
Charges For Services	241,098	251,633	193,669	230,691	284,097	326,297	159,035	145,260	143,975	105,890
Operating Grants And Contributions	102,621	142,430	119,009	125,743	157,437	177,423	217,526	206,787	270,373	243,074
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>343,719</b>	<b>394,063</b>	<b>312,678</b>	<b>356,434</b>	<b>441,534</b>	<b>503,720</b>	<b>376,561</b>	<b>352,047</b>	<b>414,348</b>	<b>348,964</b>
<b>Total District Program Revenues</b>	<b>\$ 1,181,754</b>	<b>\$ 1,145,474</b>	<b>\$ 1,177,528</b>	<b>\$ 1,294,988</b>	<b>\$ 4,734,215</b>	<b>\$ 5,616,227</b>	<b>\$ 6,825,242</b>	<b>\$ 7,493,168</b>	<b>\$ 7,076,273</b>	<b>\$ 6,513,679</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ (18,273,394)	\$ (18,648,257)	\$ (19,002,459)	\$ (19,212,012)	\$ (18,598,631)	\$ (19,162,181)	\$ (20,116,952)	\$ (21,162,365)	\$ (21,093,357)	\$ (21,569,142)
<b>Business-Type Activities</b>	63,065	67,076	76,218	93,133	(120,585)	(35,248)	15,921	14,404	31,857	19,806
<b>Total District-Wide Net Expense</b>	<b>\$ (18,210,329)</b>	<b>\$ (18,581,181)</b>	<b>\$ (18,926,241)</b>	<b>\$ (19,118,879)</b>	<b>\$ (18,719,216)</b>	<b>\$ (19,197,429)</b>	<b>\$ (20,101,031)</b>	<b>\$ (21,147,961)</b>	<b>\$ (21,061,500)</b>	<b>\$ (21,549,336)</b>



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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 15,866,315	\$ 16,183,644	\$ 16,570,173	\$ 16,901,868	\$ 17,732,078	\$ 18,224,634	\$ 18,589,126	\$ 18,960,908	\$ 19,150,517	\$ 19,437,775
Debt Service	429,720	364,560	341,110	40,560						
Federal and State Aid Not Restricted	2,150,288	2,685,580	2,755,171	2,402,070	1,134,780	547,801	526,951	1,126,100	2,483,789	2,896,686
Investment Earnings	3,630	826	17	255	102	3,867	8,502	11,489	31,267	12,524
Miscellaneous Income	30,493	18,548	15,993	377,047	56,791	105,541	177,578	89,546	59,499	36,951
Transfers	-	-	-	-	-	(102,283)	272,697	-	-	-
<b>Total Governmental Activities</b>	<b>18,480,446</b>	<b>19,253,158</b>	<b>19,682,464</b>	<b>19,721,800</b>	<b>18,923,751</b>	<b>18,779,560</b>	<b>19,574,854</b>	<b>20,188,043</b>	<b>21,725,072</b>	<b>22,383,936</b>
Business-Type Activities:										
Investment Earnings	119	23		1,824						
Miscellaneous Income		151		166						
Transfers	-	-	-	-	-	102,283	(272,697)	-	-	-
<b>Total Business-Type Activities</b>	<b>119</b>	<b>174</b>	<b>-</b>	<b>1,990</b>	<b>-</b>	<b>102,283</b>	<b>(272,697)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 18,480,565</b>	<b>\$ 19,253,332</b>	<b>\$ 19,682,464</b>	<b>\$ 19,723,790</b>	<b>\$ 18,923,751</b>	<b>\$ 18,881,843</b>	<b>\$ 19,302,157</b>	<b>\$ 20,188,043</b>	<b>\$ 21,725,072</b>	<b>\$ 22,383,936</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 207,052	\$ 604,901	\$ 680,005	\$ 509,788	\$ 325,120	\$ (382,621)	\$ (542,098)	\$ (974,322)	\$ 631,715	\$ 814,794
Business-Type Activities	63,184	67,250	76,218	95,123	(120,585)	67,035	(256,776)	14,404	31,857	19,806
<b>Total District</b>	<b>\$ 270,236</b>	<b>\$ 672,151</b>	<b>\$ 756,223</b>	<b>\$ 604,911</b>	<b>\$ 204,535</b>	<b>\$ (315,586)</b>	<b>\$ (798,874)</b>	<b>\$ (959,918)</b>	<b>\$ 663,572</b>	<b>\$ 834,600</b>

