

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

**Little Falls, New Jersey**

**ANNUAL COMPREHENSIVE**

**FINANCIAL REPORT**

**of the**

**Little Falls Board of Education**

**Little Falls, New Jersey**

**For The Fiscal Year Ended June 30, 2022**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

**Little Falls Board of Education**  
**32 Stevens Ave.**  
**Little Falls School #1**  
**Little Falls, New Jersey 07424**

Honorable President and Members of the Board of Education  
Little Falls School District  
Little Falls, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Little Falls Township School District (the "District") for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). 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.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory Section includes this Transmittal Letter, the District's Organizational Chart and a list of principal officials. The Financial Section includes the basic financial statements and schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual Single Audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Uniform Guidance, and the state Treasury Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this Single Audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

**REPORTING ENTITY AND ITS SERVICES:** Little Falls Township School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this Report. The Little Falls Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include Regular, as well as Special Education including Preschool Inclusive. The District completed the 2021/2022 fiscal year with a student enrollment of 904 students, which is a 6-student increase from the previous year's enrollment.

The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-2022	904	0.7
2020-2021	898	0.9
2019-2020	890	1.2
2018-2019	879	(0.8)
2017-2018	886	0.1
2016-2017	885	(1.0)
2015-2016	894	(0.7)
2014-2015	900	(1.9)
2013-2014	918	1.2
2012-2013	907	(.66)



ECONOMIC CONDITION AND OUTLOOK: The Little Falls Township is located in northeastern Passaic County, New Jersey. It is bordered on the north by Totowa, Wayne, and Woodland Park, on the east by Clifton, on the south by Montclair and Cedar Grove, and on the west by North Caldwell and Fairfield.

School # 1 serves the needs of students in Grades Five through Eight, as well as having self-contained LLD classrooms. School #1 currently houses approximately 363 students.

School #2 serves Pre-Kindergarten through Grade Two students and has self-contained LLD classes. The total enrollment for School #2 is approximately 346 students.

School #3 serves Grades 3 and 4 and has self-contained special education classes serving LLD. School #3 houses approximately 195 students.

For the year ending June 30, 2022, we had seventy students (70) on roll in self-contained Special Education in two (2) LLD classrooms at School #2, two (2) at School #3 and three (3) LLD classrooms at School #1 and a Preschool Program at School #2. These Programs have successfully passed Special Education monitoring and continue to meet the needs of Little Falls residents. We expect to continue to offer recommended ABA Behaviorist support and all mandated programs in compliance with State and Federal codes, while analyzing the costs of these offering, in an effort to create improvement in the classroom while creating possible efficiencies.

The Little Falls Township School District is governed by a nine-member Board of Education elected by the voters. It should be noted here, that on January 17, 2012, Chapter 202 of the Laws, P.L. 2011, was approved and pursuant to the Law, the Board of Education has moved its annual election of members to the General Election date in November with its Organization to be held in the first week of January. No vote on Budgets will be required if the tax increase does not exceed 2%.

Facility interior and exterior needs continue to be of concern. The prior implementation of 1.5% employee contribution towards the cost of their medical insurance benefit continues to provide budget relief and indeed with the implementation of P.L. 2011, c. Chapter 78, which became effective June 28, 2011, employees, continue to be “phased in” for greater contributions.

#### MAJOR INITIATIVES:

Communication with the stakeholders of the community is delivered by multiple avenues other than the district website. The Superintendent continues to use Twitter and Instagram accounts to update followers on activities and happenings in the schools. Email blasts go home every week with important announcements. A district wide newsletter continues to be distributed to the entire township so people are aware of the accomplishments in district.

Increased investment and use of technology continues to be a priority focus in the district. Competitive 21<sup>st</sup> century learning skills are mandatory for all students. All three school buildings have STEAM classrooms. Students have access to 3D Printers, OSMOS, Document Cameras, a NAO Robot, Google Classroom, and an AV Rover.

Electives continue in the middle school for all grades 5 through 8. Programs include but are not limited to Mango World Language, film study, sports, music, and culture, interactive stock market, yearbook, journalism, Readers Theater, Scratch 2.0, Be Fit and music composition.

The district continues to expand support and enhance programs and instruction for all levels of learners. The Gifted and Talented classes in grades 4-8 attend County competitions. Students identified as needing additional support can also take advantage of our Boost Program that offers learning standard specific instruction that occurs before or after school.

The need to update curriculum based on evolving state and national standards is challenging. The staff is using ATLAS. Teachers are able to collaborate in person and digitally to update curriculum maps as well as scope and sequence. They are uploaded to our website through ATLAS for parents and guardians to interact with at their convenience. Professional Development for teachers continued in Conquer Math which addressed deficiencies that have occurred during the pandemic and best instructional practices to support students.

The district continues to work with the Little Falls Educational Foundation. The Foundation fundraises to supplement programs in each school. Competitive grants were submitted by teaching staff members for consideration. The Foundation selected the submissions that most closely work with the district's plans for its programs. Multiple grants were approved with a total award of approximately \$14,800.

INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's Single Audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated Budget. Annual appropriated Budgets are adopted for the General, Special Revenue and Debt Service Funds. The final Budget amount as amended for the fiscal year is reflected in the Financial Section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2022.

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 2. 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 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.

RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. We participate in the NJSBAIG, thru the ERIC-West sub fund.

OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, & Bliss, LLP, Certified Public Accountants, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 as amended by U.S Uniform Guidance and State Treasury Circular Letter 15-08. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report. The auditors' reports related specifically to the Single Audit are included in the Single Audit section of this report.

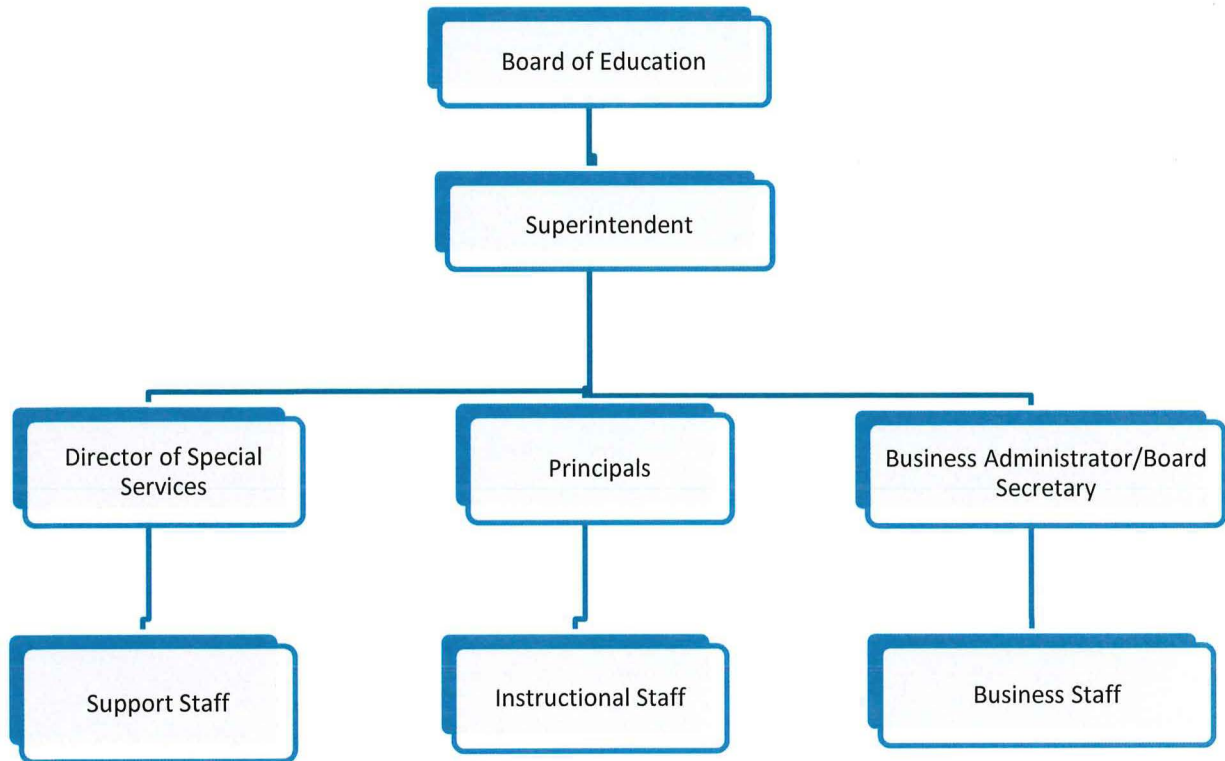
ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Little Falls Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance 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,

*Melissa Sanzari-Stevens*

Melissa Sanzari-Stevens  
School Business Administrator/Board Secretary  
February 13, 2023

Little Falls Board of Education  
Organizational Chart  
2021-2022



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

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Thomas Breitwieser, President	2022
Rachel Capizzi, Vice President	2023
<b><u>Board Members</u></b>	
Fred Demarco	2024
Douglas Jandoli	2024
Diana Kribs	2022
Vincenzo Miraglia	2022
Michael Murphy	2023
Michael Russo	2023
Lauren Verdi	2024

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

**Consultants and Advisors**

**Architect**

RSC Architects  
3 University Plaza Drive, Suite 600  
Hackensack, NJ 07601

**Audit Firm**

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

**Attorney**

Mr. Rodney T. Hara  
Fogarty & Hara  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**Official Depository**

PNC Bank  
89 Main Street  
Little Falls, NJ 07424

Lakeland Bank  
86 Main Street  
Little Falls, NJ 07424

**FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Little Falls Board of Education, as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Little Falls Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America

#### ***Basis for Opinions***

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

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

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

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



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

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

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

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

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

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

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

**Supplementary Information**

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


**Other Information**

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

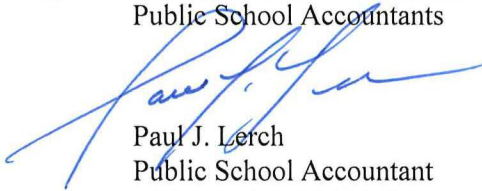
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If,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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2023 on our consideration of the Little Falls 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 Falls 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 Falls Board of Education’s internal control over financial reporting and compliance.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
February 13, 2023

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

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

**Management's Discussion and Analysis**

This discussion and analysis of the Little Falls School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2022. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for the 2021/22 school year are as follows:

- District-wide - Overall revenues were \$22,225,938. General revenues accounted for \$15,945,653 or 72 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$6,280,285 or 28 percent of total revenues.
- District-wide - The School District had \$20,990,719 in expenses; only \$6,280,285 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$15,945,653 were adequate to provide for these programs.
- Fund Financial Statements - As of the close of the current fiscal year, the Little Falls Board of Education's governmental funds reported combined ending fund balances of \$5,586,692 an increase of \$195,921 in comparison with the prior year balance of \$5,390,771.
- Fund Financial Statements - At the end of June 30, 2022, unassigned fund balance for the General Fund was \$580,321, a decrease of \$12,152 from the previous 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 district-wide financial statements, fund financial statements and notes to the basic financial statements.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the Little Falls Board of Education’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Little Falls Board of Education, reporting the Little Falls Board of Education’s operation in more detail than the district-wide statements.
  - The governmental fund statements tell how basic services such as regular and special education were financed in short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the Little Falls Board of Education operates like a business.
  - Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Figure A-1 summarizes the major features of the Little Falls Board of Education’s financial statements, including the portion of the Little Falls Board of Education’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
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
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred Inflows/outflows of resources and liability information	All assets deferred outflows of resources and deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and deferred inflows of resources 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 resource 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.

### District-wide Statements

**District-wide.** The *District-wide financial statements* are designed to provide readers with a broad overview of the Little Falls Board of Education's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Little Falls Board of Education's assets, deferred outflows/inflows of resources and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

## **District-wide Statements (Continued)**

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund and Before and After Care Program.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has two kinds of funds:

**Governmental Funds.** The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

## **Fund Financial Statements (Continued)**

Proprietary Funds. The District maintains one type of Proprietary Fund, Enterprise Funds, which is used to report the activity of the Food Service Fund and Before and After Care Program. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

## **DISTRICT-WIDE FINANCIAL ANALYSIS OF THE LITTLE FALLS BOARD OF EDUCATION AS A WHOLE**

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table A-1 provides a summary of the school district's net position at June 30, 2022 and 2021.

**Net position.** The District's combined net position were \$5,415,906 on June 30, 2022 and \$4,460,151 on June 30, 2021 (Restated). (See Table A-1).

By far the largest portion of the District's net position (72 percent) reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The majority of the restricted portion of net position represents the capital reserve which is reserved for capital expenditures.



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

Table A-1  
Statement of Net Position  
As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 5,733,611	\$ 5,531,207	\$ 373,206	\$ 114,880	\$ 6,106,817	\$ 5,646,087
Capital Assets	<u>5,648,722</u>	<u>5,766,702</u>	<u>9,926</u>	<u>668</u>	<u>5,658,648</u>	<u>5,767,370</u>
<b>Total Assets</b>	<u>11,382,333</u>	<u>11,297,909</u>	<u>383,132</u>	<u>115,548</u>	<u>11,765,465</u>	<u>11,413,457</u>
Deferred Amounts on Pension Liability	<u>221,021</u>	<u>258,144</u>	<u>-</u>	<u>-</u>	<u>221,021</u>	<u>258,144</u>
<b>Total Deferred Outflow of Resources</b>	<u>221,021</u>	<u>258,144</u>	<u>-</u>	<u>-</u>	<u>221,021</u>	<u>258,144</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>11,603,354</u>	<u>11,556,053</u>	<u>383,132</u>	<u>115,548</u>	<u>11,986,486</u>	<u>11,671,601</u>
Long-Term Liabilities	4,472,489	5,318,177			4,472,489	5,318,177
Other Liabilities	<u>168,381</u>	<u>165,415</u>	<u>36,307</u>	<u>50,846</u>	<u>204,688</u>	<u>216,261</u>
<b>Total Liabilities</b>	<u>4,640,870</u>	<u>5,483,592</u>	<u>36,307</u>	<u>50,846</u>	<u>4,677,177</u>	<u>5,534,438</u>
Deferred Commodities Revenue			2,659		2,659	-
Deferred Amounts on Pension Liability	<u>1,546,578</u>	<u>1,612,310</u>	<u>-</u>	<u>-</u>	<u>1,546,578</u>	<u>1,612,310</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,546,578</u>	<u>1,612,310</u>	<u>2,659</u>	<u>-</u>	<u>1,549,237</u>	<u>1,612,310</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>6,187,448</u>	<u>7,095,902</u>	<u>38,966</u>	<u>50,846</u>	<u>6,226,414</u>	<u>7,146,748</u>
Net Position:						
Net Investment in Capital Assets	3,276,019	3,039,784	9,926	668	3,285,945	3,040,452
Restricted	3,511,398	3,225,507			3,511,398	3,225,507
Unrestricted	<u>(1,371,511)</u>	<u>(1,805,140)</u>	<u>334,240</u>	<u>64,034</u>	<u>(1,037,271)</u>	<u>(1,741,106)</u>
<b>Total Net Position</b>	<u>\$ 5,415,906</u>	<u>\$ 4,460,151</u>	<u>\$ 344,166</u>	<u>\$ 64,702</u>	<u>\$ 5,760,072</u>	<u>\$ 4,524,853</u>

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

**Governmental activities.** Governmental activities increased the District's net position by \$955,755. Key elements of this increase are as follows:

**Table A-2**  
**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 51,000	\$ 27,200	\$ 245,292	\$ 6,336	\$ 296,292	\$ 33,536
Operating Grants and Contributions	5,362,100	6,814,066	586,773	348,971	5,948,873	7,163,037
Capital Grants and Contributions	35,120	214,530			35,120	214,530
General Revenues						
Property Taxes	15,773,129	15,473,276			15,773,129	15,473,276
Other	172,425	104,334	99	16	172,524	104,350
<b>Total Revenues</b>	<u>21,393,774</u>	<u>22,633,406</u>	<u>832,164</u>	<u>355,323</u>	<u>22,225,938</u>	<u>22,988,729</u>
<b>Expenses</b>						
Instruction						
Regular	9,694,239	10,617,230			9,694,239	10,617,230
Special Education	3,137,490	3,340,237			3,137,490	3,340,237
Other Instruction	343,270	372,688			343,270	372,688
School Sponsored Activities and Ath.	111,389	106,828			111,389	106,828
Support Services						
Student and Instruction Related Serv.	3,066,239	3,114,831			3,066,239	3,114,831
School Administrative Services	940,233	655,778			940,233	655,778
General Administrative Services	694,030	901,534			694,030	901,534
Central Services	622,918	590,561			622,918	590,561
Plant Operations and Maintenance	1,287,683	1,365,533			1,287,683	1,365,533
Pupil Transportation	472,947	423,368			472,947	423,368
Food Services			474,200	325,002	474,200	325,002
Before and After Care			97,003	18,503	97,003	18,503
Interest on Long-Term Debt	49,078	77,682	-	-	49,078	77,682
<b>Total Expenses</b>	<u>20,419,516</u>	<u>21,566,270</u>	<u>571,203</u>	<u>343,505</u>	<u>20,990,719</u>	<u>21,909,775</u>
Increase/(Decrease) in Net Position Before Transfers	974,258	1,067,136	260,961	11,818	1,235,219	1,078,954
Transfers	(18,503)	-	18,503	-	-	-
Change in Net Position	955,755	1,067,136	279,464	11,818	1,235,219	1,078,954
Net Position, Beginning of Year	4,460,151	6,584,389	64,702	52,884	4,524,853	6,637,273
Prior Period Restatement	-	(3,191,374)	-	-	-	(3,191,374)
Net Position, End of Year	<u>\$ 5,415,906</u>	<u>\$ 4,460,151</u>	<u>\$ 344,166</u>	<u>\$ 64,702</u>	<u>\$ 5,760,072</u>	<u>\$ 4,524,853</u>

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

**Governmental activities.** The District’s total governmental revenues were \$21,393,774. The local share of the revenues that included property taxes, interest and miscellaneous revenue, amounted to \$15,945,554 or 75% of total revenues. Funding from state and federal sources amounted to \$5,397,220 or 25%. Charges for services amounted to \$51,000 or less than 1%.

The District’s total governmental expenses were \$20,419,516 and are predominantly related to instruction and support services. Instruction totaled \$13,286,388 (65%), student and other support services totaled \$7,084,050 (35%) and interest on long-term debt total \$49,078 less than (1%) of total expenditures.

**Table A-3**  
**Cost of Services and Net Cost of Services of Governmental Activities**  
**For the Fiscal Years Ended June 30, 2022 and 2021**

<u>Functions/Programs</u>	<u>Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Governmental Activities				
Instruction				
Regular	\$ 9,694,239	\$ 10,617,230	\$ 7,409,614	\$ 7,394,586
Special Education	3,137,490	3,340,237	1,620,351	1,645,389
Other Instruction	343,270	372,688	272,672	236,907
School Sponsored Activities and Athletics	111,389	106,828	53,545	46,547
Support Services				
Student and Instruction Related Svcs.	3,066,239	3,114,831	2,239,554	2,089,233
School Administrative Services	940,233	655,778	772,121	502,822
General Administrative Services	694,030	901,534	591,365	629,903
Central Services	622,918	590,561	489,573	543,334
Plant Operations and Maintenance	1,287,683	1,365,533	1,151,426	1,062,385
Pupil Transportation	472,947	423,368	321,997	281,686
Interest on Long-Term Debt	49,078	77,682	49,078	77,682
	<u>20,419,516</u>	<u>21,566,270</u>	<u>14,971,296</u>	<u>14,510,474</u>
Total Governmental Activities	\$ 20,419,516	\$ 21,566,270	\$ 14,971,296	\$ 14,510,474

**Business-Type Activities**

The cost of Business-Type Activities for the fiscal year ended June 30, 2022 was \$571,203. These costs were funded by operating grants, charges for services and investment earnings of \$832,065 (Detailed on Table A-2). The operations resulted in an increase in net position of \$279,464.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

**Governmental Funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the 2021/22 fiscal year, its governmental funds reported a combined fund balance of \$5,586,692. As of June 30, 2021 the fund balance was \$5,390,771.

### The District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$21,965,604 and expenditures were \$21,751,180 for the fiscal year ended June 30, 2022.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental funds revenues for the fiscal years ended June 30, 2022 and 2021.

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources	\$ 16,024,520	\$ 15,610,384	\$ 414,136	3%
State Sources	5,267,302	4,139,923	1,127,379	27%
Federal Sources	<u>673,782</u>	<u>752,231</u>	<u>(78,449)</u>	-10%
Total Revenues	<u>\$ 21,965,604</u>	<u>\$ 20,502,538</u>	<u>\$ 1,463,066</u>	7%

The following schedule presents a summary of governmental fund expenditures for the fiscal years ended June 30, 2022 and 2021.

	<u>Year Ended</u> <u>June 30, 2022</u>	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 13,765,559	\$ 12,910,959	\$ 854,600	7%
Undistributed	7,351,808	6,437,035	914,773	14%
Capital Outlay	227,003	1,068,390	(841,387)	-79%
Debt Service				
Principal	350,000	340,000	10,000	3%
Interest and other charges	<u>56,810</u>	<u>87,390</u>	<u>(30,580)</u>	-35%
Total Expenditures	<u>\$ 21,751,180</u>	<u>\$ 20,843,774</u>	<u>\$ 907,406</u>	4%

# FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

## General and Special Revenue Fund

### Budgetary Highlights

The District's budget is prepared according to New Jersey law and is based on generally accepted accounting principles on the basis of cash receipts, disbursement and encumbrances. The primary funds are the General Fund and Special Revenue Fund (grants and restricted aid).

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

**Capital Assets and Debt Administration.** The Little Falls Board of Education's investment in capital assets for its governmental and business type activities as of June 30, 2022 amounts to \$5,648,722 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-4**  
**Capital Assets (net of depreciation)**  
**as of June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021 (Restated)	2022	2021	2022	2021 (Restated)
Land	\$ 23,264	\$ 23,264			\$ 23,264	\$ 23,264
Construction In Progress	873,887	942,242			873,887	942,242
Land Improvements	417,816	417,816			417,816	417,816
Buildings and Building Improvements	8,814,791	8,571,241			8,814,791	8,571,241
Machinery and Equipment	2,447,918	2,396,110	\$ 44,890	\$ 35,232	2,492,808	2,431,342
<b>Total</b>	<b>12,577,676</b>	<b>12,350,673</b>	<b>44,890</b>	<b>35,232</b>	<b>12,622,566</b>	<b>12,385,905</b>
Less: Accumulated Depreciation	<u>6,928,954</u>	<u>6,583,971</u>	<u>34,964</u>	<u>34,564</u>	<u>6,963,918</u>	<u>6,618,535</u>
<b>Total</b>	<b><u>\$ 5,648,722</u></b>	<b><u>\$ 5,766,702</u></b>	<b><u>\$ 9,926</u></b>	<b><u>\$ 668</u></b>	<b><u>\$ 5,658,648</u></b>	<b><u>\$ 5,767,370</u></b>

Additional information on Little Falls Board of Education's capital assets can be found in the Notes to the Financial Statements of this report.

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

**Debt Administration.** As of June 30, 2022 and 2021 the school district had long-term debt and outstanding long-term liabilities in the amount of \$4,472,489 and \$5,318,177, respectively, as stated in Table A-5.

**Table A-5  
Long-Term Debt  
Outstanding Long-Term Liabilities**

	<u>2022</u>	<u>2021</u>
Bonds Payable, Including Original Issue Premium	\$ 2,372,703	\$ 2,726,918
Compensated Absences	234,345	176,254
Net Pension Liability	<u>1,865,441</u>	<u>2,415,005</u>
 Total	 <u>\$ 4,472,489</u>	 <u>\$ 5,318,177</u>

The District has outstanding general obligation serial bond, including original issue premium, in the amount of \$2,372,703. These bonds were used to finance the facilities acquisitions and construction services at Schools #1, #2 and #3. The compensated absences represent the District’s liability for unused accrued sick leave in the amount of \$234,345. The District has a net pension liability in the amount of \$1,865,441.

Additional information on Little Falls Board of Education’s long-term debt can be found in the Notes of this report.

**FOR THE FUTURE**

Currently, the District is in superior financial condition. Everyone associated with the Little Falls School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Little Falls School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

**CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

If you have questions about this report or need additional information, contact the School Business Administrator at the Little Falls Board of Education, 560 Main St., Little Falls, NJ 07424.

## **BASIC FINANCIAL STATEMENTS**

**LITTLE FALLS BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,488,154	\$ 327,592	\$ 5,815,746
Receivables, net			
Receivables from Other Governments	187,160	38,328	225,488
Other Accounts Receivable	58,297		58,297
Inventory		7,286	7,286
Capital Assets, net			
Not Being Depreciated	897,151		897,151
Being Depreciated, Net	<u>4,751,571</u>	<u>9,926</u>	<u>4,761,497</u>
Total Assets	<u>11,382,333</u>	<u>383,132</u>	<u>11,765,465</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>221,021</u>	-	<u>221,021</u>
Total Deferred Outflows of Resources	<u>221,021</u>	-	<u>221,021</u>
Total Assets and Deferred Outflows of Resources	<u>11,603,354</u>	<u>383,132</u>	<u>11,986,486</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	88,051	28,250	116,301
Unearned Revenue	58,868	8,057	66,925
Accrued Interest Payable	21,462		21,462
Noncurrent Liabilities			
Due Within One Year	195,000		195,000
Due Beyond One Year	<u>4,277,489</u>	-	<u>4,277,489</u>
Total Liabilities	<u>4,640,870</u>	<u>36,307</u>	<u>4,677,177</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		2,659	2,659
Deferred Amounts on Net Pension Liability	<u>1,546,578</u>	-	<u>1,546,578</u>
Total Deferred Inflows of Resources	<u>1,546,578</u>	<u>2,659</u>	<u>1,549,237</u>
Total Liabilities and Deferred Inflows of Resources	<u>6,187,448</u>	<u>38,966</u>	<u>6,226,414</u>
<b>NET POSITION</b>			
Net Investment in Capital Asset	3,276,019	9,926	3,285,945
Restricted for:			
Other Purposes	890,060		890,060
Capital Projects	2,621,338		2,621,338
Unrestricted	<u>(1,371,511)</u>	<u>334,240</u>	<u>(1,037,271)</u>
Total Net Position	<u>\$ 5,415,906</u>	<u>\$ 344,166</u>	<u>\$ 5,760,072</u>

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



**LITTLE FALLS BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 9,694,239	\$ 51,000	\$ 2,233,625		\$ (7,409,614)		\$ (7,409,614)
Special Education	3,137,490		1,517,139		(1,620,351)		(1,620,351)
Other Instruction	343,270		70,598		(272,672)		(272,672)
School Sponsored Activities	111,389		57,844		(53,545)		(53,545)
Support Services:							
Student and Instruction Related Services	3,066,239		826,685		(2,239,554)		(2,239,554)
School Administrative Services	940,233		168,112		(772,121)		(772,121)
General Administrative Services	694,030		102,665		(591,365)		(591,365)
Central Services	622,918		133,345		(489,573)		(489,573)
Plant Operations and Maintenance	1,287,683		101,137	\$ 35,120	(1,151,426)		(1,151,426)
Pupil Transportation	472,947		150,950		(321,997)		(321,997)
Interest on Long-Term Debt	49,078	-	-	-	(49,078)	-	(49,078)
<b>Total Governmental Activities</b>	<b>20,419,516</b>	<b>51,000</b>	<b>5,362,100</b>	<b>35,120</b>	<b>(14,971,296)</b>	<b>-</b>	<b>(14,971,296)</b>
Business-Type Activities:							
Food Service	474,200	60,697	586,773			\$ 173,270	173,270
Before and After Care	97,003	184,595	-	-	-	87,592	87,592
<b>Total Business-Type Activities</b>	<b>571,203</b>	<b>245,292</b>	<b>586,773</b>	<b>-</b>	<b>-</b>	<b>260,862</b>	<b>260,862</b>
<b>Total Primary Government</b>	<b>\$ 20,990,719</b>	<b>\$ 296,292</b>	<b>\$ 5,948,873</b>	<b>\$ 35,120</b>	<b>(14,971,296)</b>	<b>260,862</b>	<b>(14,710,434)</b>
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					15,396,876		15,396,876
Taxes Levied for Debt Service					376,253		376,253
Unrestricted Grants & Contributions					75,410		75,410
Interest					8,794	99	8,893
Miscellaneous Income					88,221	-	88,221
Transfers					(18,503)	18,503	-
<b>Total General Revenues and Transfers</b>					<b>15,927,051</b>	<b>18,602</b>	<b>15,945,653</b>
Change in Net Position					955,755	279,464	1,235,219
Net Position—Beginning of Year (Restated)					4,460,151	64,702	4,524,853
Net Position—End of Year					<b>\$ 5,415,906</b>	<b>\$ 344,166</b>	<b>\$ 5,760,072</b>

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

**FUND FINANCIAL STATEMENTS**

LITTLE FALLS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 5,462,588	\$ 25,566		\$ 5,488,154
Receivables From Other Governments	46,486	140,674		187,160
Other Receivables	58,297			58,297
Due from Other Funds	<u>80,176</u>	<u>-</u>	<u>-</u>	<u>80,176</u>
Total Assets	<u>\$ 5,647,547</u>	<u>\$ 166,240</u>	<u>\$ -</u>	<u>\$ 5,813,787</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 22,324	\$ 6,530		\$ 28,854
Payroll Deductions and Withholdings	59,197			59,197
Unearned Revenue	4,900	53,968		58,868
Due to Other Funds	<u>-</u>	<u>80,176</u>	<u>-</u>	<u>80,176</u>
Total Liabilities	<u>86,421</u>	<u>140,674</u>	<u>-</u>	<u>227,095</u>
Fund Balance:				
Restricted				
Excess Surplus	700,000			700,000
Excess Surplus Designated for Subsequent Year's Expenditures	650,000			650,000
Capital Reserve	2,621,338			2,621,338
Maintenance Reserve	678,156			678,156
Unemployment Compensation	186,338			186,338
Student Activities		25,566		25,566
Assigned				
Year-end Encumbrances	144,973			144,973
Unassigned	<u>580,321</u>	<u>-</u>	<u>-</u>	<u>580,321</u>
Total Fund Balances	<u>5,561,126</u>	<u>25,566</u>	<u>-</u>	<u>5,586,692</u>
Total Liabilities and Fund Balances	<u>\$ 5,647,547</u>	<u>\$ 166,240</u>	<u>\$ -</u>	<u>\$ 5,813,787</u>

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

LITTLE FALLS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because: \$ 5,586,692

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$12,577,676 and the accumulated depreciation is \$6,928,954. 5,648,722

The District has financed capital assets through the issuance of serial bonds. The interest accrued at year end is: (21,462)

