

LITTLE FERRY
BOARD OF EDUCATION

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2021**

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, 2021**

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

**LITTLE FERRY BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i-iv
Organizational Chart	v
Roster of Officials	vi
Consultants and Advisors	vii

FINANCIAL SECTION

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

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	4-13
--------------------------------------	------

Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	14
A-2 Statement of Activities	15

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	16
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	17
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statement of Activities	18

Proprietary Funds

B-4 Statement of Net Position	19
B-5 Statement of Revenues, Expenses, and Changes in Net Position	20
B-6 Statement of Cash Flows	21

Fiduciary Funds

Notes to the Financial Statements	22-63
--	-------

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

C-1 Budgetary Comparison Schedule – General Fund	64-70
C-2 Budgetary Comparison Schedule – Special Revenue Fund	71

**LITTLE FERRY BOARD OF EDUCATION
TABLE OF CONTENTS**

	<u>Page</u>
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	72
REQUIRED SUPPLEMENTARY INFORMATION - PART III	
L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68 and 75)	
L-1 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	73
L-2 Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	74
L-3 Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	75
L-4 Notes to Required Supplementary Information – Net Pension Liability	76
L-5 Required Supplementary Information – Schedule of District’s Proportionate Share of Total OPEB Liability	77
L-6 Notes to Required Supplementary Information – OPEB Liability	78
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules - Not Applicable	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	79-80
E-2 Preschool Education Aid - Schedule of Expenditures – Budgetary Basis	81
F. Capital Projects Fund – Not Applicable	
G. Proprietary Funds	
G-1 Combining Statement of Net Position – Enterprise Fund – Not Applicable	82
G-2 Changes in Net Position – Enterprise Fund – Not Applicable	82
G-3 Combining Statement of Cash Flows – Not Applicable	82
H. Fiduciary Funds – Not Applicable	
I. Long-Term Debt	
I-1 Schedule of Serial Bonds – Not Applicable	83
I-2 Schedule of Obligations under Lease Purchase Agreements	84
I-3 Debt Service Fund Budgetary Comparison Schedule – Not Applicable	85

**LITTLE FERRY BOARD OF EDUCATION
TABLE OF CONTENTS**

		<u>Page</u>
J.	STATISTICAL SECTION (Unaudited)	
J-1	Net Position by Component	86
J-2	Changes in Net Position	87-88
J-3	Fund Balances – Governmental Funds	89
J-4	Changes in Fund Balances, Governmental Funds	90
J-5	General Fund Miscellaneous Revenue by Source	91
J-6	Assessed Value and Actual Value of Taxable Property	92
J-7	Property Tax Rates - Direct and Overlapping Governments Per \$100 of Assessed Valuation	93
J-8	Principal Property Taxpayers	94
J-9	Property Tax Levies and Collections	95
J-10	Ratios of Outstanding Debt by Type	96
J-11	Ratios of Net General Bonded Debt Outstanding	97
J-12	Computation of Direct and Overlapping Bonded Debt	98
J-13	Legal Debt Margin Information	99
J-14	Demographic Statistics	100
J-15	Principal Employers	101
J-16	Full-Time Equivalent District Employees by Function/Program	102
J-17	Operating Statistics	103
J-18	School Building Information	104
J-19	Schedule of Required Maintenance for School Facilities	105
J-20	Schedule of Insurance	106
K.	SINGLE AUDIT SECTION	
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	107-108
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures Of State Financial Assistance as Required by New Jersey OMB Circular 15-08	109-111
K-3	Schedule of Expenditures of Federal Awards	112
K-4	Schedule of Expenditures of State Financial Assistance	113
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	114-115
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	116-117
K-6	Summary Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	118
K-6	Summary Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	119-120
K-7	Summary Schedule of Prior Year Audit Findings	121

INTRODUCTORY SECTION

Mr. Frank R. Scarafile
Superintendent of Schools

Steven Di Geronimo
Interim Business Administrator

The Honorable President and Members

February 11, 2022

Little Ferry Board of Education
Little Ferry Public School District
County of Bergen, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Little Ferry School District (the "District") for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the 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 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 2020/2021 fiscal year with an average daily enrollment of 798 students, which represents a decrease of 65 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

Fiscal Year	Average Daily Enrollment	Percentage Change
2020/2021	798	(-7.5%)
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 a new security alert system and tying it to the new intercom system in the district. The district purchased new students' chromebooks to strengthen our 1:1 computer initiative. The district also had the ductwork throughout the district cleaned and disinfected. The district ran air quality tests to ensure that the ventilation system was in

good working order. Classrooms have been having floor coverings changing from carpets to vinyl tile to lessen allergy triggers & to add to better air quality. The intercom system was replaced and new speakers were added to replace aged, older ones.

The District plans to use Capital Funds in the current year to do a myriad of projects & future years which include the replacing of the Fire & Access Control system, univent upgrades in the Middle School, & possible Locker Room upgrades.

Due to the damage incurred during SuperStorm 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, 2021.

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

As of June 30, 2021, there are 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 Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9) RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, 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,



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

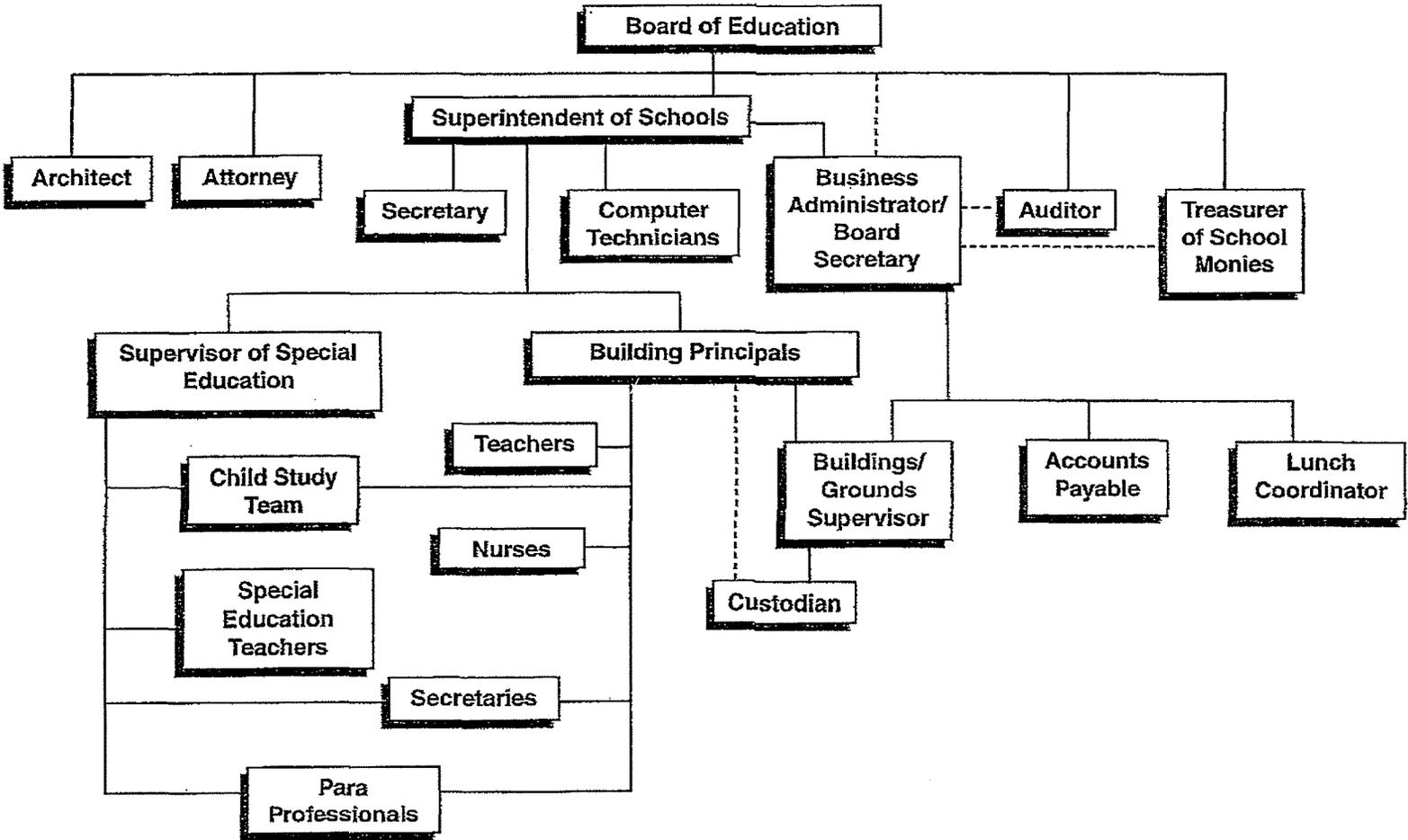


Steve Di Geronimo
Interim Business Administrator



Alessandro Verace
Assistant Business Administrator/Board Secretary

Little Ferry Board of Education
Table of Organization



LITTLE FERRY BOARD OF EDUCATION
Little Ferry, New Jersey

ROSTER OF OFFICIALS
June 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Raymond Vorisek	2021
Nicholas Fytros, President	2022
Michelle Brattoli	2022
Suzanne Ferrante	2023
Jeanine Ferrara	2021
Victoria Bradley	2023
Brian Bonelli	2023
Maria DeLourdes Villasuso, Vice President	2021
Frank Mele	2022

Other Officials

Frank R. Scarafile
Superintendent of Schools

Steve DiGeronimo
Interim Business Administrator

Alessandro Verace
Assistant 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

Scarinci & Hollenbeck, LLC
1100 Valley Brook Avenue
Lyndhurst, NJ 07071

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
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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 and each major fund of the Little Ferry Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Little Ferry Board of Education as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 11, 2022 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
February 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Little Ferry Board of Education Little Ferry, New Jersey

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

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, 2021. 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 (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2020-2021 fiscal year are as follows:

- Net position increased by \$1,670,150 from the June 30, 2020 balance of \$4,345,101 to \$6,015,251 at June 30, 2021.
- General revenues of \$22,966,037 accounted for 73 percent of all revenues. Program revenues of \$8,351,984 accounted for 27 percent of total revenues of \$31,318,021.
- Among major funds, the General Fund had \$27,921,313 in revenues and \$26,445,899 in expenditures. The General Fund's fund balance increased \$1,769,333 from the prior year.
- In total, fund balance of Governmental Funds increased \$1,764,122, which represents a 150 percent increase from the prior year's fund balance of \$1,177,416 to \$2,941,538 at June 30, 2021. The increase is primarily the result of decreases in tuition, transportation and employee health benefit expenditures in the 2020/21 year.

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, 2021**

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.

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, 2021**

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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	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
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
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
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
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.

Little Ferry Board of Education
Little Ferry, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

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, 2021

The district has two kinds of funds:

- *Governmental funds*- Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that 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.

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, 2021 and 2020.

Net Position. The district's combined net position was \$6,015,251 as of June 30, 2021 and \$4,345,101 as of June 30, 2020.

The table on the following page shows changes in net position for fiscal years 2021 and 2020.

Little Ferry Board of Education
Little Ferry, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

Statement of Net Position
As of June 30, 2021 and 2020

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u> (Restated)	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> (Restated)
Current and Other Assets	\$ 2,952,424	\$ 1,740,699	\$ 102,548	\$ 77,208	\$ 3,054,972	\$ 1,817,907
Capital Assets - Net	<u>8,347,972</u>	<u>9,090,950</u>	<u>38,147</u>	<u>41,553</u>	<u>8,386,119</u>	<u>9,132,503</u>
Total Assets	<u>11,300,396</u>	<u>10,831,649</u>	<u>140,695</u>	<u>118,761</u>	<u>11,441,091</u>	<u>10,950,410</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	566,384	714,202	-	-	566,384	714,202
Total Deferred Outflows of Resources	<u>566,384</u>	<u>714,202</u>	<u>-</u>	<u>-</u>	<u>566,384</u>	<u>714,202</u>
Total Assets and Deferred Outflows of Resources	<u>11,866,780</u>	<u>11,545,851</u>	<u>140,695</u>	<u>118,761</u>	<u>12,007,475</u>	<u>11,664,612</u>
Long-Term Liabilities	4,698,022	5,513,303			4,698,022	5,513,303
Other Liabilities	<u>35,552</u>	<u>589,554</u>	<u>8,408</u>	<u>8,247</u>	<u>43,960</u>	<u>597,801</u>
Total Liabilities	<u>4,733,574</u>	<u>6,102,857</u>	<u>8,408</u>	<u>8,247</u>	<u>4,741,982</u>	<u>6,111,104</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	1,250,242	1,208,407	-	-	1,250,242	1,208,407
Total Deferred Inflows of Resources	<u>1,250,242</u>	<u>1,208,407</u>	<u>-</u>	<u>-</u>	<u>1,250,242</u>	<u>1,208,407</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,983,816</u>	<u>7,311,264</u>	<u>8,408</u>	<u>8,247</u>	<u>5,992,224</u>	<u>7,319,511</u>
Net Position:						
Net Investment in Capital Assets	6,673,693	6,847,867	38,147	41,553	6,711,840	6,889,420
Restricted	1,600,000	600,000			1,600,000	600,000
Unrestricted	<u>(2,390,729)</u>	<u>(3,213,280)</u>	<u>94,140</u>	<u>68,961</u>	<u>(2,296,589)</u>	<u>(3,144,319)</u>
Total Net Position	<u>\$ 5,882,964</u>	<u>\$ 4,234,587</u>	<u>\$ 132,287</u>	<u>\$ 110,514</u>	<u>\$ 6,015,251</u>	<u>\$ 4,345,101</u>

Changes in Net Position. The District's total revenues were \$31,318,021 for the fiscal year ended June 30, 2021. Property taxes accounted for 64% of the total revenues for the school year. Operating grants and contributions and unrestricted federal and state aids were 35%. 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 \$29,647,871. The District's expenses are predominantly related to instruction and student and instruction related services accounting for 80% of total costs. The purely administrative activities of the District accounted for just 8% of total costs.