Source: District financial statements

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted					\$ 2,477,070	\$ 2,667,876	\$ 1,916,852	\$ 758,950	\$ 436,805	\$ 812,326
Committed						34,375				
Assigned	\$ 436,967	\$ 338,586	\$ 723,935	\$ 1,976,466	363,777	206,125	210,106	108,960	120,743	408,106
Unassigned	<u>(112,412)</u>	<u>296,078</u>	<u>355,557</u>	<u>337,955</u>	<u>232,799</u>	<u>244,918</u>	<u>255,661</u>	<u>184,526</u>	<u>(20,206)</u>	<u>(68,792)</u>
<b>Total General Fund</b>	<b>\$ 324,555</b>	<b>\$ 634,664</b>	<b>\$ 1,079,492</b>	<b>\$ 2,314,421</b>	<b>\$ 3,073,646</b>	<b>\$ 3,153,294</b>	<b>\$ 2,382,619</b>	<b>\$ 1,052,436</b>	<b>\$ 537,342</b>	<b>\$ 1,151,640</b>
All Other Governmental Funds										
Unreserved, Reported in:										
Capital Projects Fund	\$ 83,043			\$ (498,653)						
Debt Service Fund	15,317	\$ 73,106	\$ 2	1,047						
Restricted										
Capital Projects					\$ (557,051)	\$ (557,051)		\$ 3,081,990	\$ 1,048,019	
Debt Service					1,047			1,596	30,074	
Unassigned										
Special Revenue Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,240)</u>	<u>(9,240)</u>	<u>\$ (9,240)</u>	<u>(9,240)</u>	<u>(9,240)</u>	<u>\$ (9,240)</u>
<b>Total All Other Governmental Funds</b>	<b>\$ 98,360</b>	<b>\$ 73,106</b>	<b>\$ 2</b>	<b>\$ (497,606)</b>	<b>\$ (565,244)</b>	<b>\$ (566,291)</b>	<b>\$ (9,240)</b>	<b>\$ 3,074,346</b>	<b>\$ 1,068,853</b>	<b>\$ (9,240)</b>

Source: District financial statements

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Local Tax Levy	\$ 16,296,035	\$ 16,548,204	\$ 16,911,283	\$ 16,942,428	\$ 17,732,078	\$ 18,224,634	\$ 18,589,126	\$ 18,960,908	\$ 19,150,517	\$ 19,437,775
Tuition Charges	54,165	27,718	31,018	72,810	28,266	59,677	93,042	33,840	27,217	19,490
Interest Earnings	3,630	826	17	255	102	3,867	8,502	11,489	31,267	12,524
Miscellaneous	30,493	18,548	15,993	65,047	56,791	147,161	230,031	133,833	146,039	85,146
State Sources	2,269,899	2,712,310	3,095,641	2,751,869	2,813,996	3,196,140	3,531,345	4,394,568	6,669,049	7,390,276
Federal Sources	664,259	696,963	493,162	515,945	1,120,376	656,347	543,560	586,068	580,677	604,238
<b>Total Revenue</b>	<b>19,318,481</b>	<b>20,004,569</b>	<b>20,547,114</b>	<b>20,348,354</b>	<b>21,751,609</b>	<b>22,287,826</b>	<b>22,995,606</b>	<b>24,120,706</b>	<b>26,604,766</b>	<b>27,549,449</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	5,332,644	5,635,246	5,636,563	5,851,828	12,372,142	12,619,199	12,730,964	13,178,549	13,590,684	14,175,727
Special Education Instruction	930,308	847,206	946,364	1,093,133	3,707,709	3,555,855	3,426,194	4,496,042	4,371,255	3,943,566
Other Special Instruction	296,849	239,143	160,423	165,134						
Other Instruction	41,363	29,740	36,625	42,282	257,125	248,219	522,703	624,462	662,808	580,609
School-Sponsored Activities and Athletics					68,254	71,862	58,300	52,492	50,434	57,663
<b>Support Services:</b>										
Tuition	6,525,640	6,781,408	6,664,699	6,783,940						
Student and Inst. Related Services	1,257,919	1,193,748	1,152,780	1,258,848	1,532,195	1,527,749	2,285,474	2,447,334	2,153,852	2,620,937
General Administrative Services	763,222	673,523	576,243	565,431	501,461	546,781	410,908	481,387	530,335	442,222
School Administrative Services	425,411	344,295	312,352	277,768	365,350	750,347	782,749	653,570	834,806	1,008,537
Plant Operations And Maintenance	1,031,641	979,976	847,054	1,126,449	1,286,442	1,862,823	1,729,457	1,558,931	1,951,310	1,914,470
Pupil Transportation	615,148	618,478	648,193	625,658	703,863	601,414	666,698	721,517	832,233	668,398
Employee Benefits	1,655,520	1,787,373	2,567,478	1,573,823						
Central Services					285,170	358,165	532,459	415,485	500,516	487,948
Capital Outlay	9,000	15,484		499,464			300,975	884,492	2,889,230	1,695,251
Special Schools			18,122	19,760						
<b>Debt Service:</b>										
Interest and Other Charges	54,620	37,243	20,543			938	2,440	17,549	86,148	83,703
Principal	560,644	536,851	588,151	39,515	10,554	34,108	32,606	335,493	671,742	699,161
<b>Total Expenditures</b>	<b>19,499,929</b>	<b>19,719,714</b>	<b>20,175,590</b>	<b>19,923,033</b>	<b>21,090,265</b>	<b>22,177,460</b>	<b>23,481,927</b>	<b>25,867,303</b>	<b>29,125,353</b>	<b>28,378,192</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(181,448)	284,855	371,524	425,321	661,344	110,366	(486,321)	(1,746,597)	(2,520,587)	(828,743)
<b>Other Financing Sources (Uses)</b>										
Transfers In		83,043				1,047	843,710	328,549		293,669
Transfers Out		(83,043)				(103,330)	(571,013)	(328,549)		(293,669)
Lease Purchase Proceeds					30,243	70,518		3,500,000		364,948
Community Disaster Loan	-	-	-	312,000	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,000</b>	<b>30,243</b>	<b>(31,765)</b>	<b>272,697</b>	<b>3,500,000</b>	<b>-</b>	<b>364,948</b>
<b>Net Change in Fund Balances</b>	<b>\$ (181,448)</b>	<b>\$ 284,855</b>	<b>\$ 371,524</b>	<b>\$ 737,321</b>	<b>\$ 691,587</b>	<b>\$ 78,601</b>	<b>\$ (213,624)</b>	<b>\$ 1,753,403</b>	<b>\$ (2,520,587)</b>	<b>\$ (463,795)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	3.16%	2.91%	3.02%	0.20%	0.05%	0.16%	0.15%	1.41%	2.89%	2.93%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