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

	\$	221,021	
Deferred Outflows of Resources		(1,546,578)	
Deferred Inflows of Resources		<u>(1,865,557)</u>	(1,325,557)

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

	(2,372,703)		
Bonds Payable, Including Original Issue Premium	(234,345)		
Compensated Absence	<u>(1,865,441)</u>		<u>(4,472,489)</u>
Net Pension Liability			

**Net position of governmental activities** **\$ 5,415,906**

**LITTLE FALLS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Property Tax Levy	\$ 15,396,876		\$ 376,253	\$ 15,773,129
Tuition	51,000			51,000
Interest	8,794			8,794
Miscellaneous	88,221	\$ 103,376	-	191,597
Total - Local Sources	<u>15,544,891</u>	<u>103,376</u>	<u>376,253</u>	<u>16,024,520</u>
State Sources	5,236,745		30,557	5,267,302
Federal Sources	14,727	659,055	-	673,782
Total Revenues	<u>20,796,363</u>	<u>762,431</u>	<u>406,810</u>	<u>21,965,604</u>
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	9,803,690	193,679		9,997,369
Special Education Instruction	3,104,598	221,034		3,325,632
Other Instruction	319,587	1,314		320,901
School Sponsored Activities and Athletics	73,043	48,614		121,657
Support Services				
Student and Instruction Related Services	2,887,362	260,578		3,147,940
General Administrative Services	708,521			708,521
School Administrative Services	982,863			982,863
Central Services	646,000			646,000
Plant Operations and Maintenance	1,379,199			1,379,199
Pupil Transportation	487,285			487,285
Capital Outlay	191,883	35,120		227,003
Debt Service:				
Principal			350,000	350,000
Interest and Other Charges	-	-	56,810	56,810
Total Expenditures	<u>20,584,031</u>	<u>760,339</u>	<u>406,810</u>	<u>21,751,180</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>212,332</u>	<u>2,092</u>	<u>-</u>	<u>214,424</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In/(Out)	<u>(18,503)</u>	<u>-</u>	<u>-</u>	<u>(18,503)</u>
Total Other Financing Sources and (Uses)	<u>(18,503)</u>	<u>-</u>	<u>-</u>	<u>(18,503)</u>
Net Change in Fund Balances	193,829	2,092	-	195,921
Fund Balance, Beginning of Year	<u>5,367,297</u>	<u>23,474</u>	<u>-</u>	<u>5,390,771</u>
Fund Balance, End of Year	<u>\$ 5,561,126</u>	<u>\$ 25,566</u>	<u>\$ -</u>	<u>\$ 5,586,692</u>

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

**LITTLE FALLS BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Total net change in fund balances - governmental funds (from B-2)** **\$ 195,921**

Amounts reported for governmental activities in the statement of activities (A-2) 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 expense exceeds depreciation in the current period.

Capital Outlay	\$ 227,003	
Depreciation Expense	<u>(344,983)</u>	
		(117,980)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Bond Principal		350,000
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The issuance of refunding bonds provides current financial resources to the governmental funds, while the repayment of the refunded bonds uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Bond Premium		4,215
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In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is reduction in the reconciliation. (-)

Decrease in Accrued Interest Payable		3,517
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In the statement of activities, certain operating expenses, e.g., compensated absences and pension expense are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in Compensated Absences	(58,091)	
Decrease in Pension Expense	<u>578,173</u>	
		<u>520,082</u>

**Change in net assets of governmental activities (Exhibit A-2)** **\$ 955,755**

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

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Before &amp; After Care - Non-Major</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 239,913	\$ 87,679	\$ 327,592
Intergovernmental Receivable			
State	1,365		1,365
Federal	36,963		36,963
Inventory	<u>7,286</u>	<u>-</u>	<u>7,286</u>
Total Current Assets	<u>285,527</u>	<u>87,679</u>	<u>373,206</u>
Noncurrent Assets			
Furniture, Machinery and Equipment	44,890		44,890
Less: Accumulated Depreciation	<u>(34,964)</u>	<u>-</u>	<u>(34,964)</u>
Total Noncurrent Assets	<u>9,926</u>	<u>-</u>	<u>9,926</u>
Total Assets	<u>295,453</u>	<u>87,679</u>	<u>383,132</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	28,250		28,250
Unearned Revenue	<u>8,057</u>	<u>-</u>	<u>8,057</u>
Total Current Liabilities	<u>36,307</u>	<u>-</u>	<u>36,307</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>2,659</u>	<u>-</u>	<u>2,659</u>
Total Liabilities and Deferred Inflows of Resources	<u>38,966</u>	<u>-</u>	<u>38,966</u>
<b>NET POSITION</b>			
Investment in Capital Assets	9,926	-	9,926
Unrestricted	<u>246,561</u>	<u>87,679</u>	<u>334,240</u>
Total Net Position	<u>\$ 256,487</u>	<u>\$ 87,679</u>	<u>\$ 344,166</u>

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

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

	Business-Type Activities Enterprise Funds		
	<u>Food Service</u>	<u>Before &amp; After Care - Non-Major</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 2,512		\$ 2,512
Daily Sales - Non-reimbursable Programs	58,185		58,185
Before & After Care Program	<u>-</u>	<u>\$ 184,595</u>	<u>184,595</u>
Total Operating Revenues	<u>60,697</u>	<u>184,595</u>	<u>245,292</u>
<b>OPERATING EXPENSES</b>			
Cost of Food - Reimbursable Programs	190,429		190,429
Cost of Food - Non-reimbursable Programs	18,834		18,834
Salaries and Benefits	175,674	96,164	271,838
Purchased Professional Services	14,554		14,554
Insurance	17,587		17,587
Supplies and Materials	23,506	839	24,345
Management Fee	32,635		32,635
Miscellaneous Expense	580		580
Depreciation Expense	<u>401</u>	<u>-</u>	<u>401</u>
Total Operating Expenses	<u>474,200</u>	<u>97,003</u>	<u>571,203</u>
Operating Income (Loss)	<u>(413,503)</u>	<u>87,592</u>	<u>(325,911)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	20,839		20,839
Federal Sources			
National School Lunch Program	485,308		485,308
National School Breakfast Program	60,577		60,577
Food Distribution Program	20,049		20,049
Interest and Investment Revenue	<u>12</u>	<u>87</u>	<u>99</u>
Total Nonoperating Revenues	<u>586,785</u>	<u>87</u>	<u>586,872</u>
Change in Net Position Before Transfers	173,282	87,679	260,961
Transfers In	<u>-</u>	<u>18,503</u>	<u>18,503</u>
Change in Net Position	173,282	106,182	279,464
Total Net Position - Beginning of Year	<u>83,205</u>	<u>(18,503)</u>	<u>64,702</u>
Total Net Position - End of Year	<u>\$ 256,487</u>	<u>\$ 87,679</u>	<u>\$ 344,166</u>

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



**LITTLE FALLS BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Business-Type Activities Enterprise Funds		
	Food Service	Before & After Care - Non-Major	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 58,429	\$ 184,595	\$ 243,024
Cash Payments for Employees' Salaries and Benefits	(175,674)	(96,164)	(271,838)
Cash Payments to Suppliers for Goods and Services	<u>(288,051)</u>	<u>(839)</u>	<u>(288,890)</u>
Net Cash Provided by (Used for ) Operating Activities	<u>(405,296)</u>	<u>87,592</u>	<u>(317,704)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	579,256		579,256
Transfer from Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	<u>579,256</u>	<u>-</u>	<u>579,256</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	<u>(9,659)</u>	<u>-</u>	<u>(9,659)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(9,659)</u>	<u>-</u>	<u>(9,659)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	<u>12</u>	<u>87</u>	<u>99</u>
Net Cash Provided by Investing Activities	<u>12</u>	<u>87</u>	<u>99</u>
Net Increase in Cash and Cash Equivalents	164,313	87,679	251,992
Cash and Cash Equivalents, Beginning of Year	<u>75,600</u>	<u>-</u>	<u>75,600</u>
Cash and Cash Equivalents, End of Year	<u>\$ 239,913</u>	<u>\$ 87,679</u>	<u>\$ 327,592</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used For) Operating Activities</b>			
Operating Income/(Loss)	\$ (413,503)	\$ 87,592	\$ (325,911)
Adjustments to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities			
Depreciation Expense	401		401
Non-Cash Federal Assistance - Food Distribution Program	20,049		20,049
(Increase) Decrease in Inventory	(363)		(363)
Increase (Decrease) in Unearned Revenue	(2,268)		(2,268)
Increase (Decrease) in Deferred Commodities Revenue	2,659		2,659
Increase (Decrease) in Accounts Payable	<u>(12,271)</u>	<u>-</u>	<u>(12,271)</u>
Total Adjustments	<u>8,207</u>	<u>-</u>	<u>8,207</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (405,296)</u>	<u>\$ 87,592</u>	<u>\$ (317,704)</u>
<b>Non-Cash Investing, Capital and Financial Activities</b>			
Value Received - Food Distribution Program	\$ 22,708		

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Little Falls Board of Education this includes general operations, food service, before and after school child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

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

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

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

- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

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

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

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 does not have any 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 and other items not properly included among program revenues are reported instead as general revenues.

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

**Fund Financial Statements**

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities; even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and food service 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 FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**Fund Financial Statements (Continued)**

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

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *before and after care fund* accounts for the activities of the District's enrichment based child care program which provides high quality service to the student and parents.

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.

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

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

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

Property taxes, tuition, 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 FALLS BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**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	20
Buildings and Building Improvements	20-50
Machinery and Equipment	5-10

**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 arise only under the accrual basis of accounting that qualify 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board and two types which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period that the commodities are consumed. The other 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 FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused and sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. 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. Differences resulting from debt refundings are classified as deferred inflows of resources or deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported including the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

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

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

*Unemployment Compensation* – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

*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.

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

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

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

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

**Governmental Fund Statements (Continued)**

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

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

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

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

**10. *Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

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

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

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

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

**F. Revenues and Expenditures/Expenses (Continued)**

**2. *Property Taxes***

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

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

Tuition Revenues - Tuition charges were established by the Board of Education, no further charges will be made.

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April. 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 7, 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.

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

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

**A. Budgetary Information (Continued)**

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$1,782,109. The increase was funded by the additional appropriation grant awards, student activity revenues and the reappropriation of prior year general fund encumbrances and additional use of reserve balances.

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

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve**

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

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

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

Balance, June 30, 2021		\$ 2,541,508
Increased by:		
Unexpended Withdrawals	\$ 1,083,045	
Deposits Approved by Board Resolution	<u>196,785</u>	
Total Deposits		1,279,830
Decreased by:		
Withdrawals Approved in District Budget		<u>1,200,000</u>
Balance, June 30, 2022		<u>\$ 2,621,338</u>

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

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

**B. Capital Reserve (Continued)**

The June 30, 2022 LRFP balance of local support cost of uncompleted capital projects is \$21,746,896.

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the district's Long Range Facilities Plan.

**C. 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, 2022 is as follows:

Balance, July 1, 2021	\$ 478,156
Increased by	
Deposits Approved by Board Resolution	<u>300,000</u>
Decreased by	
Withdrawals Approved by Budget	<u>100,000</u>
Balance, June 30, 2022	<u>\$ 678,156</u>

The June 30, 2022 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$776,490. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**D. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$1,846,785. Of this amount, \$650,000 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$1,196,785 will be appropriated in the 2023/2024 original budget certified for taxes.

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

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2022, the book value of the Board's deposits were \$5815,746 and bank and brokerage firm balances of the Board's deposits amounted to \$5,959,907. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Insured	\$ 5,937,489
Uninsured and Collateralized	<u>22,418</u>
	<u>\$ 5,959,907</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 the Board's bank balance of \$22,418 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name.	<u>\$ 22,418</u>
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**Investments**

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

As of June 30, 2022, the Board had no outstanding investments.

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

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

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

**Investments (Continued)**

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

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

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

**B. Receivables**

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

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Intergovernmental				
State	\$ 43,728		\$ 1,365	45,093
Federal	2,757	\$ 140,674	36,963	180,394
Other	58,297	-	-	58,297
Net Total Receivables	<u>\$ 104,782</u>	<u>\$ 140,674</u>	<u>\$ 38,328</u>	<u>\$ 283,784</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:

General Fund	
Unearned Tuition Revenue	\$ 4,900
Special Revenue Fund	
Grant Draw Downs Reserved for Encumbrances	45,802
Unencumbered Grant Draw Downs	<u>8,166</u>
	<u>53,968</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 58,868</u>



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

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

**D. Capital Assets**

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

	Balance, <u>July 1, 2021</u> (Restated)	<u>Increases</u>	<u>Adjustments</u>	Balance, <u>June 30, 2022</u>
<b>Governmental activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 23,264			\$ 23,264
Construction In Progress	<u>942,242</u>	\$ 175,195	\$ (243,550)	<u>873,887</u>
Total Capital Assets, Not Being Depreciated	<u>965,506</u>	<u>175,195</u>	<u>(243,550)</u>	<u>897,151</u>
Capital Assets, Being Depreciated:				
Land Improvements	417,816			417,816
Building and Building Improvements	8,571,241		243,550	8,814,791
Machinery and Equipment	<u>2,396,110</u>	<u>51,808</u>	<u>-</u>	<u>2,447,918</u>
Total Capital Assets Being Depreciated	<u>11,385,167</u>	<u>51,808</u>	<u>243,550</u>	<u>11,680,525</u>
Less Accumulated Depreciation for:				
Land Improvements	(710,197)	(50,104)		(760,301)
Building and Building Improvements	(4,353,547)	(184,711)		(4,538,258)
Machinery and Equipment	<u>(1,520,227)</u>	<u>(110,168)</u>	<u>-</u>	<u>(1,630,395)</u>
Total Accumulated Depreciation	<u>(6,583,971)</u>	<u>(344,983)</u>	<u>-</u>	<u>(6,928,954)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,801,196</u>	<u>(293,175)</u>	<u>243,550</u>	<u>4,751,571</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,766,702</u>	<u>\$ (117,980)</u>	<u>\$ -</u>	<u>\$ 5,648,722</u>
	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 35,231	\$ 9,659	-	\$ 44,890
Total Capital Assets Being Depreciated	<u>35,231</u>	<u>9,659</u>	<u>-</u>	<u>44,890</u>
Less Accumulated Depreciation For:				
Machinery and Equipment	(34,563)	(401)	-	(34,964)
Total Accumulated Depreciation	<u>(34,563)</u>	<u>(401)</u>	<u>-</u>	<u>(34,964)</u>
Total Capital Assets, Being Depreciated, Net	<u>668</u>	<u>9,258</u>	<u>-</u>	<u>9,926</u>
Business-Type Activities Capital Assets, Net	<u>\$ 668</u>	<u>\$ 9,258</u>	<u>\$ -</u>	<u>\$ 9,926</u>

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

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

**D. Capital Assets (Continued)**

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

**Governmental Activities:**

Instruction	
Regular	\$ 155,380
Special Education	63,546
Other Instruction	<u>6,279</u>
Total Instruction	<u>225,205</u>
Support Services	
Student and Instruction Related Services	62,614
General Administration Services	9,522
School Administration Services	19,561
Central Services	8,107
Operations and Maintenance of Plant	18,491
Student Transportation	<u>1,483</u>
Total Support Services	<u>119,778</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 344,983</u>
<b>Business Type Activities:</b>	
Food Service Fund	<u>\$ 401</u>
Total Depreciation Expense - Business Type Activities	<u>\$ 401</u>