Total revenues exceeded expenses, which resulted in an increase in net position of \$1,670,150 over last year.

Little Ferry Board of Education
Little Ferry, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 64,512	\$ 64,655	\$ 2,183	\$ 105,890	\$ 66,695	\$ 170,545
Operating Grants and Contributions	8,010,687	6,100,060	274,602	243,074	8,285,289	6,343,134
General Revenues						
Property Taxes	20,076,775	19,437,775			20,076,775	19,437,775
Unrestricted Federal and State Aid	2,836,870	2,896,686			2,836,870	2,896,686
Investment Earnings	4,337	12,524			4,337	12,524
Other	48,055	36,951	-	-	48,055	36,951
Total Revenues	31,041,236	28,548,651	276,785	348,964	31,318,021	28,897,615
Expenses						
Instruction						
Regular	15,679,217	14,837,687			15,679,217	14,837,687
Special Education	4,339,943	4,061,039			4,339,943	4,061,039
Other Instruction	794,208	650,276			794,208	650,276
School Sponsored Activities and Athletics	18,720	63,025			18,720	63,025
Support Services						
Student and Instruction Related Serv.	2,910,443	2,665,960			2,910,443	2,665,960
General Administration Services	544,373	444,410			544,373	444,410
School Administration Services	1,171,015	1,087,232			1,171,015	1,087,232
Business / Central Services	644,268	489,689			644,268	489,689
Plant Operations and Maintenance	2,784,381	2,656,066			2,784,381	2,656,066
Pupil Transportation	433,427	686,988			433,427	686,988
Interest on Long Term Debt	72,864	91,485			72,864	91,485
Food Services	-	-	255,012	329,158	255,012	329,158
Total Expenses	29,392,859	27,733,857	255,012	329,158	29,647,871	28,063,015
Change in Net Position	1,648,377	814,794	21,773	19,806	1,670,150	834,600
Net Position, Beginning of Year	4,234,587	3,384,777	110,514	90,708	4,345,101	3,475,485
Prior Period Adjustment	-	35,016	-	-	-	35,016
Net Position, End of Year	\$ 5,882,964	\$ 4,234,587	\$ 132,287	\$ 110,514	\$ 6,015,251	\$ 4,345,101

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

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

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Governmental Activities				
Instruction				
Regular	\$ 15,679,217	\$ 14,837,687	\$ 12,088,315	\$ 12,136,533
Special Education	4,339,943	4,061,039	2,116,775	2,047,727
Other Instruction	794,208	650,276	423,670	410,463
School Sponsored Activities and Athletics	18,720	63,025	11,904	44,429
Support Services				
Student and Instruction Related Svcs.	2,910,443	2,665,960	2,287,994	2,408,918
General Administration Services	544,373	444,410	495,476	442,811
School Administration Services	1,171,015	1,087,232	815,581	835,781
Business / Central Services	644,268	489,689	592,380	489,241
Plant Operations and Maintenance	2,784,381	2,656,066	2,286,140	2,283,140
Pupil Transportation	433,427	686,988	126,561	378,614
Interest on Long Term Debt	72,864	91,485	72,864	91,485
	<u>29,392,859</u>	<u>27,733,857</u>	<u>21,317,660</u>	<u>21,569,142</u>
Total Governmental Activities	<u>\$ 29,392,859</u>	<u>\$ 27,733,857</u>	<u>\$ 21,317,660</u>	<u>\$ 21,569,142</u>

The following schedule presents a comparison of General Fund (GAAP basis) revenues for the fiscal years ended June 30, 2021 and 2020.

General Fund Revenues

	<u>Fiscal Year Ended June 30,</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2021</u>	<u>2020</u>		
Local Sources:				
Property Taxes	\$ 20,076,775	\$ 19,437,775	\$ 639,000	3.3%
Tuition	19,462	19,490	(28)	-0.1%
Rentals	45,050	45,165	(115)	-0.3%
Interest Earnings	4,337	8,310	(3,973)	-47.8%
Miscellaneous	48,055	36,951	11,104	30.1%
Intergovernmental:				
State Sources	7,715,281	7,297,876	417,405	5.7%
Federal Sources	12,353	-	12,353	100.0%
	<u>27,921,313</u>	<u>26,845,567</u>	<u>1,075,746</u>	4.0%
Total Revenues	<u>\$ 27,921,313</u>	<u>\$ 26,845,567</u>	<u>\$ 1,075,746</u>	4.0%

Little Ferry Board of Education
Little Ferry, New Jersey

Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021

The following schedule presents a comparison of General Fund (GAAP Basis) expenditures for the fiscal years ended June 30, 2021 and 2020.

General Fund Expenditures

	Fiscal Year Ended June 30,		Amount of Increase (Decrease)	Percent Change
	<u>2021</u>	<u>2020</u>		
Instruction	\$ 18,668,303	\$ 18,303,340	\$ 364,963	2.0%
Undistributed Expenditures	6,413,366	6,831,069	(417,703)	-6.1%
Capital Outlay	445,570	453,851	(8,281)	100.0%
Debt Service	<u>918,660</u>	<u>782,864</u>	<u>135,796</u>	17.3%
 Total Expenditures	 <u>\$ 26,445,899</u>	 <u>\$ 26,371,124</u>	 <u>\$ 74,775</u>	 0.3%

Capital Assets. As of June 30, 2021 and 2020, the school district had invested in land, construction in progress, land improvements, buildings and building improvements and machinery and equipment as follows:

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 2,473,220	\$ 2,473,220			\$ 2,473,220	\$ 2,473,220
Land Improvements	371,913	336,913			371,913	336,913
Buildings and Building Improvements	13,541,455	13,422,671			13,541,455	13,422,671
Machinery and Equipment	<u>1,952,439</u>	<u>1,660,653</u>	\$ 135,972	\$ 133,773	<u>2,088,411</u>	<u>1,794,426</u>
 Total	 18,339,027	 17,893,457	 135,972	 133,773	 18,474,999	 18,027,230
Less: Accumulated Depreciation	<u>(9,991,055)</u>	<u>(8,802,507)</u>	<u>(97,825)</u>	<u>(92,220)</u>	<u>(10,088,880)</u>	<u>(8,894,727)</u>
 Total Capital Assets, Net	 <u>\$ 8,347,972</u>	 <u>\$ 9,090,950</u>	 <u>\$ 38,147</u>	 <u>\$ 41,553</u>	 <u>\$ 8,386,119</u>	 <u>\$ 9,132,503</u>

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

**Management's Discussion and Analysis (continued)
Fiscal Year Ended June 30, 2021**

Debt Administration. As of June 30, 2021 and 2020 the school district had long-term liabilities in the amount of \$4,698,022 and \$5,513,303 as follows:

**Long-Term Debt
Outstanding Long-Term Liabilities
As of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Severance Pay	\$ 47,904	\$ 44,675
Lease Purchase Agreements	1,802,464	2,405,071
Deferred Pension Obligation	13,512	17,826
Net Pension Liability	<u>2,834,142</u>	<u>3,045,731</u>
Total	<u>\$ 4,698,022</u>	<u>\$ 5,513,303</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, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,116,532	\$ 47,000	\$ 1,163,532
Receivables, net			
Receivables from Other Governments	1,835,892	30,062	1,865,954
Inventory		25,486	25,486
Capital Assets, Not Being Depreciated	2,473,220		2,473,220
Capital Assets, Being Depreciated, Net	<u>5,874,752</u>	<u>38,147</u>	<u>5,912,899</u>
 Total Assets	 <u>11,300,396</u>	 <u>140,695</u>	 <u>11,441,091</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>566,384</u>	<u>-</u>	<u>566,384</u>
 Total Deferred Outflows of Resources	 <u>566,384</u>	 <u>-</u>	 <u>566,384</u>
 Total Assets and Deferred Outflows of Resources	 <u>11,866,780</u>	 <u>140,695</u>	 <u>12,007,475</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	4,866		4,866
Unearned Revenue	6,020	8,408	14,428
Accrued Interest Payable	24,666		24,666
Noncurrent Liabilities			
Due Within One Year	917,478		917,478
Due Beyond One Year	<u>3,780,544</u>	<u>-</u>	<u>3,780,544</u>
 Total Liabilities	 <u>4,733,574</u>	 <u>8,408</u>	 <u>4,741,982</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>1,250,242</u>	<u>-</u>	<u>1,250,242</u>
 Total Deferred Inflows of Resources	 <u>1,250,242</u>	 <u>-</u>	 <u>1,250,242</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>5,983,816</u>	 <u>8,408</u>	 <u>5,992,224</u>
NET POSITION			
Net Investment in Capital Assets	6,673,693	38,147	6,711,840
Restricted for			
Capital Projects	1,000,000		1,000,000
Other Purposes	600,000		600,000
Unrestricted	<u>(2,390,729)</u>	<u>94,140</u>	<u>(2,296,589)</u>
 Total Net Position	 <u>\$ 5,882,964</u>	 <u>\$ 132,287</u>	 <u>\$ 6,015,251</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, 2021**

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
Governmental Activities							
Instruction							
Regular	\$ 15,679,217	\$ 19,462	\$ 3,571,440		\$ (12,088,315)		\$ (12,088,315)
Special Education	4,339,943		2,223,168		(2,116,775)		(2,116,775)
Other Instruction	794,208		370,538		(423,670)		(423,670)
School Sponsored Activities and Athletics	18,720		6,816		(11,904)		(11,904)
Support Services							
Student and Instruction Related Services	2,910,443		622,449		(2,287,994)		(2,287,994)
General Administrative Services	544,373		48,897		(495,476)		(495,476)
School Administrative Services	1,171,015		355,434		(815,581)		(815,581)
Central Services	644,268		51,888		(592,380)	-	(592,380)
Plant Operations and Maintenance	2,784,381	45,050	453,191		(2,286,140)		(2,286,140)
Pupil Transportation	433,427		306,866		(126,561)		(126,561)
Interest on Long-Term Debt	72,864	-	-	-	(72,864)	-	(72,864)
Total Governmental Activities	<u>29,392,859</u>	<u>64,512</u>	<u>8,010,687</u>	<u>-</u>	<u>(21,317,660)</u>	<u>-</u>	<u>(21,317,660)</u>
Business-Type Activities							
Food Service	<u>255,012</u>	<u>2,183</u>	<u>274,602</u>	<u>-</u>	<u>-</u>	<u>\$ 21,773</u>	<u>21,773</u>
Total Business-Type Activities	<u>255,012</u>	<u>2,183</u>	<u>274,602</u>	<u>-</u>	<u>-</u>	<u>21,773</u>	<u>21,773</u>
Total Primary Government	<u>\$ 29,647,871</u>	<u>\$ 66,695</u>	<u>\$ 8,285,289</u>	<u>\$ -</u>	<u>(21,317,660)</u>	<u>21,773</u>	<u>(21,295,887)</u>
General Revenues							
Property Taxes Levied for General Purpose					20,076,775		20,076,775
State Aid Not Restricted					2,836,870		2,836,870
Investment Earnings					4,337		4,337
Miscellaneous Income					48,055	-	48,055
Total General Revenues					<u>22,966,037</u>	<u>-</u>	<u>22,966,037</u>
Change in Net Position					1,648,377	21,773	1,670,150
Net Position, Beginning of Year (Restated)					<u>4,234,587</u>	<u>110,514</u>	<u>4,345,101</u>
Net Position, End of Year					<u>\$ 5,882,964</u>	<u>\$ 132,287</u>	<u>\$ 6,015,251</u>

FUND FINANCIAL STATEMENTS

LITTLE FERRY BOARD OF EDUCATION
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 AS OF JUNE 30, 2021