LITTLE FERRY BOARD OF EDUCATION  
 GENERAL FUND  
 MISCELLANEOUS REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 (Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Rentals						\$ 41,620	\$ 52,453	\$ 43,300	\$ 86,540	\$ 45,165
Miscellaneous	\$ 30,493	\$ 18,548	\$ 15,993	\$ 65,047	\$ 56,791	105,541	177,578	89,546	59,499	45,261
Total General Fund	\$ 30,493	\$ 18,548	\$ 15,993	\$ 65,047	\$ 56,791	\$ 147,161	\$ 230,031	\$ 132,846	\$ 146,039	\$ 90,426

Source: District records.

LITTLE FERRY BOARD OF EDUCATION  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
 (Unaudited)

Fiscal Year Ended June 30.	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2011	\$ 10,479,000	\$ 799,879,000			\$ 150,137,400	\$ 136,241,200	\$ 110,009,100	\$ 1,206,745,700	\$ 6,588,272	\$ 1,213,333,972	\$ 1,333,009,341	\$ 1.357
2012	10,163,500	794,550,000			149,139,400	135,133,600	110,099,100	1,199,085,600		1,199,085,600	1,385,924,252	1.396
2013	10,145,900	788,362,500			147,317,800	134,739,800	104,384,300	1,184,950,300	90,870	1,185,041,170	1,308,473,093	1.424
2014	10,022,600	779,523,100			146,546,700	134,305,800	109,150,400	1,179,548,600	98,530	1,179,647,130	1,201,961,451	1.497
2015 (1)	6,947,500	593,560,000			135,543,200	122,920,900	105,237,700	964,209,300	98,530	964,307,830	968,535,287	1.882
2016	7,156,000	603,758,700			133,863,900	126,419,500	115,442,700	986,640,800	98,530	986,739,330	1,009,849,035	1.876
2017	6,830,500	614,777,600			135,188,700	130,160,300	120,879,600	1,007,836,700	98,530	1,007,935,230	1,017,766,396	1.874
2018	6,849,400	624,584,600			137,556,200	137,169,400	119,871,000	1,026,030,600	98,530	1,026,129,130	1,020,949,461	1.859
2019	9,486,400	639,326,700			139,619,200	146,175,700	121,639,300	1,056,247,300	100,000	1,056,347,300	1,080,651,310	1.834
2020	9,557,500	657,008,400			147,529,600	148,283,400	127,815,400	1,090,194,300	100,000	1,090,294,300	1,135,967,797	1.835

Source: County Abstract of Ratables

a Tax rates are per \$100

(1) The Borough underwent a reassessment of property effective January 1, 2015.

**LITTLE FERRY BOARD OF EDUCATION  
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<u>Assessment Year</u>	<u>Little Ferry School District</u>	<u>Borough of Little Ferry</u>	<u>Bergen County</u>	<u>Total</u>
2011	\$ 1.357	\$ 0.831	\$ 0.227	\$ 2.415
2012	1.396	0.823	0.218	2.437
2013	1.424	0.884	0.253	2.561
2014	1.497	0.904	0.234	2.635
2015	(1) 1.882	1.213	0.254	3.349
2016	1.876	1.225	0.251	3.352
2017	1.874	1.213	0.254	3.341
2018	1.859	1.201	0.241	3.301
2019	1.834	1.176	0.250	3.260
2020	1.835	1.151	0.258	3.244

(1) The Borough underspent a reassessment of property effective January 1, 2015.