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

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

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

The composition of interfund balances as of June 30, 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	\$ 80,176
Total		<u>\$ 80,176</u>

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

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

**F. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2022 are comprised of the following issues:

\$3,067,000, 2016 Bonds, due in annual installments of \$195,000 to \$240,000 through August 1, 2031, interest at 2.00% to 3.00%	<u>\$ 2,352,000</u>
Total	<u>\$ 2,352,000</u>

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

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

**F. Long-Term Debt (Continued)**

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ended <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 195,000	\$ 49,560	\$ 244,560
2024	240,000	45,210	285,210
2025	240,000	40,410	280,410
2026	240,000	35,610	275,610
2027	240,000	30,810	270,810
2028-2032	<u>1,197,000</u>	<u>76,545</u>	<u>1,273,545</u>
	<u>\$ 2,352,000</u>	<u>\$ 278,145</u>	<u>\$ 2,630,145</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 51,324,126
Less: Net Debt	<u>2,352,000</u>
Remaining Borrowing Power	<u>\$ 48,972,126</u>

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

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

**G. Other Long-Term Liabilities (Continued)**

**Changes in Long-Term Liabilities**

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

	<u>Balance,</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2022</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 2,702,000		\$ 350,000	\$ 2,352,000	\$ 195,000
Deferred Amounts:					
Add: Original Issue Premium	<u>24,918</u>	<u>-</u>	<u>4,215</u>	<u>20,703</u>	<u>-</u>
Total Bonds Payable	2,726,918	-	354,215	2,372,703	195,000
Compensated Absences	176,254	\$ 58,091		234,345	
Net Pension Liability	<u>2,415,005</u>	<u>-</u>	<u>549,564</u>	<u>1,865,441</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 5,318,177</u>	<u>\$ 58,091</u>	<u>\$ 903,779</u>	<u>\$ 4,472,489</u>	<u>\$ 195,000</u>

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

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

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

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

NJSBAIG 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 group 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 "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earned</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2022	\$ -	\$ 39,971	\$ 315	\$ 36,317	\$ 186,338
2021	50,000	17,121	335	40,542	182,369
2020		16,763	318	30,106	140,564

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2022, the District has not estimated its arbitrage earnings due to the IRS, if any.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Descriptions and Benefits Provided**

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represent the membership tiers for TPAF:

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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



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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

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

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

**Actuarial Methods and Assumptions**

In the July 1, 2020 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2022.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2022	\$ 184,413	\$ 2,982,215	\$ 20,214
2021	162,007	2,071,525	27,924
2020	147,524	1,555,697	25,390

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$418, respectively for PERS and the State contributed \$1,214, \$1,234 and \$1,355, 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 \$587,298 during the fiscal year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2020 through June 30, 2021. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$1,865,441 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2021. At June 30, 2021, the District's proportionate share was .01575 percent, which was an increase of .00094 percent from its proportionate share measured as of June 30, 2020 of .01481 percent.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$393,760 for PERS. The pension contribution made by the District during the current 2021/2022 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 29,420	\$ 13,354
Changes of Assumptions	9,715	664,109
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		491,406
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>181,886</u>	<u>377,709</u>
Total	<u>\$ 221,021</u>	<u>\$ 1,546,578</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2021	\$ (359,067)
2022	(492,133)
2023	(357,521)
2024	(125,568)
2025	8,732
Thereafter	<u>-</u>
	<u>\$ (1,325,557)</u>

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

*Actuarial Assumptions*

The District's total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

*Mortality Rates*

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<b>2022</b>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

***Discount Rate***

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

**D. 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)**

*Sensitivity of Net Pension Liability*

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

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,540,352</u>	<u>\$ 1,865,441</u>	<u>\$ 1,292,683</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$791,096 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$33,620,095. The net pension liability was measured as of June 30, 2021 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, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .06993 percent, which was an increase of .00025 percent from its proportionate share measured as of June 30, 2020 of .06968 percent.



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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 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 Rates***

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

***Discount Rate***

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 39,778,188</u>	<u>\$ 33,620,095</u>	<u>\$ 28,447,684</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Plan Membership**

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

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

**Measurement Focus and Basis of Accounting**

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60. billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

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

**Actuarial Methods and Assumptions**

In the June 30, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$696,766, \$649,184 and \$577,135, 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.

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,316,055. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$35,562,800. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was .06 percent, which was no change from its proportionate share measured as of June 30, 2020 of .06 percent.

**Actuarial Assumptions**

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

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

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Assumptions (Continued)**

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

The actuarial assumptions used in the June 30, 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.

**Health Care Trend Assumptions**

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

**Discount Rate**

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

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

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>38,485,244</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,084,622
Interest on the Total OPEB Liability	922,536
Changes of Benefit Terms	(37,852)
Differences Between Expected and Actual Experience	(5,223,720)
Changes of Assumptions	35,085
Gross Benefit Payments	23,585
Contributions from the Member	<u>(726,700)</u>
Net Investment Income	
<b>Net Changes</b>	<b>\$ <u>(2,922,444)</u></b>
Balance, June 30, 2021 Measurement Date	\$ <u><u>35,562,800</u></u>

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

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021.



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

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Current Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 42,598,652</u>	<u>\$ 35,562,800</u>	<u>\$ 30,022,489</u>

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 28,788,202</u>	<u>\$ 35,562,800</u>	<u>\$ 44,660,584</u>

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

**F. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Little Falls Board of Education, the District’s share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

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

**NOTE 5 RESTATEMENT**

On July 1, 2021, the Little Falls Board of Education restated its net capital asset balance. The Little Falls 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, 2021 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to capital assets. The effect of this restatement is to decrease net position of governmental activities by \$3,191,374 from \$7,651,525 as previously reported to \$4,460,151 as of June 30, 2021

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

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

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$1,824,107 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 15,396,879		\$ 15,396,879	\$ 15,396,876	\$ (3)
Tuition - Preschool	20,000		20,000	51,000	31,000
Transportation to Individuals	32,000		32,000	-	(32,000)
Interest	6,000		6,000	8,794	2,794
Miscellaneous	-	-	-	88,221	88,221
Total Local Sources	<u>15,454,879</u>	<u>-</u>	<u>15,454,879</u>	<u>15,544,891</u>	<u>90,012</u>
State Sources					
Special Education Aid	740,157		740,157	740,157	
Transportation Aid	124,510		124,510	124,510	
Security Aid	23,895		23,895	23,895	
School Security Grant				44,853	44,853
Extraordinary Aid				28,733	28,733
Additional Nonpublic Transportation Aid				14,500	14,500
On-behalf TPAF Pension System Contribution (Non-Budgeted)					
Normal				2,940,725	2,940,725
Premium NCGI				41,490	41,490
Post Retirement Medical Benefits				696,766	696,766
Long Term Disability Insurance				1,214	1,214
On-behalf TPAF Social Security Contributions (Non-budgeted)	-	-	-	587,298	587,298
Total State Sources	<u>888,562</u>	<u>-</u>	<u>888,562</u>	<u>5,244,141</u>	<u>4,355,579</u>
Federal Sources					
Semi Medicaid Reimbursement	13,389	-	13,389	14,727	1,338
Total Federal Sources	<u>13,389</u>	<u>-</u>	<u>13,389</u>	<u>14,727</u>	<u>1,338</u>
Total Revenues	<u>16,356,830</u>	<u>-</u>	<u>16,356,830</u>	<u>20,803,759</u>	<u>4,446,929</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	54,055	-	54,055	54,055	-
Kindergarten	647,826	\$ (98,222)	549,604	549,604	-
Grades 1-5	3,303,133	(68,157)	3,234,976	3,211,152	23,824
Grades 6-8	1,777,715	(94,829)	1,682,886	1,682,096	790
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	10,115	15,115	15,115	-
Purchases Professional Education Svs.		5,000	5,000	1,694	3,306
Regular Programs - Undistributed Instruction					
Unused Sick Time	60,000	-	60,000		60,000
Unused Vacation Payment to Terminated/ Retired Staff					
Retired Staff	5,000	4,041	9,041	4,041	5,000
Purchased Professional Education Svs.	17,500	(922)	16,578	11,775	4,803
Purchased Technical Services	18,000	35	18,035	18,035	-
Other Purchased Services	104,000	(2,996)	101,004	93,822	7,182
General Supplies	382,000	19,744	401,744	219,705	182,039
Textbooks	60,000	(165)	59,835	44,864	14,971
Total Regular Programs	<u>6,434,229</u>	<u>(226,356)</u>	<u>6,207,873</u>	<u>5,905,958</u>	<u>301,915</u>

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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 306,511	\$ 70,185	\$ 376,696	\$ 376,696	\$ -
Other Salaries for Instruction	224,750	(11,020)	213,730	200,557	13,173
General Supplies	3,900	820	4,720	4,556	164
Textbooks	700	(700)	-	-	-
Total Learning and/or Language Disabilities	<u>535,861</u>	<u>59,285</u>	<u>595,146</u>	<u>581,809</u>	<u>13,337</u>
Multiple Disabilities					
Salaries of Teachers	200,730	9,630	210,360	210,360	-
Other Salaries for Instruction	203,422	32,159	235,581	235,581	-
Purchased Professional-Educational Svs.	26,400	(4,889)	21,511	21,160	351
General Supplies	3,000	(2,708)	292	292	-
Total Multiple Disabilities	<u>433,552</u>	<u>34,192</u>	<u>467,744</u>	<u>467,393</u>	<u>351</u>
Resource Room/Resource Center					
Salaries of Teachers	482,812	(52,680)	430,132	419,322	10,810
Other Salaries for Instruction	77,620	52,680	130,300	89,210	41,090
Supplies	2,500	(1,918)	582	582	-
Textbooks	-	-	-	-	-
Total Resource Room/Resource Center	<u>562,932</u>	<u>(1,918)</u>	<u>561,014</u>	<u>509,114</u>	<u>51,900</u>
Preschool Disabilities - Part Time					
Salaries of Teachers	70,440	-	70,440	70,440	-
Other Salaries for Instruction	55,130	-	55,130	47,981	7,149
General Supplies	2,900	(45)	2,855	240	2,615
Total Preschool Disabilities - Part Time	<u>128,470</u>	<u>(45)</u>	<u>128,425</u>	<u>118,661</u>	<u>9,764</u>
Preschool Disabilities - Full Time					
Salaries of Teachers	61,055	3,185	64,240	64,240	-
Other Salaries for Instruction	145,390	(3,185)	142,205	87,032	55,173
General Supplies	2,000	-	2,000	343	1,657
Total Preschool Disabilities - Full Time	<u>208,445</u>	<u>-</u>	<u>208,445</u>	<u>151,615</u>	<u>56,830</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	187,207	-	187,207	187,207	-
General Supplies	1,000	-	1,000	-	1,000
Total Basic Skills/Remedial - Instruction	<u>188,207</u>	<u>-</u>	<u>188,207</u>	<u>187,207</u>	<u>1,000</u>
Bilingual Education					
General Supplies	1,000	-	1,000	-	1,000
Total Bilingual Education	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
School Sponsored Co-Curricular Activities					
Salaries	59,000	-	59,000	48,264	10,736
Total School Sponsored Co-Curricular Activities	<u>59,000</u>	<u>-</u>	<u>59,000</u>	<u>48,264</u>	<u>10,736</u>
Total - Instruction	<u>8,551,696</u>	<u>(134,842)</u>	<u>8,416,854</u>	<u>7,970,021</u>	<u>446,833</u>

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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
Undistributed Expenditures					
Instruction					
Tuition to Priv Sch. For Disabled w/in State	\$ 302,094	\$ (42,261)	\$ 259,833	\$ 130,092	\$ 129,741
Tuition Other	6,750	-	6,750	-	6,750
Total Undistributed Expenditures - Instruction	<u>308,844</u>	<u>(42,261)</u>	<u>266,583</u>	<u>130,092</u>	<u>136,491</u>
Health Services					
Salaries	229,304	-	229,304	227,454	1,850
Purchased Professional and Technical Svs.	28,530	500	29,030	10,700	18,330
Supplies and Materials	7,000	(98)	6,902	2,121	4,781
Total Health Services	<u>264,834</u>	<u>402</u>	<u>265,236</u>	<u>240,275</u>	<u>24,961</u>
Speech, OT, PT and Related Services					
Salaries	226,085	-	226,085	226,085	-
Purchased Professional-Educational Services	5,000	9,369	14,369	14,369	-
Supplies and Materials	-	-	-	-	-
Total Speech, OT, PT and Related Services	<u>231,085</u>	<u>9,369</u>	<u>240,454</u>	<u>240,454</u>	<u>-</u>
Other Support Services - Students - Extra Services					
Salaries	174,879	-	174,879	173,602	1,277
Purchased Professional-Educational Services	50,000	-	50,000	50,000	-
Total Other Support Services - Students - Extra Services	<u>224,879</u>	<u>-</u>	<u>224,879</u>	<u>223,602</u>	<u>1,277</u>
Guidance					
Salaries of Other Professional Staff	128,845	-	128,845	128,845	-
Supplies and Materials	-	-	-	-	-
Total Guidance	<u>128,845</u>	<u>-</u>	<u>128,845</u>	<u>128,845</u>	<u>-</u>
Child Study Teams					
Salaries of Other Professional Staff	565,174	46,802	611,976	604,364	7,612
Salaries of Secretarial and Clerical Assistants	68,549	-	68,549	68,514	35
Other Purchased Professional-Technical Svs.	3,300	-	3,300	2,352	948
Supplies and Materials	6,100	-	6,100	2,936	3,164
Other Objects	1,500	-	1,500	100	1,400
Total Child Study Teams	<u>644,623</u>	<u>46,802</u>	<u>691,425</u>	<u>678,266</u>	<u>13,159</u>
Improvement of Instruction Services					
Salaries of Other Professional Staff	37,292	4,948	42,240	42,240	-
Purchased Professional-Educational Services	-	-	-	-	-
Other Purchased Services	-	-	-	-	-
Other Travel	-	8,247	8,247	5,415	2,832
Other Objects	200	-	200	200	-
Total Improvement of Instruction Services	<u>37,492</u>	<u>13,195</u>	<u>50,687</u>	<u>47,855</u>	<u>2,832</u>