	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 1,086,727	\$ 29,805	\$ 1,116,532
Receivables From Other Governemtns	1,775,546	60,346	1,835,892
Due from Other Funds	64,916	-	64,916
	<u>2,927,189</u>	<u>90,151</u>	<u>3,017,340</u>
Total Assets	\$ 2,927,189	\$ 90,151	\$ 3,017,340
LIABILITIES AND FUND BALANCES			
Liabilities			
Due to Other Funds		\$ 64,916	\$ 64,916
Payroll Deductions and Withholdings Payable	\$ 4,866		4,866
Unearned Revenue	1,350	4,670	6,020
	<u>6,216</u>	<u>69,586</u>	<u>75,802</u>
Total Liabilities	6,216	69,586	75,802
Fund Balances			
Restricted Fund Balance			
Capital Reserve - Designated for Subsequent Year's Expenditures	200,000		200,000
Capital Reserve	800,000		800,000
Maintenance Reserve	600,000		600,000
Tuition Reserve	275,000		275,000
Excess Surplus - Designated for Subsequent Year's Expenditures	212,326		212,326
Excess Surplus	335,745		335,745
Student Activities		29,805	29,805
Assigned Fund Balance			
Year-End Encumbrances	79,207		79,207
Designated for Subsequent Year's Expenditures	118,700		118,700
Unassigned Fund Balance	299,995	(9,240)	290,755
	<u>2,920,973</u>	<u>20,565</u>	<u>2,941,538</u>
Total Fund Balances	2,920,973	20,565	2,941,538
Total Liabilities and Fund Balances	\$ 2,927,189	\$ 90,151	

**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 \$18,339,027 and the accumulated depreciation is \$9,991,055. 8,347,972

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	\$ 566,384	
Deferred Inflows of Resources	<u>(1,250,242)</u>	(683,858)

The District has financed capital assets through the issuance of lease purchase obligations. The interest accrual at year-end is: (24,666)

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	(47,904)	
Lease Purchase Agreements Payable	(1,802,464)	
Deferred Pension Obligation	(13,512)	
Net Pension Liability	<u>(2,834,142)</u>	(4,698,022)

Net Position of Governmental Activities (Exhibit A-1) \$ 5,882,964

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

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Local Sources			
Local Property Tax Levy	\$ 20,076,775		\$ 20,076,775
Tuition	19,462		19,462
Rentals	45,050		45,050
Interest	4,337		4,337
Miscellaneous	48,055	\$ 6,930	54,985
Total - Local Sources	<u>20,193,679</u>	<u>6,930</u>	<u>20,200,609</u>
State Sources	7,715,281	92,400	7,807,681
Federal Sources	12,353	841,729	854,082
Total Revenues	<u>27,921,313</u>	<u>941,059</u>	<u>28,862,372</u>
EXPENDITURES			
Current			
Regular Instruction	14,215,178	206,157	14,421,335
Special Education Instruction	3,863,121	258,664	4,121,785
Other Instruction	573,777	131,240	705,017
School-Sponsored Activities and Athletics	16,227		16,227
Support Services and Undistributed Costs			
Student and Instruction Related Services	2,305,433	293,560	2,598,993
General Administrative Services	495,879		495,879
School Administrative Services	1,012,409		1,012,409
Central Services	593,075		593,075
Plant Operations and Maintenance	1,593,389		1,593,389
Pupil Transportation	413,181		413,181
Capital Outlay	445,570		445,570
Debt Service			
Principal	839,877	56,649	896,526
Interest	78,783	-	78,783
Total Expenditures	<u>26,445,899</u>	<u>946,270</u>	<u>27,392,169</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,475,414</u>	<u>(5,211)</u>	<u>1,470,203</u>
OTHER FINANCING USES/SOURCES			
Lease Purchase Proceeds	293,919	-	293,919
Total Other Financing Uses/Sources	<u>293,919</u>	<u>-</u>	<u>293,919</u>
Net Change in Fund Balances	1,769,333	(5,211)	1,764,122
Fund Balance, Beginning of Year (Restated)	1,151,640	25,776	1,177,416
Fund Balance, End of Year	<u>\$ 2,920,973</u>	<u>\$ 20,565</u>	<u>\$ 2,941,538</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, 2021**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 1,764,122

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	\$ 445,570	
Depreciation Expense	<u>(1,188,548)</u>	(742,978)

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	(293,919)	
Principal Repayments of Lease Purchase Agreements	<u>896,526</u>	602,607

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 Increase in Compensated Absences (Severance Pay)	(3,229)	
Decrease in Pension Expense	21,936	
Net Decrease in Deferred Pension Obligation	<u>4,314</u>	23,021

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.

Decrease in Accrued Interest		<u>1,605</u>
------------------------------	--	--------------

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,648,377**

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

	Enterprise Fund- Food Service
ASSETS	
Current Assets	
Cash	\$ 47,000
Receivables from Other Governments	30,062
Inventory	<u>25,486</u>
Total Current Assets	<u>102,548</u>
Capital Assets	
Equipment	135,972
Less: Accumulated Depreciation	<u>(97,825)</u>
Total Capital Assets, Net	<u>38,147</u>
Total Assets	<u>140,695</u>
LIABILITIES	
Current Liabilities	
Unearned Revenue	<u>8,408</u>
Total Current Liabilities	<u>8,408</u>
DEFERRED INFLOWS OF RESOURCES	
Investment in Capital Assets	38,147
Unrestricted	<u>94,140</u>
Total Net Position	<u>\$ 132,287</u>

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

	Enterprise Fund- Food Service
OPERATING REVENUES	
Charges for Services	
Daily Sales Reimbursable Programs	\$ 2,183
Total Operating Revenues	<u>2,183</u>
 OPERATING EXPENSES	
Salaries and Benefits	105,837
Cost of Sales - Reimbursable Programs	57,989
Cost of Sales - Non Reimbursable	11,603
Other Purchased Services	46,014
Management Fee	25,000
Miscellaneous Expenses	625
Supplies and Materials	2,339
Depreciation	<u>5,605</u>
Total Operating Expenses	<u>255,012</u>
Operating Income (Loss)	<u>(252,829)</u>
 NONOPERATING REVENUES	
State Sources	
State School Lunch Program	6,248
Additional Subsidy	960
Federal Sources	
National School Lunch Program	143,218
School Breakfast Program	93,887
Food Distribution Program	<u>30,289</u>
Total Nonoperating Revenues	<u>274,602</u>
Change in Net Position	21,773
Net Position, Beginning of Year	<u>110,514</u>
Net Position, End of Year	<u>\$ 132,287</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, 2021**

	Enterprise Fund- Food Service
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 2,183
Cash Payments for Salaries and Benefits	(105,837)
Cash Payments to Suppliers and Employees	<u>(133,857)</u>
Net Cash Used by Operating Activities	<u>(237,511)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from Federal Subsidy Reimbursements	<u>234,381</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>234,381</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	<u>(2,199)</u>
Net Cash Used by Capital Financing Activities	<u>(2,199)</u>
Net Increase in Cash	(5,329)
Cash, Beginning of Year	<u>52,329</u>
Cash, End of Year	<u>\$ 47,000</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>\$ (252,829)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation	5,605
Food Distribution (USDA Commodities) Program	30,289
Change in Assets, Liabilities and Deferred Inflows of Resources	
(Increase/Decrease) in Inventory	(20,737)
Increase/(Decrease) in Unearned Revenue	<u>161</u>
Total Adjustments	<u>15,318</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (237,511)</u>
Non-Cash Investing, Capital and Related Financing Activities	
Fair Value of Food Distribution Program- National School Lunch Program	\$ 30,289

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The 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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

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, 2021**

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 and student activity funds derived from athletic events or other activities of pupil organizations.

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations 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, 2021**

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, 2021**

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.

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 are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. 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, 2021

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.

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

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

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 2D).

Tuition Reserve – This restriction was created in accordance with NJAC 6A:23A-17.1(F)8 to represent foreseeable future tuition adjustments for the 2020/2021 contract year and is required to be liquidated in the second year following the contract year with any remaining balance related to that contract year to be reserved and budgeted for property tax relief in the 2022/2023 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

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.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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. The District has no committed fund balances at year end.

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, 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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$591,676. The increase was funded by the additional grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances.

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, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$9,240 in the Special Revenue Fund as of June 30, 2021 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2020/2021 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the Special Revenue Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) Special Revenue Fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$9,240 in the Special Revenue Fund is equal to the delayed state aid payments at June 30, 2021.

C. Capital Reserve

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

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

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

Balance, July 1, 2020	\$ 400,000
Increased by:	
Deposits Approved by Board Resolution	<u>600,000</u>
Balance, June 30, 2021	<u>\$ 1,000,000</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects is \$40,366,980. \$200,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve

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

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

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

Balance, July 1, 2020	\$ 200,000
Increased by:	
Deposits Approved by Board Resolution	<u>400,000</u>
Balance, June 30, 2021	<u>\$ 600,000</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$637,094.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$548,071. Of this amount, \$212,326 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$335,745 will be appropriated in the 2022/2023 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$1,163,532 and bank and brokerage firm balances of the Board's deposits amounted to \$3,056,284. 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	\$ 3,054,335
Uninsured and Uncollateralized	<u>1,949</u>
	<u>\$ 3,056,284</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 the Board's bank balance of \$1,949 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	<u>\$ 1,949</u>
	<u>\$ 1,949</u>

Investments

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

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

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

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

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

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

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Enterprise Fund</u>	<u>Total</u>
Receivables:				
Property Taxes	\$ 1,671,227			\$ 1,671,227
Intergovernmental-				
Federal		\$ 60,346	\$ 28,815	89,161
State	104,319	-	1,247	105,566
Net Total Receivables	<u>\$ 1,775,546</u>	<u>\$ 60,346</u>	<u>\$ 30,062</u>	<u>\$ 1,865,954</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	
Prepaid Tuition/Fees	\$ 1,350
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>4,670</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 6,020</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Balance, June 30, 2021</u>
Governmental Activities:			
Capital Assets, Not Being Depreciated:			
Land	\$ 2,473,220	-	\$ 2,473,220
Total Capital Assets, Not Being Depreciated	<u>2,473,220</u>	<u>-</u>	<u>2,473,220</u>
Capital Assets, Being Depreciated:			
Land Improvements	336,913	\$ 35,000	371,913
Building and Building Improvements	13,422,671	118,784	13,541,455
Machinery and Equipment	<u>1,660,653</u>	<u>291,786</u>	<u>1,952,439</u>
Total Capital Assets Being Depreciated	<u>15,420,237</u>	<u>445,570</u>	<u>15,865,807</u>
Less Accumulated Depreciation for:			
Land Improvements	(207,200)	(16,534)	(223,734)
Building and Building Improvements	(7,358,129)	(1,080,959)	(8,439,088)
Machinery and Equipment	<u>(1,237,178)</u>	<u>(91,055)</u>	<u>(1,328,233)</u>
Total Accumulated Depreciation	<u>(8,802,507)</u>	<u>(1,188,548)</u>	<u>(9,991,055)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,617,730</u>	<u>(742,978)</u>	<u>5,874,752</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,090,950</u>	<u>\$ (742,978)</u>	<u>\$ 8,347,972</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	Balance, <u>June 30, 2021</u>
Business-Type Activities:			
Capital Assets, Being Depreciated:			
Machinery and Equipment	\$ 133,773	\$ 2,199	\$ 135,972
Total Capital Assets Being Depreciated	<u>133,773</u>	<u>2,199</u>	<u>135,972</u>
Less Accumulated Depreciation for:			
Machinery and Equipment	(92,220)	(5,605)	(97,825)
Total Accumulated Depreciation	<u>(92,220)</u>	<u>(5,605)</u>	<u>(97,825)</u>
Total Capital Assets, Being Depreciated, Net	<u>41,553</u>	<u>(3,406)</u>	<u>38,147</u>
Business-Type Activities Capital Assets, Net	<u>\$ 41,553</u>	<u>\$ (3,406)</u>	<u>\$ 38,147</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 47,715
Special Education	<u>1,665</u>
Total Instruction	<u>49,380</u>
Support Services	
Student and Instruction Related Services	17,810
School Administrative Services	847
Plant Operations and Maintenance	1,103,333
Pupil Transportation	<u>17,178</u>
Total Support Services	<u>1,139,168</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,188,548</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 5,605</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 5,605</u>

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

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

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

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	<u>\$ 64,916</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.

F. Leases

Capital Leases

The District is leasing modular classrooms and associated leasehold improvements, a 54 passenger school bus and 60 smart boards totaling \$3,840,942 under capital leases. The leases are for terms of 3 to 5 years. In addition the District is leasing computers (supplies) totaling \$317,925 under a lease purchase agreement for a term of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ 3,500,000
Vehicles	113,986
Machinery and Equipment	<u>226,956</u>
	<u>\$ 3,840,942</u>

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

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, 2021 were as follows:

Fiscal Year Ending <u>June 30,</u>	Governmental <u>Activities</u>
2022	\$ 974,496
2023	885,525
2024	<u>24,974</u>
Total minimum lease payments	1,884,995
Less: amount representing interest	<u>(82,531)</u>
Present value of minimum lease payments	<u>\$ 1,802,464</u>
Balance at June 30, 2021	
Capital Lease Obligations	\$ 1,674,279
Lease Purchase Agreement	<u>128,185</u>
	<u>\$ 1,802,464</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, 2021 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 35,204,500
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 35,204,500</u>

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

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, 2021 is \$13,512.