Source: Abstract of Ratables, County Board of Taxation

**LITTLE FERRY BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Dassault Falcon Jet Corp	\$ 40,121,000	3.68%		
Airport Prop. Assoc. LLC% Mack-Calie			\$ 27,000,000	2.24%
Waterside Plaza Apts. Associates	34,038,900	3.12%	27,270,000	2.26%
Liberty Bell Village LLC	18,000,000	1.65%	20,880,000	1.73%
Litter Ferry Assocs., L.L.C.			16,912,000	1.40%
North Village II LLC NJ	17,643,300	1.62%	14,476,000	1.20%
Gates Realty Corp.	16,926,000	1.55%	16,761,800	1.39%
250 Little Ferry TL LLC	12,500,000	1.15%		
Gates Brothers c/o Gates Realty Corp.	12,233,500	1.12%		
North Village I LLC NJ	11,694,900	1.07%		
100 Industrial Ave LLC	11,498,000	1.05%		
Gates Brothers c/o Gates Realty Corp.	11,377,400	1.04%	13,981,400	1.16%
Gates Brothers c/o Gates Realty Corp.			10,700,000	0.89%
Little Ferry Associates				
Bell Atlantic Property Tax Department			8,861,872	0.73%
North Village LLC	-	-	9,492,200	0.79%
	<u>\$ 186,033,000</u>	<u>17.06%</u>	<u>\$ 166,335,272</u>	<u>13.00%</u>

Source: Tax Assessor

**LITTLE FERRY 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	
2011	\$ 16,296,034	\$ 16,296,034	100.00%	
2012	16,835,015	16,835,015	100.00%	
2013	17,177,731	17,177,731	100.00%	
2014	17,656,650	17,656,650	100.00%	
2015	17,732,078	17,732,078	100.00%	
2016	18,224,634	18,224,634	100.00%	
2017	18,589,126	18,589,126	100.00%	
2018	18,960,908	18,960,908	100.00%	
2019	19,150,517	19,150,517	100.00%	
2020	19,437,775	19,437,775	100.00%	

Source: District financial records.



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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Loans	Lease Purchase Agreements			
2011	\$ 1,050,000	\$ 114,515		\$ 1,164,515	10,720	\$ 109
2012	550,000	77,664		627,664	10,755	58
2013		39,513		39,513	10,786	4
2014				-	10,796	-
2015			\$ 19,689	19,689	10,826	2
2016			56,099	56,099	10,802	5
2017			23,493	23,493	10,819	2
2018			3,500,000	3,500,000	10,777	325
2019			2,828,258	2,828,258	10,739	263
2020			2,405,071	2,405,071	10,739 E	224

Source: District records

E - Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2011	\$ 1,050,000		\$ 1,050,000	0.09%	\$ 98
2012	550,000		550,000	0.05%	51
2013			-	0.00%	-
2014			-	0.00%	-
2015			-	0.00%	-
2016			-	0.00%	-
2017			-	0.00%	-
2018			-	0.00%	-
2019			-	0.00%	-
2020			-	0.00%	-

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**LITTLE FERRY BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2019  
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Little Ferry	\$ <u>14,411,151</u>
Overlapping Debt Apportioned to the Municipalities:	
County of Bergen (2)	8,442,372
Bergen County Utilities Authority - Waste Water (3)	<u>2,316,715</u>
Total Overlapping Debt	<u>10,759,087</u>
Total Direct and Overlapping Debt	<u>\$ 25,170,238</u>

Source:

- (1) Borough of Little Ferry's Annual Debt Statement - December 31, 2019
- (2) Bergen County Annual Debt Statement - December 31, 2019 - Based on Equalized Value of Municipality to County Total
- (2) BCUA 2019 Audit - Based on Usage

LITTLE FERRY BOARD OF EDUCATION  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis	
	2018	\$ 1,169,709,081
	2017	1,098,651,462
	2016	<u>1,009,654,077</u>
Average equalized valuation of taxable property	\$	<u>1,092,671,540</u>
Debt Limit (3% of average equalization value)	\$	32,780,146
Total Net Debt Applicable to Limit		<u>-</u>
Legal Debt Margin	\$	<u>32,780,146</u>

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 37,884,642	\$ 33,750,890	\$ 33,621,212	\$ 48,220,252	\$ 30,076,942	\$ 33,139,996	\$ 31,307,330	\$ 30,532,455	\$ 31,276,679	\$ 32,780,146
Total Net Debt Applicable to Limit	<u>1,050,000</u>	<u>550,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 36,834,642</u>	<u>\$ 33,200,890</u>	<u>\$ 33,621,212</u>	<u>\$ 48,220,252</u>	<u>\$ 30,076,942</u>	<u>\$ 33,139,996</u>	<u>\$ 31,307,330</u>	<u>\$ 30,532,455</u>	<u>\$ 31,276,679</u>	<u>\$ 32,780,146</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.77%	1.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**LITTLE FERRY BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Population(2)</u>
2010	9.60%	\$ 66,064	10,650
2011	9.50%	69,053	10,720
2012	9.70%	72,152	10,755
2013	4.90%	71,679	10,786
2014	6.10%	74,452	10,796
2015	4.90%	77,666	10,826
2016	4.40%	79,145	10,802
2017	4.10%	81,483	10,819
2018	3.60%	85,951	10,777
2019	3.00%	N/A	10,739