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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
Undistributed Expenditures					
Educational Media Services/School Library					
Salaries	\$ 99,673	\$ -	\$ 99,673	\$ 99,673	\$ -
Purchased Professional and Technical Services	143,000	(7,746)	135,254	125,917	9,337
Supplies and Materials	-	-	-	-	-
Total Educational Media Services/School Library	<u>242,673</u>	<u>(7,746)</u>	<u>234,927</u>	<u>225,590</u>	<u>9,337</u>
Instructional Staff Training Service					
Purchased Professional - Educational Svcs.	<u>10,500</u>	<u>8,000</u>	<u>18,500</u>	<u>5,000</u>	<u>13,500</u>
Total Instructional Staff Training Service	<u>10,500</u>	<u>8,000</u>	<u>18,500</u>	<u>5,000</u>	<u>13,500</u>
Support Services General Administration					
Salaries	277,406	-	277,406	277,406	-
Legal Services	18,000	(6,342)	11,658	9,500	2,158
Audit Fees	33,000	31,040	64,040	31,730	32,310
Other Purchased Professional Services	33,500	(746)	32,754	32,754	-
Communications/Telephone	25,300	12,229	37,529	35,007	2,522
Travel - All Other	3,800	901	4,701	4,701	-
BOE Other Purchased Services	3,000	(2,701)	299	299	-
Miscellaneous Purchased Services	58,289	29,957	88,246	86,294	1,952
Supplies and Materials	8,850	(3,782)	5,068	4,660	408
Miscellaneous Expenditures	3,475	369	3,844	3,844	-
BOE Membership Dues and Fees	<u>8,600</u>	<u>(2,583)</u>	<u>6,017</u>	<u>6,017</u>	<u>-</u>
Total Support Services General Administration	<u>473,220</u>	<u>58,342</u>	<u>531,562</u>	<u>492,212</u>	<u>39,350</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	315,972	48,914	364,886	364,886	-
Salaries of Secretarial and Clerical Assistants	185,525	38,076	223,601	223,601	-
Other Salaries	6,400	(5,530)	870	870	-
Purchased Professional and Technical Svcs.	13,700	3,197	16,897	5,690	11,207
Other Purchased Services	500	3,692	4,192	4,056	136
Supplies and Materials	7,150	2,752	9,902	9,855	47
Other Objects	<u>3,235</u>	<u>(1,544)</u>	<u>1,691</u>	<u>1,084</u>	<u>607</u>
Total Support Services School Administration	<u>532,482</u>	<u>89,557</u>	<u>622,039</u>	<u>610,042</u>	<u>11,997</u>
Undistributed Expenditures - Central Services					
Salaries	369,125	-	369,125	360,303	8,822
Purchased Professional Services	9,000	2,982	11,982	7,600	4,382
Purchased Technical Services	20,000	-	20,000	13,155	6,845
Travel - All Other	2,100	(925)	1,175	1,175	-
Supplies and Materials	6,600	1,568	8,168	7,820	348
Miscellaneous Expenditures	<u>1,600</u>	<u>(401)</u>	<u>1,199</u>	<u>1,165</u>	<u>34</u>
Total Undistributed Expenditures -Central Services	<u>408,425</u>	<u>3,224</u>	<u>411,649</u>	<u>391,218</u>	<u>20,431</u>



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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
Undist. Expend. - Admin. Info. Technology Supplies and Materials	-	\$ 7,431	\$ 7,431	\$ 7,423	\$ 8
Total Undist. Expend-Admin. Info. Tech.	-	7,431	7,431	7,423	8
Undist. Expend. - Required Maint. For School Facilities					
Salaries	\$ 85,650	831	86,481	86,481	-
Cleaning, Repair, and Maintenance	122,950	(10,518)	112,432	105,709	6,723
General Supplies	15,000	2,891	17,891	14,685	3,206
Other Objects	757	2,730	3,487	3,487	-
Total Undist. Expend - Required Maint. For School Facilities	224,357	(4,066)	220,291	210,362	9,929
Custodial Services					
Salaries	398,993	1,486	400,479	390,117	10,362
Salaries of Non-Instructional Aides	28,000	27,472	55,472	45,564	9,908
Purchased Professional and Technical Svs.	5,105	(641)	4,464	4,437	27
Cleaning, Repair, and Maintenance Services	30,000	11,371	41,371	36,730	4,641
Other Purchased Property Services	13,800	1,483	15,283	15,283	-
Insurance	89,709	532	90,241	90,241	-
General Supplies	35,869	25,644	61,513	61,396	117
Energy (Natural Gas)	90,000	19,240	109,240	106,110	3,130
Energy(Electricity)	113,000	5,760	118,760	118,290	470
Other Objects	800	(350)	450	450	-
Total Custodial Services	805,276	91,997	897,273	868,618	28,655
Care and Upkeep of Grounds					
Purchased Professional and Technical Svs.	22,000	(2,760)	19,240	19,240	-
Cleaning, Repair, and Maintenance Services	4,200	(4,200)	-	-	-
Total Care and Upkeep of Grounds	26,200	(6,960)	19,240	19,240	-
Security					
Cleaning, Repair, and Maintenance Services	-	5,474	5,474	5,474	-
Total Security	-	5,474	5,474	5,474	-
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	18,500	-	18,500	15,367	3,133
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	61,722	3,655	65,377	64,907	470
Management Fee - ESC & CTSA Transportation Prog.	5,500	2,497	7,997	5,836	2,161
Purchased Professional and Technical Svs.	1,050	(1,050)	-	-	-
Cleaning, Repair & Maint. Services	10,000	8,749	18,749	18,739	10
Lease Purchase Payments - School Buses	5,000	(1,850)	3,150	3,150	-
Contracted Services (Other Than Between Home and School) - Vendors	4,600	(3,163)	1,437	1,278	159
Contracted Services (Regular Ed. Students)- ESCs & CTSA	140,500	(282)	140,218	139,921	297
Contracted Services (Special Ed. Students)- ESCs & CTSA	133,508	58,991	192,499	139,264	53,235
Contracted Services-Aid in Lieu of Payments - Non-Public Schools	50,000	20,850	70,850	57,350	13,500
Miscellaneous Purchased Services-Trans. Supplies and Materials	500	-	500	258	242
Supplies and Materials	-	2	2	2	-
Total Student Transportation Services	430,880	88,399	519,279	446,072	73,207

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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE (Continued)</b>					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 209,624	\$ 7,268	\$ 216,892	\$ 216,892	
Other Retirement Contributions-PERS	184,413	-	184,413	184,413	
Other Retirement Contributions-DCRP	36,913	(7,268)	29,645	20,214	\$ 9,431
Workmen's Compensation	93,290	-	93,290	89,502	3,788
Health Benefits	2,791,307	(64,767)	2,726,540	2,525,311	201,229
Tuition Reimbursement	30,000	-	30,000	28,028	1,972
Other Employee Benefits	120,000	-	120,000	99,488	20,512
Total Unallocated Benefits - Employee Benefits	<u>3,465,547</u>	<u>(64,767)</u>	<u>3,400,780</u>	<u>3,163,848</u>	<u>236,932</u>
On-behalf TPAF Pension System Contribution (Non-Budget)					
Normal				2,940,725	(2,940,725)
NCGI Premium				41,490	(41,490)
Post Retirement Medical Benefits				696,766	(696,766)
Long Term Disability Insurance				1,214	(1,214)
On-behalf TPAF Social Security Contributions (Non-budgeted)	-	-	-	587,298	(587,298)
Total On-behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,267,493</u>	<u>(4,267,493)</u>
Total Undistributed Expenditures	<u>8,460,162</u>	<u>296,392</u>	<u>8,756,554</u>	<u>12,401,981</u>	<u>(3,645,427)</u>
Interest Deposit to Maintenance Reserve	500		500		500
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Expenditures - Current Expense	<u>17,012,858</u>	<u>161,550</u>	<u>17,174,408</u>	<u>20,372,002</u>	<u>(3,197,594)</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grade 1-5	70,000	7,924	77,924	45,708	32,216
Total Equipment	<u>70,000</u>	<u>7,924</u>	<u>77,924</u>	<u>45,708</u>	<u>32,216</u>
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	120,000	(5,044)	114,956	34,580	80,376
Construction Services	1,080,000	112,188	1,192,188	111,595	1,080,593
Assesment for Debt Serv on SDA Funding	20,146	-	20,146	20,146	-
Total Facilities Acquisition and Construction Serv.	<u>1,220,146</u>	<u>107,144</u>	<u>1,327,290</u>	<u>166,321</u>	<u>1,160,969</u>
Total Capital Outlay	<u>1,290,146</u>	<u>115,068</u>	<u>1,405,214</u>	<u>212,029</u>	<u>1,193,185</u>
Transfer of Funds to Charter Schools	-	-	-	-	-
Total Expenditures	<u>18,303,004</u>	<u>276,618</u>	<u>18,579,622</u>	<u>20,584,031</u>	<u>(2,004,409)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(1,946,174)</u>	<u>(276,618)</u>	<u>(2,222,792)</u>	<u>219,728</u>	<u>2,442,520</u>
Other Financing Sources (Uses)					
Transfers Out - Before & After Care	-	-	-	(18,503)	(18,503)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,503)</u>	<u>(18,503)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	<u>(1,946,174)</u>	<u>(276,618)</u>	<u>(2,222,792)</u>	<u>201,225</u>	<u>2,424,017</u>
Fund Balances, Beginning of Year	<u>5,475,475</u>	<u>-</u>	<u>5,475,475</u>	<u>5,475,475</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,529,301</u>	<u>\$ (276,618)</u>	<u>\$ 3,252,683</u>	<u>\$ 5,676,700</u>	<u>\$ 2,424,017</u>

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

	<u>Original Budget</u>	<u>Adjustment</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Recapitulation:</b>					
Fund Balance:					
Restricted					
Excess Surplus				\$ 700,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				650,000	
Capital Reserve				2,621,338	
Maintenance Reserve				678,156	
Unemployment Compensation				186,338	
Assigned					
Year-end Encumbrances				144,973	
Unassigned				<u>695,895</u>	
				5,676,700	
Less: State Aid Payment Not Recognized on GAAP				86,841	
Extraordinary Aid Payment Not Recognized on GAAP				<u>28,733</u>	
Fund Balance, GAAP Basis				<u>\$ 5,561,126</u>	

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

	<u>Original Budget</u>	<u>Budget Transfers / Modification</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Federal Sources	\$ 332,957	\$ 1,473,091	\$ 1,806,048	\$ 649,259	\$ (1,156,789)
Local Sources	-	32,400	32,400	82,389	49,989
<b>Total Revenues</b>	<u>332,957</u>	<u>1,505,491</u>	<u>1,838,448</u>	<u>731,648</u>	<u>(1,106,800)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	119,100	(55,097)	64,003	25,425	38,578
Purchased Services		40,000	40,000	-	40,000
Tuition	171,612	68,172	239,784	221,034	18,750
Instructional Supplies	2,861	403,305	406,166	181,605	224,561
Student Activities (Non Budget)	-	-	-	48,614	(48,614)
<b>Total Instruction</b>	<u>293,573</u>	<u>456,380</u>	<u>749,953</u>	<u>476,678</u>	<u>273,275</u>
Support Services:					
Salaries		81,118	81,118	81,118	-
Employee Benefits		15,700	15,700	-	15,700
Purchased Professional Technical Service	17,306	195,223	212,529	136,976	75,553
Other Purchased Services	22,078	(1,354)	20,724	28,484	(7,760)
Supplies and Materials	-	-	-	-	-
<b>Total Support Services</b>	<u>39,384</u>	<u>290,687</u>	<u>330,071</u>	<u>246,578</u>	<u>83,493</u>
Facilities Acquisition and Constructions Services:					
Non-Instructional Equipment	-	758,424	758,424	6,300	752,124
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>758,424</u>	<u>758,424</u>	<u>6,300</u>	<u>752,124</u>
<b>Total Expenditures</b>	<u>332,957</u>	<u>1,505,491</u>	<u>1,838,448</u>	<u>729,556</u>	<u>1,108,892</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,092</u>	<u>2,092</u>
Fund Balance, July 1	<u>23,474</u>	<u>-</u>	<u>23,474</u>	<u>23,474</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 23,474</u>	<u>\$ -</u>	<u>\$ 23,474</u>	<u>\$ 25,566</u>	<u>\$ 2,092</u>
Restricted Fund Balances:					
Restricted Fund Balance					
Student Activities and Athletics				<u>\$ 25,566</u>	

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

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 20,803,759	\$ 731,648
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2021		76,585
Encumbrances, June 30, 2022		(45,802)
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements (2020/2021 State Aid)	108,178	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2021/2022 State Aid)	(115,574)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibits B-2)	\$ 20,796,363	\$ 762,431
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 20,584,031	\$ 729,556
<b>Differences - Budget to GAAP</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances, June 30, 2021		76,585
Encumbrances, June 30, 2022	-	(45,802)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	\$ 20,584,031	\$ 760,339

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

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

**Public Employees Retirement System**

**Last Nine Fiscal Years\***

	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
District's Proportion of the Net Position Liability (Asset)	0.01575	%	0.01481	%	0.01517	%	0.01673	%	0.01946	%	0.05829	%	0.01963	%	0.01957	%	0.02195	%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 1,865,441</u>		<u>\$ 2,415,005</u>		<u>\$ 2,732,711</u>		<u>\$ 3,293,847</u>		<u>\$ 4,529,999</u>		<u>\$ 5,495,526</u>		<u>\$ 4,407,629</u>		<u>\$ 3,664,306</u>		<u>\$ 4,195,569</u>	
District's Covered Payroll	<u>\$ 1,180,726</u>		<u>\$ 1,110,579</u>		<u>\$ 1,065,093</u>		<u>\$ 1,083,307</u>		<u>\$ 1,183,061</u>		<u>\$ 1,288,695</u>		<u>\$ 1,247,726</u>		<u>\$ 1,335,781</u>		<u>\$ 1,352,320</u>	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	158	%	217	%	257	%	304	%	383	%	426	%	353	%	274	%	310	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33	%	58.32	%	56.27	%	53.60	%	48.10	%	40.14	%	47.93	%	52.08	%	48.72	%

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

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



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

Public Employees Retirement System

Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 184,413	\$ 162,007	\$ 147,524	\$ 166,399	\$ 181,960	\$ 165,047	\$ 168,807	\$ 182,549	\$ 165,408
Contributions in Relation to the Contractually Required Contribution	<u>184,413</u>	<u>162,007</u>	<u>147,524</u>	<u>166,399</u>	<u>181,960</u>	<u>165,047</u>	<u>168,807</u>	<u>182,549</u>	<u>165,408</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	<u>\$ 1,220,504</u>	<u>\$ 1,180,726</u>	<u>\$ 1,110,579</u>	<u>\$ 1,065,093</u>	<u>\$ 1,083,307</u>	<u>\$ 1,183,061</u>	<u>\$ 1,288,695</u>	<u>\$ 1,247,726</u>	<u>\$ 1,335,781</u>
Contributions as a Percentage of Covered Payroll	15.11 %	13.72 %	13.28 %	15.62 %	16.80 %	13.95 %	13.10 %	14.63 %	12.38 %

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

Teachers Pension and Annuity Fund

Last Nine Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 33,620,095</u>	<u>\$ 45,882,083</u>	<u>\$ 42,253,567</u>	<u>\$ 42,644,056</u>	<u>\$ 42,067,497</u>	<u>\$ 45,853,739</u>	<u>\$ 40,766,917</u>	<u>\$ 34,855,179</u>	<u>\$ 31,882,257</u>
Total	<u>\$ 33,620,095</u>	<u>\$ 45,882,083</u>	<u>\$ 42,253,567</u>	<u>\$ 42,644,056</u>	<u>\$ 42,067,497</u>	<u>\$ 45,853,739</u>	<u>\$ 40,766,917</u>	<u>\$ 34,855,179</u>	<u>\$ 31,882,257</u>
District's Covered Payroll	\$ 8,161,226	\$ 7,920,368	\$ 7,596,395	\$ 7,485,851	\$ 7,065,552	\$ 6,662,989	\$ 6,327,908	\$ 5,850,530	\$ 6,462,351
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52 %	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 FALLS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Change of Benefit Terms:** None.