During the fiscal years ended June 30, 2021, 2020 and 2019 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>
2021	\$ 5,562
2020	5,547
2019	5,502

Changes in Long-Term Liabilities

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

	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2021</u>	<u>Due Within One Year</u>
Governmental Activities:					
Severance Pay	\$ 44,675	\$ 3,229		\$ 47,904	
Lease Purchase Agreements	2,405,071	293,919	\$ 896,526	1,802,464	\$ 917,478
Deferred Pension Obligation	17,826	1,248	5,562	13,512	
Net Pension Liability	<u>3,045,731</u>	<u>-</u>	<u>211,589</u>	<u>2,834,142</u>	<u>-</u>
 Governmental Activities Long-Term Liabilities	 <u>\$ 5,513,303</u>	 <u>\$ 298,396</u>	 <u>\$ 1,113,677</u>	 <u>\$ 4,698,022</u>	 <u>\$ 917,478</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, 2021**

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the 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 fund is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. 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 a tuition adjustment payment for the 2018-2019 school year of approximately \$1 million. Little Ferry has sought the assistance of the Executive County Superintendent in denying the claim and will defend any further potential action by the Ridgefield Park 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, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

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

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.

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

The following represents the membership tiers for PERS:

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with 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.

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

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

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

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-Behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 190,124	\$ 1,783,466	\$ 13,474
2020	164,421	1,399,274	18,201
2019	154,778	1,287,171	15,498

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020 and 2019 the District contributed \$345 and \$416, respectively for PERS and the State contributed \$790, \$811 and \$1,007, 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 \$511,448 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

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

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

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

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$2,834,142 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .01738 percent, which was an increase of .00048 percent from its proportionate share measured as of June 30, 2020 of .01690 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$173,750 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 51,605	\$ 10,023
Changes of Assumptions	91,943	1,186,682
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	96,873	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>325,963</u>	<u>53,337</u>
Total	<u>\$ 566,384</u>	<u>\$ 1,250,042</u>

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

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (294,493)
2023	(271,358)
2024	(128,358)
2025	(57,665)
2026	68,216
Thereafter	<u>-</u>
	<u>\$ (683,658)</u>

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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

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

Discount Rate

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,567,712</u>	<u>\$ 2,834,142</u>	<u>\$ 2,211,688</u>

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

Pension Plan Fiduciary Net Position

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

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

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

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,566,264 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$41,268,711. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .06267 percent, which was a decrease of .00143 percent from its proportionate share measured as of June 30, 2019 of .06410 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

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

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

Period of Projected Benefit

Payments for which the Following Rates were Applied:

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

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

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

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 48,474,934</u>	<u>\$ 41,268,711</u>	<u>\$ 35,285,152</u>

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

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

NOTE 4 OTHER INFORMATION (Continued)

C. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

D. Post-Retirement Medical Benefits

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

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

Plan Description and Benefits Provided

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

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

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

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

Post-Retirement Medical Benefits Contributions

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

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$558,911, \$519,105 and \$583,859, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

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

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,954,977. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$38,132,461. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was 0.05623 percent, which was an increase of .00657 percent from its proportionate share measured as of June 30, 2019 of .04966 percent.

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

Discount Rate

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

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

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

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ 22,900,560
Changes Recognized for the Fiscal Year:	
Service Cost	981,516
Interest on the Total OPEB Liability	824,704
Differences Between Expected and Actual Experience	7,103,925
Changes of Assumptions	6,965,490
Gross Benefit Payments	(663,855)
Contributions from the Member	20,121
Net Changes	<u>\$ 15,231,901</u>
Balance, June 30, 2020 Measurement Date	<u>\$ 38,132,461</u>

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

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

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

NOTE 4 OTHER INFORMATION (Continued)

D. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

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

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 45,970,650	\$ 38,132,461	\$ 32,003,752

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 30,781,808	\$ 38,132,461	\$ 46,885,454

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

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

NOTE 5 RESTATEMENT

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

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$35,016 from \$4,199,571 as previously reported to \$4,234,587 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to student activities and payroll activities previously reported as fiduciary funds to government funds. The effect of this restatement is to increase fund balances of governmental funds by \$35,016 from \$1,142,400 as previously reported to \$1,177,416 as of June 30, 2020. Special Revenue Fund fund balance increased \$35,016 from \$(9,240) as previously reported to \$25,776 as of June 30, 2020.

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

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

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

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

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

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

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, 2021**

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 20,076,775		\$ 20,076,775	\$ 20,076,775	
Tuition from Individuals	30,000		30,000	6,531	\$ (23,469)
Tuition from Other LEAs Within the State				12,931	12,931
Rents and Royalties	44,165		44,165	45,050	885
Interest Earned on Capital Reserve Funds	50		50		(50)
Interest Earned				4,337	4,337
Unrestricted Miscellaneous Revenues	-	-	-	48,055	48,055
Total Local Sources	20,150,990	-	20,150,990	20,193,679	42,689
State Sources					
Categorical Special Education Aid	1,040,076		1,040,076	1,040,076	
Equalization Aid	2,834,063		2,834,063	2,834,063	
Categorical Security Aid	319,475		319,475	319,475	
Categorical Transportation Aid	299,736		299,736	299,736	
Extraordinary Aid	264,136		264,136	601,963	337,827
Alyssa's Law Security Grant	45,218		45,218	45,218	
Additional Nonpublic Transportation Aid				4,350	4,350
On-Behalf T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				1,750,167	1,750,167
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				33,299	33,299
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				558,911	558,911
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				790	790
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	511,448	511,448
Total State Sources	4,802,704	-	4,802,704	7,999,496	3,196,792
Federal Sources					
Medicaid Reimbursement	-	-	-	12,353	12,353
Total Federal Sources	-	-	-	12,353	12,353
Total Revenues	24,953,694	-	24,953,694	28,205,528	3,251,834
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	133,667	9,130	142,797	137,787	5,010
Kindergarten	278,754		278,754	278,754	
Grades 1-5	2,922,645		2,922,645	2,905,606	17,039
Grades 6-8	1,459,299		1,459,299	1,409,299	50,000
Regular Programs - Home Instruction					
Salaries of Teachers	8,000		8,000	1,970	6,030
Purchased Professional-Educational Services	2,000		2,000	360	1,640
General Supplies	4,000	(4,000)			
Regular Programs - Undistributed Instruction					
Purchased Professional- Educational Services	95,000	(78,000)	17,000	11,515	5,485
Purchased Technical Services	128,879	13,191	142,070	142,070	-
Other Purchased Services	25,000	101,565	126,565	120,191	6,374
General Supplies	133,873	388,238	522,111	479,387	42,724
General Supplies - (Non Budgeted - Lease Purchase)				66,963	(66,963)
Textbooks	80,007	(35,000)	45,007	44,434	573
Other Objects	4,500	-	4,500	791	3,709
Total Regular Programs	5,275,624	395,124	5,670,748	5,599,127	71,621

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education					
Multiple Disabilities					
Salaries of Teachers	\$ 404,316		\$ 404,316	\$ 404,316	
General Supplies	3,750	\$ (1,630)	2,120	719	\$ 1,401
Textbooks	1,600	-	1,600	-	1,600
Total Multiple Disabilities	409,666	(1,630)	408,036	405,035	3,001
Resource Room/Resource Center					
Salaries of Teachers	436,565	(74,542)	362,023	330,227	31,796
General Supplies	1,250	-	1,250	-	1,250
Total Resource Room/Resource Center	437,815	(74,542)	363,273	330,227	33,046
Autism					
Salaries of Teachers	107,602	11,157	118,759	118,759	
Purchased Professional- Educational Services	5,000		5,000		5,000
General Supplies	15,000	(7,500)	7,500	-	7,500
Total Autism	127,602	3,657	131,259	118,759	12,500
Total Special Education	975,083	(72,515)	902,568	854,021	48,547
Basic Skills					
Salaries of Teachers	92,416		92,416	92,416	
General Supplies	1,000	-	1,000	1,000	-
Total Basic Skills	93,416	-	93,416	93,416	-
Bilingual Education					
Salaries	199,413	50,517	249,930	249,930	
General Supplies	3,000	-	3,000	3,000	-
Total Bilingual Education	202,413	50,517	252,930	252,930	-
School Sponsored Co/Extracurricular Activities-Instruction					
Salaries	21,720	-	21,720	9,750	11,970
Total Co/Extracurricular Activities-Instruction	21,720	-	21,720	9,750	11,970
School Sponsored Athletics-Instruction					
Salaries	18,601		18,601		18,601
Purchased Services	2,400	-	2,400	-	2,400
Total School Sponsored Athletics-Instruction	21,001	-	21,001	-	21,001
Total Instruction	6,589,257	373,126	6,962,383	6,809,244	153,139
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	4,390,740	300,000	4,690,740	4,688,438	2,302
Tuition to Other LEAs Within the State - Special	2,441,575	(200,000)	2,241,575	1,916,322	325,253
Tuition to County Vocational School Districts - Regular	929,916	(150,000)	779,916	657,600	122,316
Tuition to County Vocational School Districts - Special	834,480	(666,991)	167,489	39,420	128,069
Tuition to CSSD & Reg. Day Schools	43,995	442,491	486,486	486,486	
Tuition to APSSD W/I State	367,543		367,543	244,687	122,856
Tuition-State Facilities	61,944	-	61,944	61,944	-
Total Undistributed Expenditures - Instruction	9,070,193	(274,500)	8,795,693	8,094,897	700,796

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Attendance and Social Work Services					
Salaries	\$ 73,850	\$ (14,622)	\$ 59,228	\$ 57,890	\$ 1,338
Total Attendance and Social Work Services	<u>73,850</u>	<u>(14,622)</u>	<u>59,228</u>	<u>57,890</u>	<u>1,338</u>
Health Services					
Salaries	125,902	(21,503)	104,399	103,883	516
Purchased Professional and Technical Services	8,400	(5,900)	2,500	2,500	-
Supplies and Materials	8,750	(2,422)	6,328	5,640	688
Total Health Services	<u>143,052</u>	<u>(29,825)</u>	<u>113,227</u>	<u>112,023</u>	<u>1,204</u>
Speech, OT, PT and Related Services					
Purchased Professional- Educational Services	223,150	10,501	233,651	231,626	2,025
Total Speech, OT, PT and Related Services	<u>223,150</u>	<u>10,501</u>	<u>233,651</u>	<u>231,626</u>	<u>2,025</u>
Other Support Serv. Students - Extra. Svcs.					
Salaries	550,526	(70,008)	480,518	475,877	4,641
Total Other Support Serv. Students - Extra. Svcs.	<u>550,526</u>	<u>(70,008)</u>	<u>480,518</u>	<u>475,877</u>	<u>4,641</u>
Guidance					
Salaries of Other Professional Staff	61,954		61,954	61,954	
Salaries of Secretarial and Clerical Assistants	42,700		42,700	41,810	890
Other Purchased Professional-Technical Services	2,200		2,200	1,218	982
Supplies and Materials	4,500		4,500	1,813	2,687
Other Objects	2,500	-	2,500	-	2,500
Total Guidance	<u>113,854</u>	<u>-</u>	<u>113,854</u>	<u>106,795</u>	<u>7,059</u>
Child Study Teams					
Salaries of Other Professional Staff	256,218	(15,051)	241,167	241,166	1
Salaries of Secretarial and Clerical Assistants	41,600		41,600	41,600	
Purchased Professional - Educational Services	278,800	161,865	440,665	384,295	56,370
Other Purchased Professional and Tech. Services	10,000		10,000	9,524	476
Other Purchased Services	9,500		9,500	5,095	4,405
Supplies and Materials	6,500	14,582	21,082	20,035	1,047
Other Objects	2,200	(1,600)	600	600	-
Total Child Study Teams	<u>604,818</u>	<u>159,796</u>	<u>764,614</u>	<u>702,315</u>	<u>62,299</u>
Improvement of Instructional Services					
Sal of Supervisor of Instruction	77,000	9,200	86,200	86,171	29
Purchased Prof. Educational Services	33,556	(33,556)			
Other Purch Prof and Tech. Services	71,045	(63,128)	7,917	7,917	
Supplies and Materials	1,500		1,500	1,363	137
Other Objects	3,100	-	3,100	3,100	-
Total Improvement of Instructional Services	<u>186,201</u>	<u>(87,484)</u>	<u>98,717</u>	<u>98,551</u>	<u>166</u>
Educational Media Services/School Library					
Salaries	28,093	28,093	56,186	56,185	1
Supplies and Materials	25,000	(21,211)	3,789	3,789	-
Total Educational Media Serv./School Library	<u>53,093</u>	<u>6,882</u>	<u>59,975</u>	<u>59,974</u>	<u>1</u>