(1) Represents county information vs. municipality

(2) Represents estimates as of July 1

N/A Information not available

Source: Data regarding unemployment rate, per capita income and school district population was provided by the State Department of Education.

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

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

NOT AVAILABLE

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	65.0	50.2	47.6	53.2	66.0	62.0	62.0	63.0	71.2	72.0
Special Education	18.0	13.0	14.0	13.0	18.5	7.0	10.0	12.0	12.0	12.0
Other Special Education							10.0	10.0	9.8	10.0
Vocational										
Other Instruction	5.0	17.4	17.0	14.0	18.0	16.0	6.0	6.0		
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	3.0	15.7	13.2	14.0	6.7	8.0	6.6	6.6	5.0	5.0
General Administration	2.1	1.6	2.1	2.0	2.0	3.0	3.0	3.0	3.0	3.0
School Administrative Services	5.0	2.0	1.5	2.5	3.0	2.0	2.0	2.0	2.0	2.0
Other Administrative Services	2.0	1.1	2.0	2.1	3.1	4.5	4.0	4.0	4.0	4.0
Central Services	2.2	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	2.0
Administrative Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations And Maintenance	30.5	19.1	19.1	10.6	9.1	8.0	9.0	9.0	9.0	9.0
Pupil Transportation	0.8	3.4	1.5	1.7	1.5	1.5	1.0	1.0	1.8	2.0
Other Support Services				1.0		1.5	5.0	5.0	5.0	5.0
Security					2.0	2.0	1.5	1.5	1.6	1.6
Food Service	-	-	-	4.3	0.9	2.7	3.0	3.0	3.0	3.0
<b>Total</b>	<u>135.6</u>	<u>127.5</u>	<u>122.0</u>	<u>122.4</u>	<u>134.8</u>	<u>123.2</u>	<u>128.1</u>	<u>131.1</u>	<u>132.4</u>	<u>132.6</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b,d</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School				
2011	967.0	\$ 15,269,870	\$ 15,791	-0.98%	83	1:65	1:65	967.0	929.0	0.73%	96.07%
2012	989.0	15,374,263	15,545	-1.56%	64	1:20	1:21	989.0	925.2	2.28%	93.55%
2013	987.0	15,552,086	15,757	1.36%	52	1:18	1:19	991.0	943.0	0.20%	95.16%
2014	989.0	15,330,599	15,501	-1.62%	53	1:19	1:20	994.7	952.2	0.37%	95.73%
2015	1,197.0	17,195,166	14,365	-7.33%	56	1:17	1:23	991.5	943.9	-0.32%	95.20%
2016	972.0	17,957,030	18,474	28.60%	56	1:17	1:23	978.0	916.1	-1.36%	93.67%
2017	945.0	18,551,173	19,631	6.26%	78	1:11	1:18	942.6	895.9	-3.62%	95.05%
2018	895.0	20,167,683	22,534	14.79%	81	1:11	1:18	904.4	860.3	-4.05%	95.12%
2019	867.0	21,340,670	24,614	9.23%	82	1:11	1:10	863.2	841.5	-4.56%	97.49%
2020	863.0	20,504,521	23,760	-3.47%	86	1:11	1:10	863.0	827.0	-0.02%	95.83%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures for the general fund less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.
  - d Expenditures exclude tuition paid to Ridgefield Park Board of Education for regular instruction.



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Washington School										
Square Feet	30,764	30,764	30,764	30,764	30,764	30,764	30,764	30,764	40,750	40,750
Capacity (students)	180	180	180	180	180	180	180	180	326	326
Enrollment	204	210	210	210	200	200	257	276	466	485
<b><u>Middle School</u></b>										
Memorial School										
Square Feet	99,461	99,461	99,461	99,461	99,461	99,467	99,467	99,467	68,000	68,000
Capacity (students)	705	705	705	705	705	705	705	705	507	507
Enrollment	763	779	779	779	997	772	688	619	401	378

Number of Schools at June 30, 2020  
 Elementary = 1  
 Middle School = 1  
 Senior High School = 0  
 Other = 0