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

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

**Postemployment Health Benefit Plan**

Last Five Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 2,084,622	\$ 1,161,432	\$ 1,073,687	\$ (545,886)	\$ 1,502,189
Interest on Total OPEB Liability	922,536	854,297	1,029,006	904,054	976,175
Changes of Benefit Terms	(37,852)				
Differences Between Expected and Actual Experience	(5,223,720)	6,520,175	(4,046,275)		
Changes of Assumptions	35,085	7,029,932	351,417	(3,416,918)	(4,064,482)
Contribution from the Member	23,585	20,308	21,447	70,450	33,189
Gross Benefit Payments	<u>(726,700)</u>	<u>(669,996)</u>	<u>(723,501)</u>	<u>(1,913,238)</u>	<u>(901,333)</u>
<b>Net Change in Total OPEB Liability</b>	(2,922,444)	14,916,148	(2,294,219)	(4,901,538)	(2,454,262)
<b>Total OPEB Liability - Beginning</b>	<u>38,485,244</u>	<u>23,569,096</u>	<u>25,863,315</u>	<u>30,764,853</u>	<u>33,219,115</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 35,562,800</u>	<u>\$ 38,485,244</u>	<u>\$ 23,569,096</u>	<u>\$ 25,863,315</u>	<u>\$ 30,764,853</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>35,562,800</u>	<u>38,485,244</u>	<u>23,569,096</u>	<u>25,863,315</u>	<u>30,764,853</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 35,562,800</u>	<u>\$ 38,485,244</u>	<u>\$ 23,569,096</u>	<u>\$ 25,863,315</u>	<u>\$ 30,764,853</u>
District's Covered Payroll	<u>\$ 9,341,952</u>	<u>\$ 9,030,947</u>	<u>\$ 8,661,488</u>	<u>\$ 8,569,158</u>	<u>\$ 8,248,613</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**LITTLE FALLS BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

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

**SCHOOL LEVEL SCHEDULES**

**EXHIBITS D-1, D-2 AND D-3**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

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

	Every Student Succeeds Act (E. S. S. A.)				I. D. E. A.				Total Exhibit E-1a	Total
	Title I Part A	Title II Part A	Title III Immigrant	Title IV Part A	Part B Basic	ARP Basic	Part B Preschool	ARP Preschool		
<b>REVENUES:</b>										
Federal Sources	\$ 122,655	\$ 28,484	\$ 1,314	\$ 10,000	\$ 198,917	\$ 22,117	\$ 10,491	\$ 3,482	\$ 251,799	\$ 649,259
Local Sources	-	-	-	-	-	-	-	-	82,389	82,389
<b>Total Revenues</b>	<b>122,655</b>	<b>28,484</b>	<b>1,314</b>	<b>10,000</b>	<b>198,917</b>	<b>22,117</b>	<b>10,491</b>	<b>3,482</b>	<b>334,188</b>	<b>731,648</b>
<b>EXPENDITURES:</b>										
<b>Instruction:</b>										
Salaries of Teachers									25,425	25,425
Tuition					198,917	22,117				221,034
Instructional Supplies			1,314	-					180,291	181,605
Student Activities	-	-	-	-	-	-	-	-	48,614	48,614
<b>Total Instruction</b>	<b>-</b>	<b>-</b>	<b>1,314</b>	<b>-</b>	<b>198,917</b>	<b>22,117</b>	<b>-</b>	<b>-</b>	<b>254,330</b>	<b>476,678</b>
<b>Support Services:</b>										
Salaries	38,975			10,000					32,143	81,118
Purchased Professional Technical Service	83,680						10,491	3,482	39,323	136,976
Other Purchased Services		28,484							-	28,484
Supplies and Materials	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>122,655</b>	<b>28,484</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>10,491</b>	<b>3,482</b>	<b>71,466</b>	<b>246,578</b>
<b>Facilities Acquisition and Constructions Services:</b>										
Non-Instructional Equipment	-	-	-	-	-	-	-	-	6,300	6,300
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,300</b>	<b>6,300</b>
<b>Total Expenditures</b>	<b>122,655</b>	<b>28,484</b>	<b>1,314</b>	<b>10,000</b>	<b>198,917</b>	<b>22,117</b>	<b>10,491</b>	<b>3,482</b>	<b>332,096</b>	<b>729,556</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	2,092	2,092
Fund Balance, July 1 (Restated)	-	-	-	-	-	-	-	-	23,474	23,474
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,566	\$ 25,566



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

	CRRSA - ESSER II			ARP-ESSER III	Student Activities / Athletics	Local	Total Exhibit E-1a
	ESSER II	Learning Acceleration	Mental Health	ARP ESSER III			
<b>REVENUES:</b>							
Federal Sources	\$ 161,007	\$ 25,425	\$ 32,143	\$ 33,224			\$ 251,799
Local Sources	-	-	-	-	\$ 50,706	\$ 31,683	82,389
<b>Total Revenues</b>	<b>161,007</b>	<b>25,425</b>	<b>32,143</b>	<b>33,224</b>	<b>50,706</b>	<b>31,683</b>	<b>334,188</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers		25,425					25,425
Instructional Supplies	121,684			33,224		25,383	180,291
Student Activities	-	-	-	-	48,614	-	48,614
<b>Total Instruction</b>	<b>121,684</b>	<b>25,425</b>	<b>-</b>	<b>33,224</b>	<b>48,614</b>	<b>25,383</b>	<b>254,330</b>
Support Services:							
Salaries			32,143				32,143
Purchased Professional Technical Service	39,323						39,323
Other Purchased Services							-
Supplies and Materials	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>39,323</b>	<b>-</b>	<b>32,143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,466</b>
Facilities Acquisition and Constructions Services:							
Non-Instructional Equipment	-	-	-	-	-	6,300	6,300
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,300</b>	<b>6,300</b>
<b>Total Expenditures</b>	<b>161,007</b>	<b>25,425</b>	<b>32,143</b>	<b>33,224</b>	<b>48,614</b>	<b>31,683</b>	<b>332,096</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	2,092	-	2,092
Fund Balance, July 1	-	-	-	-	23,474	-	23,474
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,566</b>	<b>\$ -</b>	<b>\$ 25,566</b>

**LITTLE FALLS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

THIS SCHEDULE IS NOT APPLICABLE

**LITTLE FALLS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS - STUDENT ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>School</u>	<u>Balance July 1, 2021</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2022</u>
ELEMENTARY SCHOOLS				
School #1	\$ 23,474	\$ 50,706	\$ 48,614	\$ 25,566
	<u>\$ 23,474</u>	<u>\$ 50,706</u>	<u>\$ 48,614</u>	<u>\$ 25,566</u>

**CAPITAL PROJECTS FUND**

**LITTLE FALLS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE**

**LITTLE FALLS BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE**

**ENTERPRISE FUNDS**

**EXHIBIT G-1**

**LITTLE FALLS BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2022**

**NOT APPLICABLE**

**EXHIBIT G-2**

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

**NOT APPLICABLE**

**EXHIBIT G-3**

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

**NOT APPLICABLE**



**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**LITTLE FALLS BOARD OF EDUCATION  
LONG TERM DEBT  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2021</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds	4/7/2012	\$ 1,850,000				\$ 180,000	\$ 180,000	
School Bonds	5/24/2016	3,067,000	8/1/2022	\$ 195,000	2.000 %			
			8/1/2023-30	240,000	2-2.550			
			8/1/2031	237,000	3.000	<u>2,522,000</u>	<u>170,000</u>	<u>\$ 2,352,000</u>
						<u>\$ 2,702,000</u>	<u>\$ 350,000</u>	<u>\$ 2,352,000</u>

LITTLE FALLS BOARD OF EDUCATION  
LONG-TERM DEBT  
STATEMENT OF OBLIGATIONS UNDER LEASES AND CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 376,253		\$ 376,253	\$ 376,253	
State Sources					
Debt Service State Aid	<u>30,557</u>	<u>-</u>	<u>30,557</u>	<u>30,557</u>	<u>-</u>
Total Revenues	<u>406,810</u>	<u>-</u>	<u>406,810</u>	<u>406,810</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	350,000		350,000	350,000	
Interest	<u>56,810</u>	<u>-</u>	<u>56,810</u>	<u>56,810</u>	<u>-</u>
Total Expenditures	<u>406,810</u>	<u>-</u>	<u>406,810</u>	<u>406,810</u>	<u>-</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities		(Restated)						(Restated)	(Restated)	
Net Investment in Capital Assets	\$ 3,936,967	\$ 2,761,687	\$ 2,782,904	\$ 3,054,161	\$ 4,096,858	\$ 4,127,031	\$ 4,984,187	\$ 5,194,686	\$ 3,039,784	\$ 3,276,019
Restricted	1,051,516	1,117,003	1,932,914	2,290,644	2,299,360	2,422,152	3,152,592	3,723,642	3,225,507	3,511,398
Unrestricted	796,769	(3,255,346)	(3,098,144)	(3,042,803)	(2,943,315)	(2,068,060)	(2,535,758)	(2,496,223)	(1,805,140)	(1,371,511)
Total Governmental Activities Net Position	\$ 5,785,252	\$ 623,344	\$ 1,617,674	\$ 2,302,002	\$ 3,452,903	\$ 4,481,123	\$ 5,601,021	\$ 6,422,105	\$ 4,460,151	\$ 5,415,906
Business-type activities										
Net Investment in Capital Assets					\$ 1,937	\$ 1,870	\$ 1,469	\$ 1,069	\$ 668	\$ 9,926
Restricted										
Unrestricted	\$ 6,566	\$ 4,997	\$ 1,352	\$ 3,016	1,790	26,015	48,234	51,815	64,034	334,240
Total Business-Type Activities Net Position	\$ 6,566	\$ 4,997	\$ 1,352	\$ 3,016	\$ 3,727	\$ 27,885	\$ 49,703	\$ 52,884	\$ 64,702	\$ 344,166
District-Wide										
Net Investment in Capital Assets	\$ 3,936,967	\$ 2,761,687	\$ 2,782,904	\$ 3,054,161	\$ 4,098,795	\$ 4,128,901	\$ 4,985,656	\$ 5,195,755	\$ 3,040,452	\$ 3,285,945
Restricted	1,051,516	1,117,003	1,932,914	2,290,644	2,299,360	2,422,152	3,152,592	3,723,642	3,225,507	3,511,398
Unrestricted	803,335	(3,250,349)	(3,096,792)	(3,039,787)	(2,941,525)	(2,042,045)	(2,487,524)	(2,444,408)	(1,741,106)	(1,037,271)
Total District-Wide Net Position	\$ 5,791,818	\$ 628,341	\$ 1,619,026	\$ 2,305,018	\$ 3,456,630	\$ 4,509,008	\$ 5,650,724	\$ 6,474,989	\$ 4,524,853	\$ 5,760,072

Source: District's Financial Records

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

Note 2 - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

Note 3 - Net Position at June 30, 2021 has been restated for corrections of the capital assets.

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 6,033,664	\$ 6,124,204	\$ 7,280,993	\$ 8,007,850	\$ 8,811,828	\$ 9,539,688	\$ 9,594,015	\$ 9,386,593	\$ 10,617,230	\$ 9,694,239
Special Education	2,532,687	3,342,399	3,824,169	4,028,196	4,077,683	3,951,147	3,443,303	3,506,739	3,340,237	3,137,490
Other Instruction	225,448	323,518	251,226	431,333	493,058	346,460	251,521	266,435	372,688	343,270
School Sponsored Activities and Athletics	61,740	63,845	47,942	64,670	64,763	73,647	66,046	83,238	106,828	111,389
Support Services:										
Student & Instruction Related Services	2,862,433	2,002,335	2,187,789	2,300,792	2,498,207	2,675,784	2,576,907	2,746,575	3,114,831	3,066,239
School Administrative services	640,021	754,923	743,079	747,319	766,661	851,469	784,748	533,155	655,778	940,233
General Administration	399,352	515,227	468,797	439,008	498,679	573,009	524,551	824,549	901,534	694,030
Central Services	368,369	388,214	364,088	392,287	460,312	486,962	443,052	418,248	590,561	622,918
Plant Operations and Maintenance	1,104,938	1,127,070	1,158,476	1,158,616	1,198,916	1,301,546	1,204,753	1,107,261	1,365,533	1,287,683
Pupil Transportation	480,777	467,648	446,749	470,858	493,467	400,867	365,394	370,683	423,368	472,947
Interest on long-term debt	52,169	48,314	45,208	109,882	75,982	86,223	77,593	68,397	77,682	49,078
<b>Total governmental activities expenses</b>	<b>14,761,598</b>	<b>15,157,697</b>	<b>16,818,516</b>	<b>18,150,811</b>	<b>19,439,556</b>	<b>20,286,802</b>	<b>19,331,883</b>	<b>19,311,873</b>	<b>21,566,270</b>	<b>20,419,516</b>
<b>Business-type activities:</b>										
Food Service	262,168	253,234	252,114	272,390	307,854	331,481	352,152	306,830	325,002	474,200
Before and After Care									18,503	97,003
Inclusive Preschool	985	-	-	-	-	-	-	-	-	-
<b>Total business-type activities expense</b>	<b>263,153</b>	<b>253,234</b>	<b>252,114</b>	<b>272,390</b>	<b>307,854</b>	<b>331,481</b>	<b>352,152</b>	<b>306,830</b>	<b>343,505</b>	<b>571,203</b>
<b>Total district expenses</b>	<b>\$ 15,024,751</b>	<b>\$ 15,410,931</b>	<b>\$ 17,070,630</b>	<b>\$ 18,423,201</b>	<b>\$ 19,747,410</b>	<b>\$ 20,618,283</b>	<b>\$ 19,684,035</b>	<b>\$ 19,618,703</b>	<b>\$ 21,909,775</b>	<b>\$ 20,990,719</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ 109,101	\$ 92,292	\$ 84,299	\$ 57,231	\$ 60,150	\$ 44,325	\$ 40,120	\$ 34,200	\$ 27,200	\$ 51,000
Operating grants and contributions	2,336,741	2,219,819	4,015,044	4,563,462	5,530,450	6,546,407	5,397,061	4,790,746	6,814,066	5,362,100
Capital grants and contributions	-	-	29,349	249,543	967,397	-	-	-	214,530	35,120
<b>Total governmental activities program revenues</b>	<b>2,445,842</b>	<b>2,312,111</b>	<b>4,128,692</b>	<b>4,870,236</b>	<b>6,557,997</b>	<b>6,590,732</b>	<b>5,437,181</b>	<b>4,824,946</b>	<b>7,055,796</b>	<b>5,448,220</b>