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Purchased Professional - Educational Services	\$ 15,000		\$ 15,000	\$ 3,907	\$ 11,093
Other Purchased Services	3,000		3,000	700	2,300
Supplies and Materials					-
Other Objects	5,900	-	5,900	801	5,099
Total Instructional Staff Training Services	23,900	-	23,900	5,408	18,492
Support Services General Administration					
Salaries	183,678		183,678	183,678	
General Admin. Salaries -Governance Staff (BOE Direct Reports Only)	6,000		6,000	6,000	
Legal Services	55,000	\$ 21,500	76,500	66,200	10,300
Audit Fees	45,000	30,000	75,000	38,969	36,031
Architectural / Engineering Services	45,000	8,100	53,100	45,350	7,750
Other Purchased Professional Services	25,000	25,935	50,935	43,582	7,353
Purchased Technical Services	5,651		5,651	50	5,601
Communications/Telephone	22,000		22,000	19,712	2,288
BOE Other Purchased Services	3,000		3,000	899	2,101
Miscellaneous Purchased Services	40,500	(34,900)	5,600		5,600
General Supplies	4,300	532	4,832	3,688	1,144
BOE Membership Dues and Fees	10,500		10,500	9,918	582
Miscellaneous Expenditures	8,000	-	8,000	6,822	1,178
Total Support Services General Administration	453,629	51,167	504,796	424,868	79,928
Support Services School Administration					
Salaries of Principals/Assistant Principals	445,058	3	445,061	445,061	
Salaries of Secretarial and Clerical Assistants	170,843	2,679	173,522	171,996	1,526
Purchased Professional and Technical Services	7,500	(600)	6,900	1,200	5,700
Other Purchased Services	16,400	1,990	18,390	18,296	94
Supplies and Materials	10,000	5,230	15,230	13,966	1,264
Other Objects	3,100	(1,189)	1,911	1,831	80
Total Support Services School Administration	652,901	8,113	661,014	652,350	8,664
Central Services					
Salaries	211,500	10,292	221,792	178,511	43,281
Purchased Professional Services	5,816	30,000	35,816	21,033	14,783
Misc. Purchased Services	40,000	(34,411)	5,589		5,589
Supplies and Materials	7,000	17,289	24,289	21,979	2,310
Interest on Lease Purchase Agreements	82,500	(20,331)	62,169	62,169	-
Miscellaneous Expenditures	5,500	-	5,500	3,691	1,809
Total Central Services	352,316	2,839	355,155	287,383	67,772
Admin. Info. Tech.					
Salaries	142,652	5,944	148,596	148,596	-
Total Admin. Info. Tech.	142,652	5,944	148,596	148,596	-
Required Maintenance for School Facilities					
Salaries	90,200	600	90,800	90,800	
Cleaning, Repair and Maintenance Services	117,500	107,281	224,781	223,503	1,278
General Supplies	50,000	1,950	51,950	36,587	15,363
Total Required Maintenance for School Fac.	257,700	109,831	367,531	350,890	16,641

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Custodial Services					
Salaries	\$ 436,881	\$ (600)	\$ 436,281	\$ 401,865	\$ 34,416
Salaries of Non-Instructional Aides	93,280	(70,000)	23,280	8,730	14,550
Purchased Professional and Technical Services	13,000	4,206	17,206	17,206	-
Cleaning, Repair, and Maintenance Svc.	54,869	9,235	64,104	60,104	4,000
Other Purchased Property Services	50,000		50,000	46,488	3,512
Insurance	129,203	6,869	136,072	135,756	316
General Supplies	21,000	944	21,944	8,200	13,744
Energy (Electricity)	250,000		250,000	202,408	47,592
Energy (Natural Gas)	12,000		12,000	5,855	6,145
Other Objects	9,200	-	9,200	5,493	3,707
Total Custodial Services	1,069,433	(49,346)	1,020,087	892,105	127,982
Security					
Salaries	63,660		63,660	58,725	4,935
Purchased Professional and Technical Services	67,000		67,000	52,338	14,662
General Supplies	51,318	(45,218)	6,100	3,633	2,467
Total Security	181,978	(45,218)	136,760	114,696	22,064
Student Transportation Services					
Salaries for Non-Instructional Aides	66,800	(5,946)	60,854	19,597	41,257
Cleaning, Repair and Maintenance Services	5,500	300	5,800	5,773	27
Contracted Serv.-Aid in Lieu of Payments-Non Public Schools	50,000		50,000	41,208	8,792
Contracted Services					
(Between Home and School) - Vendors	151,340		151,340	139,695	11,645
Contracted Services					
(Other Between Home and School) - Vendors	9,153		9,153	7,369	1,784
Contracted Services (Spl. Ed. Students) - Joint Agreements	371,334	20,974	392,308	169,672	222,636
Miscellaneous Purchased Services - Transportation	20,620	24,974	45,594	45,344	250
General Supplies	2,500	-	2,500	2,160	340
Total Student Transportation Services	677,247	40,302	717,549	430,818	286,731
Unallocated Benefits - Employee Benefits					
Social Security Contributions	180,000		180,000	148,800	31,200
Other Retirement Contributions - PERS	193,305	2,381	195,686	195,686	
Other Retirement Contributions - Regular	15,450		15,450	13,474	1,976
Unemployment Compensation	36,000		36,000	29,446	6,554
Workmen's Compensation	109,365		109,365	80,807	28,558
Health Benefits	2,152,635	(44,048)	2,108,587	1,813,377	295,210
Tuition Reimbursement	15,000		15,000	15,000	
Other Employee Benefits	45,000	-	45,000	19,662	25,338
Total Unallocated Benefits - Employee Benefits	2,746,755	(41,667)	2,705,088	2,316,252	388,836

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

	<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 T.P.A.F. Pension Contribution - Normal Cost (non-budgeted)				\$ 1,750,167	\$ (1,750,167)
On-Behalf T.P.A.F. Pension Contribution - Non-Contributory Group Insurance (non-budgeted)				33,299	(33,299)
On-Behalf T.P.A.F. Pension Contribution - Post-Retirement Medical (non-budgeted)				558,911	(558,911)
On-Behalf T.P.A.F. Pension Contribution - Long-Term Disability Insurance (non-budgeted)				790	(790)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	511,448	(511,448)
 Total On-Behalf Contributions/Reimbursements	-	-	-	2,854,615	(2,854,615)
 Total Undistributed Expenditures	\$ 17,577,248	\$ (217,295)	\$ 17,359,953	\$ 18,417,929	\$ (1,057,976)
 Total Expenditures - Current Expenditures	24,166,505	155,831	24,322,336	25,227,173	(904,837)
 CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	50		50		50
Equipment					
Undistributed Expenditures- Admin Info Tech	169,474	(50,371)	119,103	99,464	19,639
School Buses - Regular	24,974	(24,974)	-	-	-
Facilities Acquisition and Construction Serv.					
Construction Services		179,784	179,784	179,784	-
Lease Purchase Agreements- Principal	757,890	(62,169)	695,721	695,721	-
Assessment for Debt Service on SDA Funding	811	-	811	811	-
 Total Equipment/Facilities Acquisition and Construction Services	953,199	42,270	995,469	975,780	19,689
 Assets Acquired Under Capital Leases (Nonbudgeted)					
Instructional Equipment	-	-	-	226,956	(226,956)
 Total Assets Acquired Under Capital Leases	-	-	-	226,956	(226,956)
 Total Capital Outlay	953,199	42,270	995,469	1,202,736	(207,267)
 TRANSFER OF FUNDS TO CHARTER SCHOOLS	43,995	-	43,995	15,990	28,005
 Total Expenditures	25,163,699	198,101	25,361,800	26,445,899	(1,084,099)
 Excess (Deficiency) of Revenues Over/(Under) Expenditures	(210,005)	(198,101)	(408,106)	1,759,629	2,167,735
 Other Financing Sources/(Uses)					
Lease Purchases	-	-	-	293,919	293,919
 Total Other Financing Sources/(Uses)	-	-	-	293,919	293,919
 Excess (Deficiency) of Revenues and Other Fin. Sources Over/(Under) Expenditures and Other Financing Uses	(210,005)	(198,101)	(408,106)	2,053,548	2,461,654
 Fund Balance, Beginning of Year	1,841,502	-	1,841,502	1,841,502	-
 Fund Balance, End of Year	\$ 1,631,497	\$ (198,101)	\$ 1,433,396	\$ 3,895,050	\$ 2,461,654

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

	Original Budget	Transfers/ Adjustments	Final Budget	Actual	Variance Final Budget to Actual
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Capital Reserve - Designated for Subsequent Year's Expenditures				\$ 200,000	
Capital Reserve				800,000	
Maintenance Reserve				600,000	
Tuition Reserve				275,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				212,326	
Excess Surplus				335,745	
Assigned Fund Balance:					
Year-End Encumbrances				79,207	
Designated for Subsequent Year's Expenditures				118,700	
Unassigned Fund Balance				<u>1,274,072</u>	
Reconciliation to Governmental Funds Statements (GAAP):				3,895,050	
Less: Extraordinary Aid Not Recognized on GAAP Basis			\$ (573,122)		
State Aid Not Recognized on GAAP Basis			<u>(400,955)</u>		
				<u>(974,077)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,920,973</u>	

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

	<u>Original</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 92,400		\$ 92,400	\$ 92,400	
Federal	467,854	\$ 393,575	861,429	841,729	\$ (19,700)
Local	-	6,930	6,930	6,930	-
	<u>560,254</u>	<u>400,505</u>	<u>960,759</u>	<u>941,059</u>	<u>(19,700)</u>
Total Revenues					
	<u>560,254</u>	<u>400,505</u>	<u>960,759</u>	<u>941,059</u>	<u>(19,700)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	332,484	(56,926)	275,558	275,558	-
Tuition	215,313	43,351	258,664	258,664	-
Other Purchased Services		56,649	56,649	56,649	-
General Supplies	-	49,698	49,698	49,698	-
Co-Curricular/Extra Curricular Activities	-	12,141	12,141	12,141	-
	<u>547,797</u>	<u>104,913</u>	<u>652,710</u>	<u>652,710</u>	<u>-</u>
Total Instruction					
	<u>547,797</u>	<u>104,913</u>	<u>652,710</u>	<u>652,710</u>	<u>-</u>
Support Services					
Salaries		10,455	10,455	10,455	-
Benefits		29,963	29,963	29,963	-
Purchased Professional Educational Services	12,457	154,388	166,845	153,529	13,316
Other Purchased Services		21,326	21,326	21,326	-
Supplies and Materials	-	84,671	84,671	78,287	6,384
	<u>12,457</u>	<u>300,803</u>	<u>313,260</u>	<u>293,560</u>	<u>19,700</u>
Total Support Services					
	<u>12,457</u>	<u>300,803</u>	<u>313,260</u>	<u>293,560</u>	<u>19,700</u>
Total Expenditures					
	<u>560,254</u>	<u>405,716</u>	<u>965,970</u>	<u>946,270</u>	<u>19,700</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	(5,211)	(5,211)	(5,211)	-
Fund Balances, Beginning of Year (Restated)	<u>35,016</u>	<u>-</u>	<u>35,016</u>	<u>35,016</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 35,016</u>	<u>\$ (5,211)</u>	<u>\$ 29,805</u>	<u>\$ 29,805</u>	<u>\$ -</u>
Reconciliation to Governmental Fund Statements (GAAP)					
Less: State Aid Payments not Recognized on a GAAP Basis				<u>\$ (9,240)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 20,565</u>	
Recapitulation of Fund Balance					
Restricted Fund Balance - GAAP Basis					
Student Activities				\$ 29,805	
Unassigned Fund Balance				<u>(9,240)</u>	
				<u>\$ 20,565</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, 2021**

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

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

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 28,205,528	(C-2)	\$ 941,059
Difference - Budget to GAAP: State Aid and Extraordinary Aid payments recognized for GAAP statements, not recognized for budgetary purposes (2019/2020 State Aid)		689,862		9,240
State Aid and Extraordinary Aid payments recognized for budgetary purposes, not recognized for GAAP statements (2020/2021 State Aid)		<u>(974,077)</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>\$ 27,921,313</u>		<u>\$ 941,059</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 26,445,899	(C-2)	\$ 946,270
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds (Exhibit B-2)		<u>\$ 26,445,899</u>		<u>\$ 946,270</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 Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.01738%	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>\$ 2,834,142</u>	<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>\$ 1,083,896</u>	<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	261.48%	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	58.32%	56.27%	53.59%	48.10%	40.14%	47.92%	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 Eight Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 190,124	\$ 164,421	\$ 154,778	\$ 141,112	\$ 143,400	\$ 131,344	\$ 121,317	\$ 110,907
Contributions in Relation to the Contractually Required Contribution	<u>190,124</u>	<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)	<u>\$ -</u>	<u>\$ -</u>						
District's Covered Payroll	<u>\$ 1,097,866</u>	<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	17.32%	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 Eight Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	0	0	0	0	0	0	0	0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 41,268,711</u>	<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>
Total	<u>\$ 41,268,711</u>	<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>\$ 6,995,958</u>	<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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.48%	25.41%	22.33%	28.74%	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, 2021**

Change of Benefit Terms: None.