Source: District Records

LITTLE FERRY BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
School Facilities										
Memorial School	\$ 19,276	\$ 23,607	\$ 25,514	\$ 26,035	\$ 26,429	\$ 150,349	\$ 70,106	\$ 184,899	\$ 232,125	\$ 161,173
Washington School	<u>12,850</u>	<u>7,455</u>	<u>8,056</u>	<u>8,221</u>	<u>85,445</u>	<u>47,478</u>	<u>22,140</u>	<u>62,350</u>	<u>139,275</u>	<u>95,899</u>
Grand Total	<u>\$ 32,126</u>	<u>\$ 31,062</u>	<u>\$ 33,570</u>	<u>\$ 34,256</u>	<u>\$ 111,874</u>	<u>\$ 197,827</u>	<u>\$ 92,246</u>	<u>\$ 247,249</u>	<u>\$ 371,400</u>	<u>\$ 257,072</u>

Source: School District's Financial Statements

**LITTLE FERRY BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2020**  
**(Unaudited)**

<b>NESBIG</b>	<u>Coverage</u>	<u>Deductible</u>
<b>School Package Policy - Great American Insurance Co.</b>		
Building and Contents (All Locations)	\$ 26,128,152	\$ 5,000
Boiler and Machinery - included in property		
Earthquake/Flood ( Outside Zones A & V )	5,000,000	50,000
Flood Zones ( Outside Zones A & V )	2,000,000	500,000
Comprehensive General Liability	1,000,000	
General Automobile Liability	1,000,000	1,000
School Board Legal Liability	1,000,000	10,000
Employment Practices - XL		35,000
Umbrella Liability	9,000,000	10,000
Excess Umbrella ( Shared ) Fireman's Fund - 1/2 Group	50,000,000	
Excess Umbrella ( Unshared )- Starstone/Markel	30,000,000	
Crime ( Non-statutory Bonds )	100,000	5,000
Selective Insurance	400,000	per loss
Cyber Liability - XL	1,000,000	1st Party
	2,000,000	3rd Party
	6,000,000	Aggregate
 Student Accident Insurance - Polaris	 1,000,000	
 <b>Non - NESBIG</b>		
Surety Bonds - Selective Insurance Co.		
Treasurer	300,000	
Board Secretary/Business Administrator	100,000	
 Flood Insurance - Selective		
Building Coverage	500,000	2,000
Contents Coverage	500,000	2,000
Modular Coverage	500,000	5,000
Contents Coverage	500,000	5,000
 Volunteer Workers Accident Policy	 250,000	

Source: District records.

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, CPA

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Trustees  
Little Ferry Board of Education  
Little Ferry, 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, each major fund, and the aggregate remaining fund information of the Little Ferry Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Little Ferry Board of Education's basic financial statements and have issued our report thereon dated January 7, 2021.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Little Ferry Board of Education's internal control over financial reporting (internal control) to determine the 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 Little Ferry Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Little Ferry Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

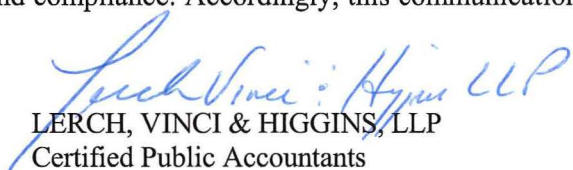
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Little Ferry 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 determination of financial statement amounts. 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.

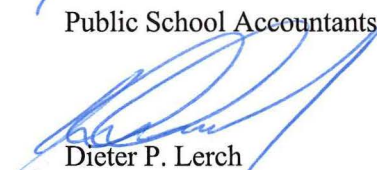
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Little Ferry Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 7, 2021.

### **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 Little Ferry 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 Little Ferry Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 7, 2021





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB  
CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Little Ferry Board of Education's compliance with the types of compliance requirements described 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 Little Ferry Board of Education's major federal and state programs for the fiscal year ended June 30, 2020. The Little Ferry 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.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Little Ferry Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Little Ferry Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the Little Ferry Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2020.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal and state program is not modified with respect to these matters.

The Little Ferry Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Little Ferry Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

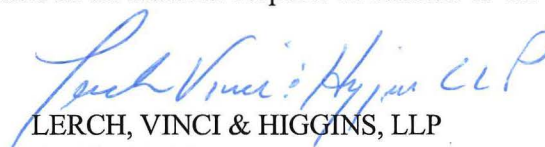
The Little Ferry Board of Education's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Little Ferry Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



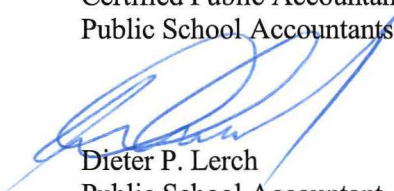
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by the 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, each major fund, and the aggregate remaining fund information of the Little Ferry Board of Education, as of and for the fiscal year ended June 30, 2020 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 January 7, 2021, 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 & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
January 7, 2021