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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Business-type activities:</b>										
Charges for services										
Food service	\$ 143,193	\$ 127,277	\$ 117,186	\$ 130,443	\$ 174,746	\$ 221,669	\$ 254,433	\$ 183,661	\$ 6,336	\$ 60,697
Before and After Care										184,595
Operating grants and contributions	100,722	110,386	118,281	125,609	115,048	133,967	119,522	126,183	348,971	586,773
<b>Total business type activities program revenues</b>	<b>243,915</b>	<b>237,663</b>	<b>235,467</b>	<b>256,052</b>	<b>289,794</b>	<b>355,636</b>	<b>373,955</b>	<b>309,844</b>	<b>355,307</b>	<b>832,065</b>
<b>Total district program revenues</b>	<b>\$ 2,689,757</b>	<b>\$ 2,549,774</b>	<b>\$ 4,364,159</b>	<b>\$ 5,126,288</b>	<b>\$ 6,847,791</b>	<b>\$ 6,946,368</b>	<b>\$ 5,811,136</b>	<b>\$ 5,134,790</b>	<b>\$ 7,411,103</b>	<b>\$ 6,280,285</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (12,315,756)	\$ (12,845,586)	\$ (12,689,824)	\$ (13,280,575)	\$ (12,881,559)	\$ (13,696,070)	\$ (13,894,702)	\$ (14,486,927)	\$ (14,510,474)	\$ (14,971,296)
Business-type activities	(19,238)	(15,571)	(16,647)	(16,338)	(18,060)	24,155	21,803	3,014	11,802	260,862
<b>Total district-wide net expense</b>	<b>\$ (12,334,994)</b>	<b>\$ (12,861,157)</b>	<b>\$ (12,706,471)</b>	<b>\$ (13,296,913)</b>	<b>\$ (12,899,619)</b>	<b>\$ (13,671,915)</b>	<b>\$ (13,872,899)</b>	<b>\$ (14,483,913)</b>	<b>\$ (14,498,672)</b>	<b>\$ (14,710,434)</b>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 12,355,802	\$ 12,806,443	\$ 13,403,910	\$ 13,671,988	\$ 13,945,428	\$ 14,224,337	\$ 14,508,823	\$ 14,798,999	\$ 15,094,980	\$ 15,396,876
Taxes levied for debt service	218,725	220,656	221,060	226,553	282,988	371,511	380,092	374,834	378,296	376,253
Unrestricted grants and contributions			16,334	18,007	25,977	40,488	28,843	27,298	28,948	75,410
Interest	5,544	6,889	7,006	10,071	8,306	8,484	11,003	12,087	8,536	8,794
Miscellaneous income	35,046	19,738	48,844	56,284	28,254	79,470	85,839	94,793	66,850	88,221
Transfers	53,015	(14,000)	(13,000)	(18,000)	(18,768)					(18,503)
<b>Total governmental activities</b>	<b>12,668,132</b>	<b>13,039,726</b>	<b>13,684,154</b>	<b>13,964,903</b>	<b>14,272,185</b>	<b>14,724,290</b>	<b>15,014,600</b>	<b>15,308,011</b>	<b>15,577,610</b>	<b>15,927,051</b>
Business-type activities:										
Investment earnings	3	2	2	2	3	3	15	167	16	99
Transfers	(53,015)	14,000	13,000	18,000	18,768					18,503
<b>Total business-type activities</b>	<b>(53,012)</b>	<b>14,002</b>	<b>13,002</b>	<b>18,002</b>	<b>18,771</b>	<b>3</b>	<b>15</b>	<b>167</b>	<b>16</b>	<b>18,602</b>
<b>Total district-wide</b>	<b>\$ 12,615,120</b>	<b>\$ 13,053,728</b>	<b>\$ 13,697,156</b>	<b>\$ 13,982,905</b>	<b>\$ 14,290,956</b>	<b>\$ 14,724,293</b>	<b>\$ 15,014,615</b>	<b>\$ 15,308,178</b>	<b>\$ 15,577,626</b>	<b>\$ 15,945,653</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 352,376	\$ 194,140	\$ 994,330	\$ 684,328	\$ 1,390,626	\$ 1,028,220	\$ 1,119,898	\$ 821,084	\$ 1,067,136	\$ 955,755
Business-type activities	(72,250)	(1,569)	(3,645)	1,664	711	24,158	21,818	3,181	11,818	279,464
<b>Total district</b>	<b>\$ 280,126</b>	<b>\$ 192,571</b>	<b>\$ 990,685</b>	<b>\$ 685,992</b>	<b>\$ 1,391,337</b>	<b>\$ 1,052,378</b>	<b>\$ 1,141,716</b>	<b>\$ 824,265</b>	<b>\$ 1,078,954</b>	<b>\$ 1,235,219</b>

Source: District's Financial Records

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

	2013		2014		2015		2016		Fiscal Year Ended June 30, 2017		2018		2019		2020		2021		2022		
General Fund																					
Restricted	\$	1,857,384	\$	2,055,705	\$	2,258,248	\$	3,292,589	\$	3,679,054	\$	3,921,146	\$	4,767,767	\$	5,054,345	\$	4,464,016	\$	4,835,832	
Committed		19,693		-		-		-		-		881,839		212,013		121,179		111,888		-	
Assigned		168,734		44,509		52,690		130,075		219,760		154,175		27,303		145,058		198,920		144,973	
Unassigned		219,301		229,510		240,402		242,927		245,688		238,718		258,845		249,141		592,473		580,321	
<b>Total general fund</b>	<b>\$</b>	<b>2,265,112</b>	<b>\$</b>	<b>2,329,724</b>	<b>\$</b>	<b>2,551,340</b>	<b>\$</b>	<b>3,665,591</b>	<b>\$</b>	<b>4,144,502</b>	<b>\$</b>	<b>5,195,878</b>	<b>\$</b>	<b>5,265,928</b>	<b>\$</b>	<b>5,569,723</b>	<b>\$</b>	<b>5,367,297</b>	<b>\$</b>	<b>5,561,126</b>	
All Other Governmental Funds																					
Restricted	\$	4,450	\$	131,247	\$	767,323	\$	2,755,487	\$	34,260								\$	23,474	\$	25,566
Committed		-		-		-		-		-		-		-		-		-		-	
Assigned		-		-		-		-		-		-		-		-		-		-	
Unassigned		-		-		-		-		-		-		-		-		-		-	
<b>Total all other governmental funds</b>	<b>\$</b>	<b>4,450</b>	<b>\$</b>	<b>131,247</b>	<b>\$</b>	<b>767,323</b>	<b>\$</b>	<b>2,755,487</b>	<b>\$</b>	<b>34,260</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>23,474</b>	<b>\$</b>	<b>25,566</b>	

Source: District's Financial Records

Note (1) - Fund Balances at June 30, 2020 have been restated to reflect the implementation of GASB No. 84 "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 12,574,527	\$ 13,027,099	\$ 13,624,970	\$ 13,898,541	\$ 14,228,416	\$ 14,595,848	\$ 14,888,915	\$ 15,173,833	\$ 15,473,276	\$ 15,773,129
Miscellaneous	150,174	126,858	146,935	145,815	100,360	163,422	208,180	143,359	137,108	251,391
State sources	2,063,424	1,874,448	2,177,268	2,394,595	3,401,731	2,896,692	3,270,834	3,485,713	4,139,923	5,267,302
Federal sources	272,834	337,432	349,850	391,684	374,970	375,926	363,594	361,646	752,231	673,782
<b>Total revenue</b>	<b>15,060,959</b>	<b>15,365,837</b>	<b>16,299,023</b>	<b>16,830,635</b>	<b>18,105,477</b>	<b>18,031,888</b>	<b>18,731,523</b>	<b>19,164,551</b>	<b>20,502,538</b>	<b>21,965,604</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	5,916,582	5,988,018	6,223,551	6,645,560	7,034,105	7,469,639	8,351,996	8,574,749	9,463,664	9,997,369
Special education instruction	2,482,906	3,309,026	3,494,449	3,558,237	3,471,955	3,238,576	3,168,742	3,382,758	3,014,893	3,325,632
Other instruction	194,531	363,749	238,617	353,523	411,006	284,102	224,536	258,024	332,644	320,901
School sponsored activities and athletics	61,740	63,845	48,556	63,735	60,573	65,071	66,091	89,966	99,758	121,657
<b>Support Services:</b>										
Student & inst. related services	2,839,384	1,973,235	1,984,110	2,031,563	2,099,563	2,185,606	2,334,907	2,618,961	2,785,173	3,147,940
General administration	647,264	507,864	691,331	445,186	467,612	520,973	515,226	548,353	597,114	708,521
School administrative services	405,799	704,047	452,433	669,194	632,269	676,692	702,854	791,484	794,461	982,863
Central services	360,262	370,283	361,822	386,777	419,490	431,960	451,375	441,527	547,324	646,000
Plant operations and maintenance	1,087,039	1,111,914	1,164,291	1,134,538	1,123,455	1,198,844	1,197,416	1,119,454	1,297,986	1,379,199
Pupil transportation	479,657	466,502	442,702	469,794	484,543	385,110	363,975	376,177	414,977	487,285
Capital outlay	165,236	118,839	94,273	877,939	3,961,424	83,519	877,964	257,171	1,068,390	227,003
<b>Debt service:</b>										
Principal	165,000	183,000	185,130	243,630	240,431	360,686	320,000	325,000	340,000	350,000
Interest and other charges	53,725	50,106	47,066	42,316	93,503	94,726	86,391	77,132	87,390	56,810
<b>Total expenditures</b>	<b>14,859,125</b>	<b>15,210,428</b>	<b>15,428,331</b>	<b>16,921,992</b>	<b>20,499,929</b>	<b>16,995,504</b>	<b>18,661,473</b>	<b>18,860,756</b>	<b>20,843,774</b>	<b>21,751,180</b>
Excess (Deficiency) of revenues over (under) expenditures	201,834	155,409	870,692	(91,357)	(2,394,452)	1,036,384	70,050	303,795	(341,236)	214,424
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing				3,067,000						
Premium on Bond Sale				49,352						
Underwriter Discount on Bond Sale				(49,352)						
Capital Lease Proceeds		50,000		144,772						
Cancel Prior Year Revenues (Net)						(19,268)				
Transfers in	65,015	131,247	701,000	1,535,444	158,734	2,208				
Transfers out	(12,000)	(145,247)	(714,000)	(1,553,444)	(177,502)	(2,208)				(18,503)
<b>Total other financing sources (uses)</b>	<b>53,015</b>	<b>36,000</b>	<b>(13,000)</b>	<b>3,193,772</b>	<b>(18,768)</b>	<b>(19,268)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,503)</b>
<b>Net change in fund balances</b>	<b>\$ 254,849</b>	<b>\$ 191,409</b>	<b>\$ 857,692</b>	<b>\$ 3,102,415</b>	<b>\$ (2,413,220)</b>	<b>\$ 1,017,116</b>	<b>\$ 70,050</b>	<b>\$ 303,795</b>	<b>\$ (341,236)</b>	<b>\$ 195,921</b>
<b>Debt service as a percentage of</b>										
noncapital expenditures	1.12%	1.21%	1.21%	1.52%	1.45%	2.13%	1.80%	1.75%	1.72%	1.63%

Source: District's Financial Records

\* Noncapital expenditures are total expenditures less capital outlay.

**LITTLE FALLS BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Other</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Total</u>
2013	\$ 35,046	\$ 109,101	\$ 5,544	\$ 149,691
2014	19,738	92,292	6,889	118,919
2015	48,844	84,299	7,006	140,149
2016	56,284	57,231	10,071	123,586
2017	28,254	60,150	8,306	96,710
2018	79,470	44,325	8,484	132,279
2019	85,839	40,120	11,003	136,962
2020	94,793	34,200	12,087	141,080
2021	66,850	27,200	8,536	102,586
2022	88,221	51,000	8,794	148,015

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2013	\$ 26,783,060	\$ 1,066,372,000	\$ 246,005,100	\$ 54,397,400	\$ 108,646,700	\$ 1,502,204,260	\$ 5,200,700	\$ 1,507,404,960	\$ 1,623,729,535	\$ 0.8505
2014	27,412,500	1,051,978,100	232,899,200	54,169,600	116,124,200	1,482,583,600	4,169,300	1,486,752,900	1,663,010,478	0.8970
2015	28,120,300	1,049,623,100	231,829,600	53,267,000	115,646,700	1,478,486,700	4,260,500	1,482,747,200	1,643,964,705	0.9222
2016	28,060,000	1,051,777,300	229,699,200	52,554,000	115,646,700	1,477,737,200	4,443,100	1,482,180,300	1,482,180,300	0.9551
2017	31,827,900	1,053,630,100	238,172,400	45,285,800	115,646,700	1,484,562,900	4,415,500	1,488,978,400	1,488,978,400	0.9734
2018	29,477,900	1,063,941,800	247,834,300	44,985,800	106,501,600	1,492,741,400	4,415,700	1,497,157,100	1,497,257,100	0.9850
2019	31,587,800	1,075,954,400	246,973,400	44,058,500	105,985,600	1,504,559,700	4,521,300	1,509,081,000	1,509,081,000	0.9970
2020	26,087,900	1,092,644,600	233,815,500	45,395,300	105,985,600	1,503,928,900	4,522,700	1,508,451,600	1,671,623,518	1.0170
2021	43,874,700	1,106,070,400	234,565,800	40,288,800	105,985,600	1,530,785,300	4,696,600	1,535,481,900	1,736,515,988	1.0170
2022	44,139,100	1,124,793,300	271,228,700	40,510,500	110,354,000	1,591,025,600	4,609,700	1,595,635,300	1,799,127,024	1.0170

Source: County Abstract of Ratables

56

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

N/A = Not Available

**LITTLE FALLS BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN FISCAL YEARS  
(Unaudited)  
(rate per \$100 of assessed value)**

<b>Calendar Year</b>	<b>Total Direct School Tax Rate</b>	<b>Regional High School District</b>	<b>Municipality</b>	<b>County</b>	<b>Total Direct and Overlapping Tax Rate</b>
2013	\$0.8505	\$0.5053	\$0.7735	\$0.716	\$2.845
2014	0.8970	0.5200	0.8010	0.776	2.994
2015	0.9222	0.4875	0.8170	0.849	3.076
2016	0.9551	0.4940	0.8373	0.835	3.121
2017	0.9734	0.5102	0.8654	0.814	3.163
2018	0.9850	0.4900	0.8870	0.798	3.160
2019	0.9970	0.5020	0.9110	0.771	3.181
2020	1.0170	0.5070	0.9090	0.750	3.183
2021	1.0170	0.5170	0.8940	0.733	3.161
2022	1.0170	0.5820	0.9100	0.721	3.230

Source: Tax Collector

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

Taxpayer	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Inwood Owners Inc	\$ 61,650,000	3.86%	\$ 79,410,000	5.27%
Theta Holding Co	38,500,000	2.41%	70,658,000	4.69%
PAR 3 PAR 5	16,918,200	1.06%	15,117,600	1.00%
Park Falls Associates	13,000,000	0.81%	12,000,000	0.80%
Great Notch Village	10,027,700	0.63%	10,127,200	0.67%
Saturn Realty	9,656,300	0.61%	10,000,000	0.66%
Accurate JMF Urban Renewal LLC	9,033,400	0.57%		
Lennar Little Falls Townhomes LLC	8,874,000	0.56%		
SL 101 East Main St. LLC	8,500,000	0.53%		
Sisco	8,433,500	0.53%	10,576,100	0.70%
AMB-AMS Operating Part			11,420,500	0.76%
Andrew Realty			10,016,300	0.66%
ST Hilltop Mnr LLC			9,190,700	0.61%
	<u>\$ 184,593,100</u>	<u>11.57%</u>	<u>\$ 238,516,400</u>	<u>15.82%</u>

Source: Municipal Tax Assessor

**LITTLE FALLS 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	
2013	\$ 12,574,527	\$ 12,574,527	100.00%	N/A
2014	13,027,099	13,027,099	100.00%	N/A
2015	13,624,970	13,624,970	100.00%	N/A
2016	13,898,541	13,898,541	100.00%	N/A
2017	14,228,416	14,228,416	100.00%	N/A
2018	14,595,848	14,595,848	100.00%	N/A
2019	14,888,915	14,888,915	100.00%	N/A
2020	15,173,833	15,173,833	100.00%	N/A
2021	15,473,276	15,473,276	100.00%	N/A
2022	15,773,129	15,773,129	100.00%	N/A



**LITTLE FALLS 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	Capital Leases	Bond Anticipation Notes (BANs)			
2013	\$ 1,655,000			\$ 1,655,000	14,459	\$ 114
2014	1,480,000	\$ 42,000		1,522,000	14,412	106
2015	1,305,000	31,870		1,336,870	14,383	93
2016	4,187,000	21,497		4,208,497	14,458	291
2017	3,997,000	10,876		4,007,876	14,493	277
2018	3,687,000			3,687,000	14,564	253
2019	3,367,000			3,367,000	14,475	233
2020	3,042,000			3,042,000	14,412	211
2021	2,702,000			2,702,000	13,357	202
2022	2,352,000			2,352,000	13,357 *	176