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

**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 Four Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 981,516	\$ 976,451	\$ 1,128,972	\$ 1,380,001
Interest on Total OPEB Liability	824,704	1,014,917	1,081,086	927,588
Differences Between Expected and Actual Experiences	7,103,925	(4,336,746)	(2,423,013)	
Changes of Assumptions	6,965,490	341,449	(2,936,194)	(3,883,678)
Gross Benefit Payments	(663,855)	(702,979)	(684,177)	(616,001)
Contribution from the Member	<u>20,121</u>	<u>20,838</u>	<u>23,646</u>	<u>22,683</u>
Net Change in Total OPEB Liability	15,231,901	(2,686,070)	(3,809,680)	(2,169,407)
Total OPEB Liability - Beginning	<u>22,900,560</u>	<u>25,586,630</u>	<u>29,396,310</u>	<u>31,565,717</u>
Total OPEB Liability - Ending	<u>\$ 38,132,461</u>	<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>38,132,461</u>	<u>22,900,560</u>	<u>25,586,630</u>	<u>29,396,310</u>
Total OPEB Liability - Ending	<u>\$ 38,132,461</u>	<u>\$ 22,900,560</u>	<u>\$ 25,586,630</u>	<u>\$ 29,396,310</u>
District's Covered Payroll	<u>\$ 8,079,854</u>	<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%	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, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

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

	Preschool Education Aid	ESEA					Page 2 Totals Carried Forward	Total
		Title I	Title IIA	Title III	Title III Immigrant	Title IV		
REVENUES								
Intergovernmental								
State	\$ 92,400							\$ 92,400
Federal	-	\$ 236,811	\$ 46,326	\$ 6,769	\$ 4,255	\$ 17,345	\$ 530,223	\$ 841,729
Local	-	-	-	-	-	-	6,930	6,930
Total Revenues	\$ 92,400	\$ 236,811	\$ 46,326	\$ 6,769	\$ 4,255	\$ 17,345	\$ 537,153	\$ 941,059
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 92,400	\$ 90,000		\$ 1,858			\$ 91,300	\$ 275,558
Tuition							258,664	258,664
Other Purchased Services							56,649	56,649
General Supplies		35,127			\$ 4,255		10,316	49,698
Co-Curricular/Extra Curricular Activities	-	-	-	-	-	-	12,141	12,141
Total Instruction	92,400	125,127	-	1,858	4,255	-	429,070	652,710
Support Services								
Salaries		2,000		929			7,526	10,455
Personal Services- Employee Benefits				213			29,750	29,963
Purchased Professional Educational Services		109,684	\$ 25,000	1,500		\$ 17,345	-	153,529
Other Purchased Services			21,326				-	21,326
Supplies	-	-	-	2,269	-	-	76,018	78,287
Total Support Services	-	111,684	46,326	4,911	-	17,345	113,294	293,560
Total Expenditures	92,400	236,811	46,326	6,769	4,255	17,345	542,364	946,270
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over/(Under) Expenditures							(5,211)	(5,211)
Fund Balance, Beginning Of Year (Restated)	-	-	-	-	-	-	35,016	35,016
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,805	\$ 29,805

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

	<u>IDEA Part B</u>		<u>ESSER I</u>	<u>Bergen</u>	<u>Corona Virus</u>	<u>Student</u>	<u>Page</u>
	<u>Preschool</u>	<u>Basic</u>	<u>Emergency</u>	<u>County</u>	<u>Relief</u>	<u>Activities</u>	<u>Total</u>
			<u>Relief</u>	<u>CARES Act</u>	<u>Fund</u>		
REVENUES							
Intergovernmental							
Federal	\$ 10,405	\$ 248,259	\$ 138,941	\$ 56,649	\$ 75,969		\$ 530,223
Local	-	-	-	-	-	\$ 6,930	6,930
Total Revenues	\$ 10,405	\$ 248,259	\$ 138,941	\$ 56,649	\$ 75,969	\$ 6,930	\$ 537,153
EXPENDITURES							
Instruction							
Salaries of Teachers			\$ 91,300				\$ 91,300
Tuition	\$ 10,405	\$ 248,259					258,664
Other Purchased Services				\$ 56,649			56,649
General Supplies			10,316				10,316
Co-Curricular - Student Activities	-	-	-	-	-	\$ 12,141	12,141
Total Instruction	10,405	248,259	101,616	56,649	-	12,141	429,070
Support Services							
Salaries			7,526				7,526
Personal Services- Employee Benefits			29,750				29,750
Supplies	-	-	49	-	\$ 75,969	-	76,018
Total Support Services	-	-	37,325	-	75,969	-	113,294
Total Expenditures	\$ 10,405	\$ 248,259	\$ 138,941	\$ 56,649	\$ 75,969	\$ 12,141	\$ 542,364
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over/(Under) Expenditures						(5,211)	(5,211)
Fund Balance, Beginning Of Year (Restated)	-	-	-	-	-	35,016	35,016
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,805	\$ 29,805

**LITTLE FERRY BOARD OF EDUCATION
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID - SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES					
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 2020-2021 Preschool Education Aid Allocation	\$ 92,400
Add:	
Actual Preschool Education Carryover (June 30, 2020)	
Budgeted Transfer from the General Fund 2020-2021	<u>-</u>
Total Preschool Education Aid Funds Available for 2020-2021 Budget	92,400
Less: 2020-2021 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>92,400</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	-
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>-</u>
2020-2021 Carryover - Preschool Education Aid /Preschool Programs	<u>\$ -</u>
2020-2021 Preschool Education Aid Carryover Budgeted in 2021-2022	<u>\$ -</u>

CAPITAL PROJECTS FUND

NOT APPLICABLE

ENTERPRISE FUND

EXHIBIT G-1

**LITTLE FERRY BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

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

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

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

NOT APPLICABLE

**LITTLE FERRY BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
Modular Classrooms & Associated Leasehold Improvements	3.1378%	\$ 3,500,000	\$ 2,153,864		\$ 695,721	\$ 1,458,143
54 Passenger Bus - 2019/2020	4.50%	113,986	89,219		20,799	68,420
Chromebooks- 2019/2020	6.50%	250,962	161,988		78,445	83,543
60 Promethian Boards - 2020/2021	4.82%	226,956		\$ 226,956	79,240	147,716
Chromebooks- 2020/2021	3.50%	66,963	-	66,963	22,321	44,642
Total			<u>\$ 2,405,071</u>	<u>\$ 293,919</u>	<u>\$ 896,526</u>	<u>\$ 1,802,464</u>
					<u>\$ 896,526</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, 2021**

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets, Net of Related Debt	\$ 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	\$ 6,673,693
Restricted	411,692	723,937	1,478,860	321,741	322,833	819,289	3,583,912	1,332,450	400,000	1,000,000
Unrestricted	293,714	354,730	(3,417,490)	(1,683,240)	(1,135,858)	(2,158,179)	(6,050,035)	(4,342,324)	(3,048,296)	(1,790,729)
Total Governmental Activities Net Position	\$ 6,333,584	\$ 7,013,589	\$ 4,977,016	\$ 4,648,503	\$ 4,879,769	\$ 4,247,261	\$ 3,272,939	\$ 3,384,777	\$ 4,199,571	\$ 5,882,964
Business-Type Activities										
Net Investment in Capital Assets, Net of Related Debt			\$ 18,703	\$ 16,681	\$ 14,656	\$ 48,427	\$ 43,176	\$ 41,919	\$ 41,553	\$ 38,147
Restricted										
Unrestricted	\$ 137,139	\$ 213,357	308,480	189,917	258,977	(5,654)	14,001	48,789	68,961	94,140
Total Business-Type Activities Net Position	\$ 137,139	\$ 213,357	\$ 327,183	\$ 206,598	\$ 273,633	\$ 42,773	\$ 57,177	\$ 90,708	\$ 110,514	\$ 132,287
District-Wide										
Net Investment in Capital Assets, Net of Related Debt	\$ 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	\$ 6,711,840
Restricted	411,692	723,937	1,478,860	321,741	322,833	819,289	3,583,912	1,332,450	400,000	1,000,000
Unrestricted	430,853	568,087	(3,109,010)	(1,493,323)	(876,881)	(2,163,833)	(6,036,034)	(4,293,535)	(2,979,335)	(1,696,589)
Total District Net Position	\$ 6,470,723	\$ 7,226,946	\$ 5,304,199	\$ 4,855,101	\$ 5,153,402	\$ 4,290,034	\$ 3,330,116	\$ 3,475,485	\$ 4,310,085	\$ 6,015,251

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

Note 2 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities."

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 15,679,217
Special Education	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	4,339,943
Other Special Education	298,811	218,791	200,590							
Other Instruction	36,064	44,079	47,807	291,972	287,547	671,170	804,781	762,980	650,276	794,208
School Sponsored Activities And Athletics				77,923	83,429	70,947	67,266	58,038	63,025	18,720
Support Services:										
Tuition	6,781,408	6,664,699	6,783,940							
Student & Instruction Related Services	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	2,910,443
General Administrative Services	705,203	701,099	637,455	521,753	551,987	430,449	511,107	543,820	444,410	544,373
School Administrative Services	424,520	418,918	334,940	413,786	835,264	989,030	807,894	931,232	1,087,232	1,171,015
Central Services				285,170	371,240	585,377	470,179	531,442	489,689	644,268
Plant Operations And Maintenance	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	2,784,381
Pupil Transportation	628,474	665,391	635,419	709,038	605,985	678,183	733,594	839,614	686,988	433,427
Capital Outlay										
Special Schools		24,727	24,009							
Interest On Long-Term Debt	35,855	19,006			938	2,440	20,600	101,586	91,485	72,864
Unallocated Depreciation	307,610	277,907	261,373	-	-	-	-	-	-	-
Total Governmental Activities Expenses	<u>19,399,668</u>	<u>19,867,309</u>	<u>20,150,566</u>	<u>22,891,312</u>	<u>24,274,688</u>	<u>26,565,633</u>	<u>28,303,486</u>	<u>27,755,282</u>	<u>27,733,857</u>	<u>29,392,859</u>
Business-Type Activities:										
EDCP				102,721	162,502	1,124				
Food Service	326,987	236,460	263,301	459,398	376,466	359,516	337,643	382,491	329,158	255,012
Total Business-Type Activities Expense	<u>326,987</u>	<u>236,460</u>	<u>263,301</u>	<u>562,119</u>	<u>538,968</u>	<u>360,640</u>	<u>337,643</u>	<u>382,491</u>	<u>329,158</u>	<u>255,012</u>
Total District Expenses	<u>\$ 19,726,655</u>	<u>\$ 20,103,769</u>	<u>\$ 20,413,867</u>	<u>\$ 23,453,431</u>	<u>\$ 24,813,656</u>	<u>\$ 26,926,273</u>	<u>\$ 28,641,129</u>	<u>\$ 28,137,773</u>	<u>\$ 28,063,015</u>	<u>\$ 29,647,871</u>
Program Revenues										
Governmental Activities:										
Charges For Services:	27,718	31,018	72,810	28,266	101,297	145,495	77,140	113,757	64,655	64,512
Operating Grants And Contributions	723,693	833,832	865,744	4,264,415	5,011,210	6,303,186	7,063,981	6,548,168	6,100,060	8,010,687
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	<u>751,411</u>	<u>864,850</u>	<u>938,554</u>	<u>4,292,681</u>	<u>5,112,507</u>	<u>6,448,681</u>	<u>7,141,121</u>	<u>6,661,925</u>	<u>6,164,715</u>	<u>8,075,199</u>
Business-Type Activities:										
Charges For Services	251,633	193,669	230,691	284,097	326,297	159,035	145,260	143,975	105,890	2,183
Operating Grants And Contributions	142,430	119,009	125,743	157,437	177,423	217,526	206,787	270,373	243,074	274,602
Capital Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	<u>394,063</u>	<u>312,678</u>	<u>356,434</u>	<u>441,534</u>	<u>503,720</u>	<u>376,561</u>	<u>352,047</u>	<u>414,348</u>	<u>348,964</u>	<u>276,785</u>
Total District Program Revenues	<u>\$ 1,145,474</u>	<u>\$ 1,177,528</u>	<u>\$ 1,294,988</u>	<u>\$ 4,734,215</u>	<u>\$ 5,616,227</u>	<u>\$ 6,825,242</u>	<u>\$ 7,493,168</u>	<u>\$ 7,076,273</u>	<u>\$ 6,513,679</u>	<u>\$ 8,351,984</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (21,317,660)
Business-Type Activities	67,076	76,218	93,133	(120,585)	(35,248)	15,921	14,404	31,857	19,806	21,773
Total District-Wide Net Expense	<u>\$ (18,581,181)</u>	<u>\$ (18,926,241)</u>	<u>\$ (19,118,879)</u>	<u>\$ (18,719,216)</u>	<u>\$ (19,197,429)</u>	<u>\$ (20,101,031)</u>	<u>\$ (21,147,961)</u>	<u>\$ (21,061,500)</u>	<u>\$ (21,549,336)</u>	<u>\$ (21,295,887)</u>