LITTLE FERRY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Project Period	Award Amount	Balance, Julv 1, 2019	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Balance, June 30, 2020			Memo GAAP Receivable
											(Accounts Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>														
<b>Passed -through State Department of Education</b>														
<u>Special Revenue Fund:</u>														
ESEA Title I	84.010A	S010A190030	ESEA2710-20	7/1/19-9/30/20	\$ 234,839			\$ 234,839	\$ 234,839					
ESEA Title II-A	84.367A	S367A190029	ESEA2710-20	7/1/19-9/30/20	40,874			40,874	40,874					
ESEA Title III	84.365	S365A190030	ESEA2710-20	7/1/19-9/30/20	6,739			6,739	6,739					
ESEA Title IV	84.424	S424A190031	ESEA2710-20	7/1/19-9/30/20	14,655			14,655	14,655					
CARES Emergency Relief	84.425D	S425D200027	N/A	3/13/20-9/30/22	188,831				60,206		\$ (188,831)	\$ 128,625		\$ (60,206)
IDEA Part B, Basic	84.027	H027A190100	IDEA 2710-20	7/1/19-9/30/20	242,832			242,832	242,832					
IDEA Part B, Preschool	84.173	H173A190114	IDEA 2710-20	7/1/19-9/30/20	10,477	-	-	10,477	10,477	-	-	-	-	-
Total Special Education Cluster - IDEA						-	-	253,309	253,309	-	-	-	-	-
Total U.S. Department of Education/ Special Revenue Fund						-	-	550,416	610,622	-	(188,831)	128,625	-	(60,206)
<b>U.S. Department of Education</b>														
<b>Passed -through State Department of Agriculture</b>														
<u>Enterprise Fund</u>														
School Breakfast Program	10.553	201NJ304N1099	N/A	7/1/19-6/30/20	78,350			70,628	78,350		(7,722)			\$ (7,722)
School Breakfast Program	10.553	191NJ304N1099	N/A	7/1/18-6/30/19	92,255	\$ (6,958)	-	6,958						
National School Lunch Program - Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	126,907			114,692	126,907		(12,215)			(12,215)
National School Lunch Program - Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	146,879	(7,767)	-	7,767						-
National School Lunch Food Distribution Program - Non Cash Assistance	10.555	201NJ304N1099	N/A	7/1/19-6/30/20	33,657			33,657	33,657					
Non Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	27,768	1,033	-	-	1,033	-	-	-	-	-
Total Child Nutrition Cluster/Enterprise Fund						(13,692)	-	233,702	239,947	-	(19,937)	-	-	(19,937)
Total Federal Awards						\$ (13,692)	\$ -	\$ 784,118	\$ 850,569	\$ -	\$ (208,768)	\$ 128,625	\$ -	\$ (80,143)

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LITTLE FERRY BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2019			Cash Received	Budgetary Expenditures	Repayment of Prior Years Balances	Balance, June 30, 2020			MEMO	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Total Expenditures
<b>State Department of Education</b>														
<b>General Fund:</b>														
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 2,901,349				\$ 2,645,650	\$ 2,901,349		\$ (255,699)				\$ 2,901,349
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	2,630,888	\$ (251,036)			251,036							
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,040,076				948,413	1,040,076		(91,663)				1,040,076
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,040,076	(99,243)			99,243							-
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	319,475				291,319	319,475		(28,156)				319,475
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	319,475	(30,484)			30,484							-
<b>Total State Aid Public Cluster</b>				<b>(380,763)</b>	<b>-</b>	<b>-</b>	<b>4,266,145</b>	<b>4,260,900</b>	<b>-</b>	<b>(375,518)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,260,900</b>
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	299,736				273,320	299,736		(26,416)				299,736
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	299,736	(28,600)			28,600							-
Additional NonPublic Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	6,090					6,090		(6,090)			\$ (6,090)	6,090
<b>Total Transportation Aid Cluster</b>				<b>(28,600)</b>	<b>-</b>	<b>-</b>	<b>301,920</b>	<b>305,826</b>	<b>-</b>	<b>(32,506)</b>	<b>-</b>	<b>-</b>	<b>(6,090)</b>	<b>305,826</b>
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	287,928					287,928		(287,928)				287,928
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	310,748	(310,748)			310,748							-
On-Behalf TPAF Pension Contribution	20-495-034-5094-002	7/1/19-6/30/20	1,374,635				1,374,635	1,374,635						1,374,635
On-Behalf TPAF NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	24,639				24,639	24,639						24,639
On-Behalf TPAF Long Term Disability	20-495-034-5094-004	7/1/19-6/30/20	811				811	811						811
On-Behalf TPAF Post Retirement Medical	20-495-034-5094-001	7/1/19-6/30/20	519,105				519,105	519,105						519,105
<b>Total On-Behalf TPAF Cluster</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>1,919,190</b>	<b>1,919,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,919,190</b>
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	493,783				445,905	493,783		(47,878)			(47,878)	493,783
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	465,175	(22,752)			22,752							-
<b>Total Reimbursed Social Security Contribution Cluster</b>				<b>(22,752)</b>	<b>-</b>	<b>-</b>	<b>468,657</b>	<b>493,783</b>	<b>-</b>	<b>(47,878)</b>	<b>-</b>	<b>-</b>	<b>(47,878)</b>	<b>493,783</b>
<b>Total Department of Education/General Fund</b>				<b>(742,863)</b>	<b>-</b>	<b>-</b>	<b>7,266,660</b>	<b>7,267,627</b>	<b>-</b>	<b>(743,830)</b>	<b>-</b>	<b>-</b>	<b>(53,968)</b>	<b>7,267,627</b>
<b>Special Revenue Fund:</b>														
Preschool Education Aid	20-495-034-5120-086	7/1/19-6/30/20	92,400				83,160	92,400		(9,240)				92,400
Preschool Education Aid	19-495-034-5120-086	7/1/18-6/30/19	92,400	(9,240)			9,240							-
<b>Total Special Revenue Fund</b>				<b>(9,240)</b>	<b>-</b>	<b>-</b>	<b>92,400</b>	<b>92,400</b>	<b>-</b>	<b>(9,240)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,400</b>
<b>Enterprise Fund</b>														
National School Lunch Program (State Share)	20-100-010-3350-023	7/1/19-6/30/20	3,127				2,934	3,127		(193)			(193)	3,127
National School Lunch Program (State Share)	19-100-010-3350-023	7/1/18-6/30/19	3,968	(213)			213							-
<b>Total Enterprise Fund</b>				<b>(213)</b>	<b>-</b>	<b>-</b>	<b>3,147</b>	<b>3,127</b>	<b>-</b>	<b>(193)</b>	<b>-</b>	<b>-</b>	<b>(193)</b>	<b>3,127</b>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ (752,316)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,362,207</b>	<b>\$ 7,363,154</b>	<b>\$ -</b>	<b>\$ (753,263)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (54,161)</b>	<b>\$ 7,363,154</b>
<b>State Financial Assistance Not Subject to Major Program Determination</b>														
<b>General Fund</b>														
Less: On-Behalf TPAF Pension Contribution							\$ (1,374,635)	\$ (1,374,635)						\$ (1,374,635)
On-Behalf TPAF NCGI Premium							(24,639)	(24,639)						(24,639)
On-Behalf TPAF Long Term Disability Insurance							(811)	(811)						(811)
On-Behalf TPAF Post-Retirement Medical							(519,105)	(519,105)						(519,105)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<b>\$ (752,316)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,443,017</b>	<b>\$ 5,443,964</b>	<b>\$ -</b>	<b>\$ (753,263)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (54,161)</b>	<b>\$ 5,443,964</b>

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**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$30,249 for the general fund and a decrease of \$6,384 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		\$ 7,297,876	\$ 7,297,876
Special Revenue Fund	\$ 604,238	92,400	696,638
Food Service Fund	239,947	3,127	243,074
	<hr/>	<hr/>	<hr/>
Total Awards Financial Assistance	<u>\$ 844,185</u>	<u>\$ 7,393,403</u>	<u>\$ 8,237,588</u>

**LITTLE FERRY BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$493,783 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$1,399,274, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$519,105 and TPAF Long-Term Disability Insurance in the amount of \$811 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

**LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 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>84.027</u>	<u>H027A190100</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>H173A190114</u>	<u>IDEA Preschool</u>

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

Auditee qualified as low-risk auditee?       X       yes            no

**LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses?  X  yes \_\_\_\_\_ none reported

Type of auditors' report on compliance for major programs:  Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?  X  yes \_\_\_\_\_ no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid

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

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no

**LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

***Part 2 – Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There are none.



**LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2020-001**

Our audit of purchases and contract awards for compliance with the Public School Contracts Law revealed the following:

- Contracts in excess of the bid threshold were awarded without public bid or competitive contracting process.
- Contract awarded through a lease purchase agreement was not approved in the minutes.

**State program information:**

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

**Criteria or specific requirement:**

State Grant Compliance Supplement – State Aid – Public  
NJSA 18A:18A – Public School Contracts Law

**Condition:**

- Contracts awarded for staffing services and wireless access point upgrades were not procured through public bidding or competitive contracts.
- Vendor and type of contract award (i.e. state contract, cooperative purchasing agreement, etc.) for purchases through a lease purchase agreement for Promethian Active Panel's was not approved in the minutes.

**Questioned Costs:**

Unknown.

**Context:**

See finding 2020-001.

**LITTLE FERRY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR STATE AWARDS (Continued)**

**Finding 2020-001 (Continued)**

**Effect:**

Noncompliance with the Public School Contracts Law and State Aid-Public compliance.

**Cause:**

See Condition.

**Recommendation:**

Efforts be made to ensure purchases and contract awards in excess of the bid threshold are made in accordance with the Public School Contracts Law.

**Views of Responsible Officials and Planned Corrective Action:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**LITTLE FERRY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

There were none.