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for:										
General Purposes	\$ 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	\$ 20,076,775
Debt Service	364,560	341,110	40,560							
Federal and State Aid Not Restricted	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	2,836,870
Investment Earnings	826	17	255	102	3,867	8,502	11,489	31,267	12,524	4,337
Miscellaneous Income	18,548	15,993	377,047	56,791	105,541	177,578	89,546	59,499	36,951	48,055
Transfers	-	-	-	-	(102,283)	272,697	-	-	-	-
Total Governmental Activities	19,253,158	19,682,464	19,721,800	18,923,751	18,779,560	19,574,854	20,188,043	21,725,072	22,383,936	22,966,037
Business-Type Activities:										
Investment Earnings	23		1,824							
Miscellaneous Income	151		166							
Transfers	-	-	-	-	102,283	(272,697)	-	-	-	-
Total Business-Type Activities	174	-	1,990	-	102,283	(272,697)	-	-	-	-
Total District-Wide	\$ 19,253,332	\$ 19,682,464	\$ 19,723,790	\$ 18,923,751	\$ 18,881,843	\$ 19,302,157	\$ 20,188,043	\$ 21,725,072	\$ 22,383,936	\$ 22,966,037
Change in Net Position										
Governmental Activities	\$ 604,901	\$ 680,005	\$ 509,788	\$ 325,120	\$ (382,621)	\$ (542,098)	\$ (974,322)	\$ 631,715	\$ 814,794	\$ 1,648,377
Business-Type Activities	67,250	76,218	95,123	(120,585)	67,035	(256,776)	14,404	31,857	19,806	21,773
Total District	\$ 672,151	\$ 756,223	\$ 604,911	\$ 204,535	\$ (315,586)	\$ (798,874)	\$ (959,918)	\$ 663,572	\$ 834,600	\$ 1,670,150

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted				\$ 2,477,070	\$ 2,667,876	\$ 1,916,852	\$ 758,950	\$ 436,805	\$ 812,326	\$ 2,423,071
Committed					34,375					
Assigned	\$ 338,586	\$ 723,935	\$ 1,976,466	363,777	206,125	210,106	108,960	120,743	408,106	197,907
Unassigned	<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>	<u>299,995</u>
Total General Fund	<u>\$ 634,664</u>	<u>\$ 1,079,492</u>	<u>\$ 2,314,421</u>	<u>\$ 3,073,646</u>	<u>\$ 3,153,294</u>	<u>\$ 2,382,619</u>	<u>\$ 1,052,436</u>	<u>\$ 537,342</u>	<u>\$ 1,151,640</u>	<u>\$ 2,920,973</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Capital Projects Fund			\$ (498,653)							
Debt Service Fund	\$ 73,106	\$ 2	1,047							
Restricted										
Special Revenue Fund										29,805
Capital Projects Fund				\$ (557,051)	\$ (557,051)		\$ 3,081,990	\$ 1,048,019		
Debt Service Fund				1,047			1,596	30,074		
Unassigned										
Special Revenue Fund	<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>	<u>\$ (9,240)</u>
Total All Other Governmental Funds	<u>\$ 73,106</u>	<u>\$ 2</u>	<u>\$ (497,606)</u>	<u>\$ (565,244)</u>	<u>\$ (566,291)</u>	<u>\$ (9,240)</u>	<u>\$ 3,074,346</u>	<u>\$ 1,068,853</u>	<u>\$ (9,240)</u>	<u>\$ 20,565</u>

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

Source: District financial statements

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,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Local Tax Levy	\$ 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	\$ 20,076,775
Tuition Charges	27,718	31,018	72,810	28,266	59,677	93,042	33,840	27,217	19,490	19,462
Interest Earnings	826	17	255	102	3,867	8,502	11,489	31,267	12,524	4,337
Miscellaneous	18,548	15,993	65,047	56,791	147,161	230,031	133,833	146,039	85,146	100,035
State Sources	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	7,807,681
Federal Sources	696,963	493,162	515,945	1,120,376	656,347	543,560	586,068	580,677	604,238	854,082
Total Revenue	20,004,569	20,547,114	20,348,354	21,751,609	22,287,826	22,995,606	24,120,706	26,604,766	27,549,449	28,862,372
Expenditures										
Instruction										
Regular Instruction	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	14,421,335
Special Education Instruction	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	4,121,785
Other Special Instruction	239,143	160,423	165,134							
Other Instruction	29,740	36,625	42,282	257,125	248,219	522,703	624,462	662,808	580,609	705,017
School-Sponsored Activities and Athletics				68,254	71,862	58,300	52,492	50,434	57,663	16,227
Support Services:										
Tuition	6,781,408	6,664,699	6,783,940							
Student and Inst. Related Services	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	2,598,993
General Administrative Services	673,523	576,243	565,431	501,461	546,781	410,908	481,387	530,335	442,222	495,879
School Administrative Services	344,295	312,352	277,768	365,350	750,347	782,749	653,570	834,806	1,008,537	1,012,409
Central Services				285,170	358,165	532,459	415,485	500,516	487,948	593,075
Plant Operations And Maintenance	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	1,593,389
Pupil Transportation	618,478	648,193	625,658	703,863	601,414	666,698	721,517	832,233	668,398	413,181
Employee Benefits	1,787,373	2,567,478	1,573,823							
Capital Outlay	15,484		499,464			300,975	884,492	2,889,230	1,695,251	445,570
Special Schools		18,122	19,760							
Debt Service:										
Interest and Other Charges	37,243	20,543			938	2,440	17,549	86,148	83,703	896,526
Principal	536,851	588,151	39,515	10,554	34,108	32,606	335,493	671,742	699,161	78,783
Total Expenditures	19,719,714	20,175,590	19,923,033	21,090,265	22,177,460	23,481,927	25,867,303	29,125,353	28,378,192	27,392,169
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	284,855	371,524	425,321	661,344	110,366	(486,321)	(1,746,597)	(2,520,587)	(828,743)	1,470,203
Other Financing Sources (Uses)										
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	293,919
Community Disaster Loan	-	-	312,000	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	312,000	30,243	(31,765)	272,697	3,500,000	-	364,948	293,919
Net Change in Fund Balances	\$ 284,855	\$ 371,524	\$ 737,321	\$ 691,587	\$ 78,601	\$ (213,624)	\$ 1,753,403	\$ (2,520,587)	\$ (463,795)	\$ 1,764,122
Debt Service as a Percentage of										
Noncapital Expenditures	2.91%	3.02%	0.20%	0.05%	0.16%	0.15%	1.41%	2.89%	2.93%	3.62%

* 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Rentals					\$ 41,620	\$ 52,453	\$ 43,300	\$ 86,540	\$ 45,165	\$ 45,050
Miscellaneous	\$ 18,548	\$ 15,993	\$ 65,047	\$ 56,791	105,541	177,578	89,546	59,499	45,261	52,392
Total General Fund	\$ 18,548	\$ 15,993	\$ 65,047	\$ 56,791	\$ 147,161	\$ 230,031	\$ 132,846	\$ 146,039	\$ 90,426	\$ 97,442

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 ^a
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
2021	7,261,200	688,771,700			148,383,400	138,291,300	132,321,300	1,115,028,900	100,000	1,115,128,900	1,191,331,635	1.856

Source: County Abstract of Ratables

26

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)**

Assessment <u>Year</u>	Little Ferry School <u>District</u>	Borough of <u>Little Ferry</u>	Bergen <u>County</u>	<u>Total</u>
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
2021	1.856	1.108	0.270	3.234

(1) The Borough underwent 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	2021		2012	
	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	3.60%		
Airport Prop. Assoc. LLC% Mack-Calie			\$ 27,000,000	2.25%
Waterside Plaza Apts. Associates	34,038,900	3.05%	27,270,000	2.27%
Liberty Bell Village LLC	18,000,000	1.61%	20,880,000	1.74%
Little Ferry Assocs., L.L.C.			16,912,000	1.41%
North Village II LLC NJ	17,643,300	1.58%	14,476,000	1.21%
Gates Realty Corp.	16,926,000	1.52%	16,761,800	1.40%
250 Little Ferry TL LLC	12,500,000	1.12%		
Gates Brothers c/o Gates Realty Corp.	12,233,500	1.10%		
North Village I LLC NJ	11,694,900	1.05%		
100 Industrial Ave LLC	11,498,000	1.03%		
Gates Brothers c/o Gates Realty Corp.	11,377,400	1.02%	13,981,400	1.17%
Gates Brothers c/o Gates Realty Corp.			10,700,000	0.89%
Bell Atlantic Property Tax Department			8,861,872	0.74%
North Village LLC	-	-	9,492,200	0.79%
	<u>\$ 186,033,000</u>	<u>16.68%</u>	<u>\$ 166,335,272</u>	<u>13.87%</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	
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%	
2021	20,076,775	18,405,548	91.68%	\$ 1,671,227

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			
2012	\$ 550,000	\$ 77,664		\$ 627,664	10,756	\$ 58
2013		39,513		39,513	10,787	4
2014				-	10,797	-
2015			\$ 19,689	19,689	10,827	2
2016			56,099	56,099	10,805	5
2017			23,493	23,493	10,820	2
2018			3,500,000	3,500,000	10,778	325
2019			2,828,258	2,828,258	10,740	263
2020			2,405,071	2,405,071	10,689	225
2021			1,802,464	1,802,464	10,689 E	169

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 ^a of Property	Per Capita ^b
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%	-
2021			-	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, 2020
(Unaudited)**

	<u>Total Debt</u>
Municipal Debt: (1)	
Borough of Little Ferry	\$ <u>14,085,401</u>
Overlapping Debt Apportioned to the Municipalities:	
County of Bergen (2)	9,273,044
Bergen County Utilities Authority - Waste Water (3)	<u>2,405,139</u>
Total Overlapping Debt	<u>11,678,183</u>
Total Direct and Overlapping Debt	<u>\$ 25,763,584</u>

Source:

- (1) Borough of Little Ferry's Annual Debt Statement - December 31, 2020
- (2) Bergen County Annual Debt Statement - December 31, 2020 - Based on Equalized Value of Municipality to County Total
- (2) BCUA 2020 Audit - Based on Usage

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis	
	2020	\$ 1,252,089,468
	2019	1,169,709,081
	2018	1,098,651,462
Average equalized valuation of taxable property	\$	<u>1,173,483,337</u>
Debt Limit (3% of average equalization value)	\$	35,204,500
Total Net Debt Applicable to Limit		<u>-</u>
Legal Debt Margin	\$	<u>35,204,500</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 35,204,500
Total Net Debt Applicable to Limit	<u>550,000</u>	<u>-</u>								
Legal Debt Margin	<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>	<u>\$ 35,204,500</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.63%	0.00%	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>
2011	9.50%	\$ 69,056	10,721
2012	9.70%	72,164	10,756
2013	4.90%	71,699	10,787
2014	6.10%	74,480	10,797
2015	4.90%	77,767	10,827
2016	4.40%	79,407	10,805
2017	4.10%	81,676	10,820
2018	3.60%	86,404	10,778
2019	3.00%	89,456	10,740
2020	11.60%	N/A	10,689

- (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>2021</u>		<u>2012</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction										
Regular	50.2	47.6	53.2	66.0	62.0	62.0	63.0	71.2	72.0	64.0
Special Education	13.0	14.0	13.0	18.5	7.0	10.0	12.0	12.0	12.0	13.0
Other Special Education						10.0	10.0	9.8	10.0	21.0
Vocational										
Other Instruction	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	15.7	13.2	14.0	6.7	8.0	6.6	6.6	5.0	5.0	5.0
General Administration	1.6	2.1	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
School Administrative Services	2.0	1.5	2.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Other Administrative Services	1.1	2.0	2.1	3.1	4.5	4.0	4.0	4.0	4.0	4.0
Central Services	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	2.0	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	19.1	19.1	10.6	9.1	8.0	9.0	9.0	9.0	9.0	9.0
Pupil Transportation	3.4	1.5	1.7	1.5	1.5	1.0	1.0	1.8	2.0	2.0
Other Support Services			1.0		1.5	5.0	5.0	5.0	5.0	5.0
Security				2.0	2.0	1.5	1.5	1.6	1.6	1.6
Food Service	-	-	4.3	0.9	2.7	3.0	3.0	3.0	3.0	3.0
Total	<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>	<u>136.6</u>

Source: District Personnel Records

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

Pupil/Teacher Ratio

<u>Fiscal Year</u>	<u>Enrollment^a</u>	<u>Operating Expenditures^{b,d}</u>	<u>Cost Per Pupil^c</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2012	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%
2021	810.0	25,971,290	32,063	34.95%	80	1:11	1:09	808.0	775.0	-6.37%	95.92%

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Building</u>										
<u>Elementary</u>										
Washington School										
Square Feet	30,764	30,764	30,764	30,764	30,764	30,764	30,764	40,750	40,750	40,750
Capacity (students)	180	180	180	180	180	180	180	326	326	326
Enrollment	210	210	210	200	200	257	276	466	485	435
<u>Middle School</u>										
Memorial School										
Square Feet	99,461	99,461	99,461	99,461	99,467	99,467	99,467	68,000	68,000	68,000
Capacity (students)	705	705	705	705	705	705	705	507	507	507
Enrollment	779	779	779	997	772	688	619	401	378	356

Number of Schools at June 30, 2021

- 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
School Facilities										
Memorial School	\$ 23,607	\$ 25,514	\$ 26,035	\$ 26,429	\$ 150,349	\$ 70,106	\$ 184,899	\$ 232,125	\$ 161,173	\$ 312,292
Washington School	<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>	<u>38,598</u>
Grand Total	<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>	<u>\$ 350,890</u>

Source: School District's Financial Statements

**LITTLE FERRY BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)**

NESBIG	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - National Union Fire Ins. Co.		
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 (Zones A & V)	1,000,000	500,000
Comprehensive General Liability	1,000,000	2,500
General Automobile Liability	1,000,000	2,500
Comprehensive and Collision		1,000
Umbrella Liability - National Union Fire Ins. Co.	9,000,000	10,000
School Board Legal Liability - XL	1,000,000	10,000
Employment Practices -		35,000
Environmental - Chubb	2,000,000	15,000
	4,000,000	aggregate
	20,000,000	group aggregate
Excess Umbrella (Shared) Fireman's Fund - 1/2 Group	25,000,000	
Excess Umbrella (Unshared)- Starstone/Markel	30,000,000	
Crime (Non-statutory Bonds)	100,000	5,000
Selective Insurance	500,000	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	
Non - NESBIG		
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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of 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 and each major fund of the Little Ferry Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Little Ferry Board of Education's basic financial statements and have issued our report thereon dated February 11, 2022.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the 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.

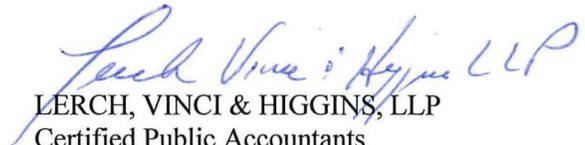
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

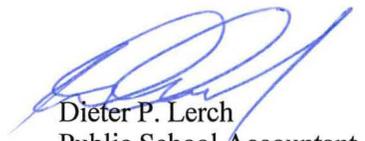
Compliance and Other Matters

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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
February 11, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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

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

**REPORT ON COMPLIANCE FOR EACH MAJOR 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, 2021. 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, 2021.

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 2021-001. Our opinion on each major federal and state program is not modified with respect to this matter.

The Little Ferry Board of Education's responses 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 responses were 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.

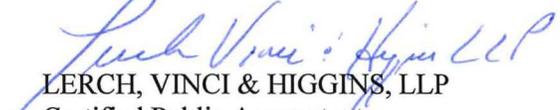
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

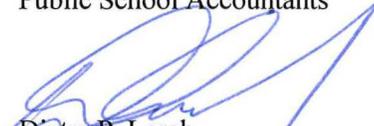
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 and each major fund of the Little Ferry Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 11, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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
February 11, 2022

LITTLE FERRY BOARD OF EDUCATION
 Schedule of Expenditures of Federal Awards
 for the Fiscal Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020	Cash Received	Total Budgetary Expenditures	Balance at June 30, 2021			Memo GAAP Receivable
					From	To				Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education													
General Fund:													
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	\$ 12,353	7/1/20	6/30/21	-	\$ 12,353	\$ 12,353	-	-	-	-
Total General Fund							-	12,353	12,353	-	-	-	-
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010	S010A200030	NCLB-2710-21	250,127	7/1/20	9/30/21	-	195,898	236,811	\$ (54,229)	\$ 13,316	-	\$ (40,913)
Title II, Part A	84.367	S367A200029	NCLB-2710-21	46,326	7/1/20	9/30/21	-	43,826	46,326	(2,500)	-	-	(2,500)
Total I Cluster							-	239,724	283,137	(56,729)	13,316	-	(43,413)
Title III	84.365	S365A200030	NCLB-2710-21	6,769	7/1/20	9/30/21	-	6,769	6,769	-	-	-	-
Title III, Immigrant	84.365	S365A200030	NCLB-2710-21	4,255	7/1/20	9/30/21	-	4,255	4,255	-	-	-	-
Title IV, Part A	84.424	S424A200031	NCLB-2710-21	17,345	7/1/20	9/30/21	-	17,345	17,345	-	-	-	-
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	IDEA 2710-21	248,259	7/1/20	9/30/21	-	248,259	248,259	-	-	-	-
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA 2710-21	10,405	7/1/20	9/30/21	-	10,405	10,405	-	-	-	-
Total Special Education Cluster (IDEA)							-	258,664	258,664	-	-	-	-
Coronavirus Relief Fund	21.019	N/A	N/A	75,969	3/1/20	12/31/20	-	75,969	75,969	-	-	-	-
Coronavirus Relief Fund (Passed Thru County)	21.019	N/A	N/A	56,649	3/1/20	12/31/20	-	56,649	56,649	-	-	-	-
Total Coronavirus Relief Fund Cluster							-	132,618	132,618	-	-	-	-
CARES Emergency Relief Grant, ESSER I	84.425	S425D200027	N/A	199,147	3/13/20	9/30/22	\$ (60,206)	182,214	138,941	(16,933)	-	-	(16,933)
CRRSA, ESSER II	84.425	S425D200027	N/A	793,502	3/13/20	9/30/23	-	-	-	(793,502)	793,502	-	-
CRRSA, Learning Acceleration	84.425	S425D200027	N/A	50,923	3/13/20	9/30/23	-	-	-	(50,923)	50,923	-	-
CRRSA, Mental Health	84.425D	S425D200027	N/A	45,000	3/13/20	9/30/23	-	-	-	(45,000)	45,000	-	-
Total ESSER Fund Cluster							(60,206)	182,214	138,941	(906,358)	889,425	-	(16,933)
Total Special Revenue Fund							(60,206)	841,589	841,729	(963,087)	902,741	-	(60,346)
U.S. Department of Agriculture													
Passed-through State Department of Agriculture													
Enterprise Fund:													
School Breakfast Program	10.553	211NJ304N1099	N/A	93,887	7/1/20	6/30/21	-	82,571	93,887	(11,316)	-	-	(11,316)
School Breakfast Program	10.553	201NJ304N1099	N/A	78,350	7/1/19	6/30/20	(7,722)	7,722	-	-	-	-	-
National School Lunch Program	10.555	211NJ304N1099	N/A	143,218	7/1/20	6/30/21	-	125,719	143,218	(17,499)	-	-	(17,499)
National School Lunch Program	10.555	201NJ304N1099	N/A	126,907	7/1/19	6/30/20	(12,215)	12,215	-	-	-	-	-
Non Cash Assistance	10.569	N/A	N/A	30,289	7/1/20	6/30/21	-	30,289	30,289	-	-	-	-
Total Enterprise Fund							(19,937)	258,516	267,394	(28,815)	-	-	(28,815)
Sub-Total Federal Financial Awards							\$ (80,143)	\$ 1,112,458	\$ 1,121,476	\$ (991,902)	\$ 902,741	\$ -	\$ (89,161)

112

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

LITTLE FERRY BOARD OF EDUCATION
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020			Balance at June 30, 2021			MEMO	
			From	To	Deferred Revenue (Accts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures Pass through Funds	Intergovernmental (Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable
State Department of Education												
General Fund:												
Equalization Aid	21-495-034-5120-078	\$2,834,063	7/1/20	6/30/21			\$ 2,581,171	\$ 2,834,063	\$ (252,892)			\$ 2,834,063
Equalization Aid	20-495-034-5120-078	2,901,349	7/1/19	6/30/20	\$ (255,699)		255,699					
Special Education Categorical Aid	21-495-034-5120-089	1,040,076	7/1/20	6/30/21			947,267	1,040,076	(92,809)			1,040,076
Special Education Categorical Aid	20-495-034-5120-089	1,040,076	7/1/19	6/30/20	(91,663)		91,663					
Security Aid	21-495-034-5120-084	319,475	7/1/20	6/30/21			290,967	319,475	(28,508)			319,475
Security Aid	20-495-034-5120-084	319,475	7/1/19	6/30/20	(28,156)		28,156					
Total State Aid Public Cluster					(375,518)		4,194,923	4,193,614	(374,209)			4,193,614
Transportation Aid	21-495-034-5120-014	299,736	7/1/20	6/30/21			272,990	299,736	(26,746)			299,736
Transportation Aid	20-495-034-5120-014	299,736	7/1/19	6/30/20	(26,416)		26,416					
Additional Nonpublic Transportation Aid	21-495-034-5120-014	4,350	7/1/20	6/30/21				4,350	(4,350)		\$ (4,350)	4,350
Additional Nonpublic Transportation Aid	20-495-034-5120-014	6,090	7/1/19	6/30/20	(6,090)		6,090					
Total Transportation Aid Cluster					(32,506)		305,496	304,086	(31,096)		(4,350)	304,086
Extraordinary Aid	21-495-034-5120-044	573,122	7/1/20	6/30/21				573,122	(573,122)			573,122
Extraordinary Aid	20-495-034-5120-044	316,769	7/1/19	6/30/20	(287,928)		316,769	28,841				316,769
Total Extraordinary Aid Cluster					(287,928)		316,769	601,963	(573,122)			889,891
Securing Our Schools Security Grant - Alyssa's Law	N/A	45,218	7/1/20	6/30/21				45,218	(45,218)			45,218
Reimbursed Social Security Tax	21-495-034-5094-003	511,448	7/1/20	6/30/21			456,697	511,448	(54,751)		(54,751)	511,448
Reimbursed Social Security Tax	20-495-034-5094-003	493,783	7/1/19	6/30/20	(47,878)		47,878					
Total Reimbursed Social Security Tax Cluster					(47,878)		504,575	511,448	(54,751)		(54,751)	511,448
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002	1,750,167	7/1/20	6/30/21			1,750,167	1,750,167				1,750,167
On-Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-001	558,911	7/1/20	6/30/21			558,911	558,911				558,911
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	21-495-034-5094-004	33,299	7/1/20	6/30/21			33,299	33,299				33,299
On-Behalf- Teachers' Pension & Annuity Fund - Long Term Disability	21-495-034-5094-004	790	7/1/20	6/30/21			790	790				790
On-Behalf Teachers' Pension and Annuity Fund Cluster							2,343,167	2,343,167				2,343,167
Total General Fund					(743,830)		7,664,930	7,999,496	(1,078,396)		(104,319)	8,287,424
Special Revenue Fund:												
Preschool Education Aid	21-495-034-5120-086	92,400	7/1/20	6/30/21			83,160	92,400	(9,240)		(9,240)	92,400
Preschool Education Aid	20-495-034-5120-086	92,400	7/1/19	6/30/20	(9,240)		9,240					
Total Special Revenue Fund					(9,240)		92,400	92,400	(9,240)		(9,240)	92,400
Enterprise Fund:												
State Department of Agriculture												
National School Lunch Program (State Share)	21-100-010-3350-023	7,208	7/1/20	6/30/21			5,961	7,208	(1,247)		(1,247)	7,208
National School Lunch Program (State Share)	20-100-010-3350-023	3,127	7/1/19	6/30/20	(193)		193					
Total Enterprise Fund					(193)		6,154	7,208	(1,247)		(1,247)	7,208
Total State Financial Assistance					\$ (753,263)		\$ 7,763,484	\$ 8,099,184	\$ (1,888,883)		\$ (114,886)	\$ 8,387,032
Less: On-Behalf TPAF Pension System Contributions												
On-Behalf Teachers' Pension and Annuity Fund	21-495-034-5094-002							(1,750,167)				
On-Behalf-Teachers' Pension and Annuity Fund - Post Retirement Medical	21-495-034-5094-001							(558,911)				
On-Behalf- Teachers' Pension & Annuity Fund - Non-contributory Insurance	21-495-034-5094-004							(33,299)				
On-Behalf- Teachers' Pension & Annuity Fund - Long Term Disability	21-495-034-5094-004							(790)				
Total for State Financial Assistance-Major Program Determination								\$ 5,755,937				

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

**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, 2021**

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 a decrease of \$284,215 for the general fund and no change 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	\$ 12,353	\$ 7,715,281	\$ 7,727,634
Special Revenue Fund	841,729	92,400	934,129
Food Service Fund	<u>268,354</u>	<u>6,248</u>	<u>274,602</u>
Total Awards Financial Assistance	<u>\$ 1,122,436</u>	<u>\$ 7,813,929</u>	<u>\$ 8,936,365</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, 2021****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

NOTE 5 OTHER INFORMATION

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 \$511,448 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$1,783,466, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$558,911 and TPAF Long-Term Disability Insurance in the amount of \$790 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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, 2021**

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>
84.010	S010A200030	Title I, Part A

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, 2021

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes no
- 2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ 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? 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? yes _____ no

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

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, 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, 2021**

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, 2021**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

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

Finding 2021-001

Our audit of the District’s Application for State School Aid (ASSA) revealed differences between the ASSA enrollment counts and the supporting District workpapers for low income and LEP not low income students.

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 - Eligibility

Condition:

Enrollment counts reported on the ASSA for low income and LEP not low income were not in agreement with the District workpapers.

Questioned Costs:

Unknown.

Context:

We noted 5 students reported as low income on the ASSA that could not be verified to the current year direct verification list. We also noted the number of LEP not Low Income students reported on the ASSA exceeded the number of students reported on the District workpapers by twenty (20) students.

Effect:

Noncompliance with the State Aid Public Compliance Requirements.

Cause:

Unknown.

Recommendation:

Internal control procedures be reviewed over the reporting of information on the Application for State School Aid (ASSA) to ensure District workpapers support student counts reported on the ASSA.

Views of Responsible Officials and Planned Corrective Action Plan:

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, 2021**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2020-001

Condition:

- Contract awarded for sound and acoustical system upgrade was 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 student chrombooks were not approved in the minutes.
- Contract awarded for ceiling project and panic button system installation in excess of the bid threshold were not approved in the minutes.

Status:

Corrective action has been taken.