Source: District records

\*Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2013	\$ 1,655,000		\$ 1,655,000	0.11%	\$ 114
2014	1,480,000		1,480,000	0.10%	103
2015	1,305,000		1,305,000	0.09%	91
2016	4,187,000		4,187,000	0.28%	288
2017	3,997,000		3,997,000	0.27%	277
2018	3,687,000		3,687,000	0.25%	253
2019	3,367,000		3,367,000	0.22%	233
2020	3,042,000		3,042,000	0.20%	211
2021	2,702,000		2,702,000	0.18%	202
2022	2,352,000		2,352,000	0.15%	176

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**LITTLE FALLS BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR YEAR ENDED DECEMBER 31, 2021  
(Unaudited)**

Net Direct Debt of School District as of December 31, 2021	\$ 2,352,000
Net Overlapping Debt of School District:	
Regional Schools - Township's Share	538,609
Little Falls Township (100%)	31,396,633
County of Passaic - Township's Share (4.85%)	16,221,163
Passaic County Utilities Authority - Township's Share (4.85%)	1,316,742
Passaic Valley Sewage Commission (1.72%)	<u>2,857,514</u>
 Total Direct and Overlapping Bonded Debt as of December 31, 2021	 <u>\$ 54,682,661</u>

Source: Little Falls Township Chief Financial Officer and Passaic County Treasurer's Office,  
Sewerage Commission and Utilities Authority Auditors

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 1,778,122,082
2020	1,693,995,157
2019	1,660,295,409
	<u>\$ 5,132,412,648</u>

Average Equalized Valuation of Taxable Property	\$ 1,710,804,216
Debt Limit (3% of Average Equalized Valuation)	51,324,126
	<u>\$ 51,324,126</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 55,631,003	\$ 53,404,497	\$ 50,812,469	\$ 49,418,654	\$ 48,773,886	\$ 48,410,326	\$ 48,432,636	\$ 48,955,752	\$ 49,848,109	\$ 51,324,126
Total net debt applicable to limit	1,655,000	1,480,000	1,305,000	4,187,000	3,997,000	3,687,000	3,367,000	3,042,000	2,702,000	2,352,000
Legal debt margin	<u>\$ 53,976,003</u>	<u>\$ 51,924,497</u>	<u>\$ 49,507,469</u>	<u>\$ 45,231,654</u>	<u>\$ 44,776,886</u>	<u>\$ 44,723,326</u>	<u>\$ 45,065,636</u>	<u>\$ 45,913,752</u>	<u>\$ 47,146,109</u>	<u>\$ 48,972,126</u>
Total net debt applicable to the limit as a percentage of debt limit	2.97%	2.77%	2.57%	8.47%	8.19%	7.62%	6.95%	6.21%	5.42%	4.58%

Source: Annual Debt Statements

**LITTLE FALLS BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2013	14,459	\$ 43,395	8.9%
2014	14,412	45,765	5.9%
2015	14,383	47,110	4.4%
2016	14,458	47,726	4.4%
2017	14,493	48,204	4.1%
2018	14,564	50,071	3.8%
2019	14,475	52,129	3.2%
2020	14,412	55,775	8.6%
2021	13,357	55,775 *	5.6%
2022	13,357 *	55,775 *	5.6% *

Source: New Jersey State Department of Education

\* Estimate

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

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction										
Regular	60.0	61.2	62.8	70.0	60.3	62.1	64.1	66.1	63.8	63.4
Special education	16.0	21.4	15.8	16.0	23.0	20.0	22.0	22.0	26.0	28.0
Other special education	37.0	42.0	38.0	30.0	29.0	15.0	13.0	13.0	14.0	18.0
Other instruction	8.6	8.6	10.0	15.0	13.2	18.0	21.0	21.0	15.0	11.0
Support Services:										
Student & instruction related services	8.0	8.0	9.0	6.0	7.0	6.8	6.8	6.8	8.0	8.0
General administration	2.0	2.0	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	6.0	6.0	5.5	4.0	4.0	4.0	4.0	4.0	4.8	4.8
Other administrative services	1.0	1.0	2.0	2.5	4.0	4.0	4.0	4.0	4.0	4.0
Central services	3.5	3.5	2.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology										
Plant operations and maintenance	8.6	8.6	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Pupil transportation	2.8	2.8	1.5	1.5	2.0	2.0	2.0	2.0	1.5	1.5
Other support services	5.6	5.6	4.1	5.0	5.0	6.5	6.5	6.5	7.0	8.0
<b>Total</b>	<b>159.1</b>	<b>170.7</b>	<b>160.3</b>	<b>164.5</b>	<b>162.5</b>	<b>153.4</b>	<b>158.4</b>	<b>160.4</b>	<b>159.1</b>	<b>161.7</b>

Source: District Personnel Records

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

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teacher/Pupil Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2013	907	\$ 14,475,164	\$ 15,959	6.09%	91.6	Not Available	900.90	864.60	-1.69%	95.97%
2014	918	14,858,483	16,186	1.42%	92.0	Not Available	905.80	866.54	0.54%	95.67%
2015	900	15,101,862	16,780	3.67%	87.6	Not Available	897.71	859.86	-0.89%	95.78%
2016	894	15,758,107	17,627	5.05%	91.2	Not Available	889.30	850.70	-0.94%	95.66%
2017	885	16,204,571	18,310	3.88%	90.3	Not Available	888.00	847.30	-0.15%	95.42%
2018	886	16,456,573	18,574	1.44%	82.1	Not Available	887.97	851.28	0.00%	95.87%
2019	879	17,377,118	19,769	6.43%	87.1	Not Available	873.68	838.69	-1.61%	96.00%
2020	890	18,201,453	20,451	3.45%	87.1	Not Available	873.68	838.69	0.00%	96.00%
2021	898	19,347,994	21,546	5.35%	89.8	Not Available	886.91	860.98	1.51%	97.08%
2022	904	21,117,367	23,360	8.42%	91.4	Not Available	899.41	857.46	1.41%	95.34%

Sources: District records

- Note:
- a Enrollment based on School Register Summary.
  - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Square Feet	53,756	53,756	53,756	53,756	59,905	59,905	59,905	59,905	59,905	59,905
Capacity (students)	418	418	418	418	418	418	418	418	418	418
Enrollment	391	390	413	398	386	400	380	386	384	363
Square Feet	38,907	38,907	38,907	38,907	43,590	43,590	43,590	43,590	43,590	43,590
Capacity (students)	280	280	280	280	280	280	280	280	280	280
Enrollment <sup>a</sup>	297	297	297	297	310	319	317	301	315	346
Square Feet	28,901	28,901	28,901	28,901	32,255	32,255	32,255	32,255	32,255	32,255
Capacity (students)	178	178	178	178	178	178	178	178	178	178
Enrollment	207	204	176	183	189	167	182	179	199	195

Number of Schools at June 30, 2022  
 Elementary = 3

Source: District Records

**LITTLE FALLS BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

**UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES**

		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<u>School Facilities</u>	<u>School Number</u>										
Number 1	050	\$ 71,563	\$ 58,843	\$ 51,113	\$ 82,840	\$ 71,272	\$ 62,780	\$ 104,437	\$ 59,245	\$ 91,869	\$ 93,738
Number 2	060	44,096	41,898	49,535	61,045	52,381	54,652	91,225	51,318	72,986	67,202
Number 3	999	<u>46,096</u>	<u>35,403</u>	<u>43,092</u>	<u>51,995</u>	<u>49,566</u>	<u>48,226</u>	<u>48,433</u>	<u>93,857</u>	<u>63,569</u>	<u>49,422</u>
Total Required Maintenance for School Facilities		<u>\$ 161,755</u>	<u>\$ 136,144</u>	<u>\$ 143,740</u>	<u>\$ 195,880</u>	<u>\$ 173,219</u>	<u>\$ 165,658</u>	<u>\$ 244,095</u>	<u>\$ 204,420</u>	<u>\$ 228,424</u>	<u>\$ 210,362</u>

Source: District Records

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

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Property - Blanket Building & Contents	\$ 36,116,300	\$ 5,000
Comprehensive General Liability	31,000,000	
Comprehensive Automobile Liability	31,000,000	1,000
Computer and Data Processing Equipment	Incl. in Property Blanket	1,000
Public Employee Dishonesty with Faithful Performance	100,000 per person	500
Cyber Liability - BCS Insurance Co.	2,000,000	5,000 - 10,000
Excess Liability - Fireman's Fund Insurance Co.	25,000,000	
School Leaders Errors & Omissions Liability - NJSIG	31,000,000	5,000
Surety Bond Coverage - Selective Insurance Co. of America - Business Administrator	200,000	
Student Accident - Berkley Life & Health Ins. Co. / US Fire Ins. Co.	5,000,000	
Workers' Compensation and Employers' Liability - NJSIG	3,000,000	
Pollution - Lloyd's Syndicate 2623/623 (Beazley Furlonge Ltd.)	1,000,000	10,000
Flood - Selective Ins. Co. of New England	500,000	1,250

Source: District Records.

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER 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 Falls Board of Education  
Little Falls, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Little Falls Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Little Falls Board of Education's basic financial statements and have issued our report thereon dated February 13, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Little Falls 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 Falls Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Little Falls Board of Education's internal control.

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

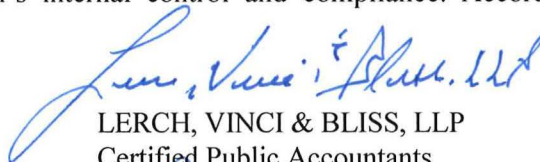
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### Report on Compliance and Other Matters

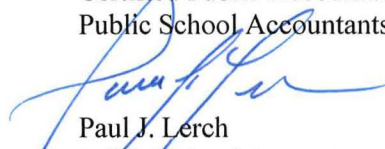
As part of obtaining reasonable assurance about whether the Little Falls Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 Falls 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 Falls Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
February 13, 2023





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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CHRISTOPHER 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 THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the Little Falls Board of Education's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Little Falls Board of Education's major federal and state programs for the fiscal year ended June 30, 2022. The Little Falls Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

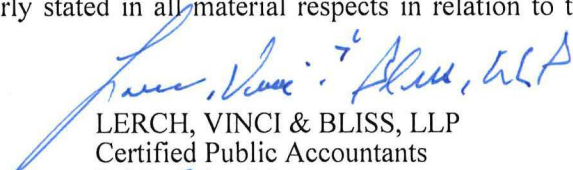


Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

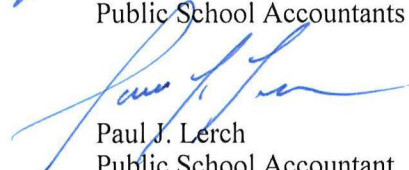
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Little Falls Board of Education as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated February 13, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
February 13, 2023

LITTLE FALLS BOARD OF EDUCATION  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal A.I. Number	Federal FAIN Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2021			Carrover Amount			Total Budgetary Expenditures	Adjustment	Balance at June 30, 2022			Memo GAAP Receivable
						Accounts Receivable	Deferred Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																	
General Fund:																	
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	\$ 14,727	7/1/21	6/30/22	-	-	-	-	-	\$ 11,969	\$ 14,727	-	\$ (2,758)	-	-	\$ (2,758)
<b>Total General Fund</b>						-	-	-	-	-	11,969	14,727	-	(2,758)	-	-	(2,758)
<b>U.S. Department of Education</b>																	
Passed-through State Department of Education																	
Special Revenue Fund:																	
Title I, Part A	84.010	S010A210030	113,090	7/1/21	9/30/22				\$ (15,118)	\$ 15,118	45,595	122,655		(82,613)	\$ 5,553		(77,060)
Title I, Part A, Carryover	84.010	S010A200030	127,615	7/1/20	9/30/21	\$ (71,518)	\$ 27,718	-	15,118	(15,118)	56,400	-	\$ (12,600)	-	-	-	-
<b>Total Title I, Part A Cluster</b>						(71,518)	27,718	-	-	-	101,995	122,655	(12,600)	(82,613)	5,553	-	(77,060)
Title II, Part A	84.367A	S367A210029	20,724	7/1/21	9/30/22				(14,000)	14,000	23,364	28,484		(11,360)	6,240		(5,120)
Title II, Part A, Carryover	84.367A	S367A200029	12,820	7/1/20	9/30/21	(19,974)	-	-	14,000	(14,000)	5,974	-	14,000	-	-	-	-
<b>Total Title II, Part A Cluster</b>						(19,974)	-	-	-	-	29,338	28,484	14,000	(11,360)	6,240	-	(5,120)
Title III, Immigrant	84.365A	S011A200030	1,815	7/1/20	9/30/21	(1,316)	1,316	-	-	-	1,314	1,314	-	(2)	2	-	-
<b>Total Title III Cluster</b>						(1,316)	1,316	-	-	-	1,314	1,314	-	(2)	2	-	-
Title IV, Part A	84.424A	S424A210031	10,000	7/1/21	9/30/22				-	-	10,000	10,000		-	-		-
Title IV, Part A, Carryover	84.424A	S424A200031	10,000	7/1/20	9/30/21	(10,000)	10,000	-	-	-	10,000	-	(10,000)	-	-	-	-
<b>Total Title IV, Part A Cluster</b>						(10,000)	10,000	-	-	-	20,000	10,000	(10,000)	-	-	-	-
L.D.E.A. Part B, Basic Regular	84.027	H027A210100	198,917	7/1/21	9/30/22						193,364	198,917		(5,553)	-		(5,553)
L.D.E.A. Part B, Preschool	84.173	H173A210114	10,491	7/1/21	9/30/22						8,806	10,491		(1,685)	-		(1,685)
ARP - L.D.E.A. Part B, Basic Regular	84.027X	H027X210100	40,867	7/1/21	9/30/22						22,117	22,117		(18,750)	18,750		-
ARP - L.D.E.A. Part B, Preschool	84.173X	H173X210114	3,482	7/1/21	9/30/22						-	3,482		(3,482)	-		(3,482)
<b>Total Special Education Cluster (IDEA)</b>											224,287	235,007		(29,470)	18,750		(10,720)
CRRSA, ESSER II	84.425D	S425D200027	418,323	3/13/20	9/30/23	(418,323)	174,773				390,007	161,007		(28,316)	13,766		(14,550)
CRRSA, Learning Acceleration	84.425D	S425D200027	26,846	3/13/20	9/30/23	(26,846)	26,846				25,425	25,425		(1,421)	1,421		-
CRRSA, Mental Health	84.425D	S425D200027	45,000	3/13/20	9/30/23	(45,000)	45,000				32,143	32,143		(12,857)	12,857		-
ARP - ESSER III	84.425U	S425U210027	940,155	3/13/20	9/30/24						33,224	33,224		(940,155)	906,931		(33,224)
ARP - Accelerated Learning Coach	84.425U	S425U210028	80,269	3/13/20	9/30/24						-	-		(80,269)	80,269		-
ARP - Evidence Based Summer	84.425U	S425U210029	40,000	3/13/20	9/30/24						-	-		(40,000)	40,000		-
ARP - Evidence Based Comprehensive	84.425U	S425U210030	40,000	3/13/20	9/30/24						-	-		(40,000)	40,000		-
ARP - NJTSS Mental Health	84.425U	S425U210031	45,000	3/13/20	9/30/24						-	-		(45,000)	45,000		-
<b>Total ESSER Fund Cluster</b>						(490,169)	246,619				447,575	251,799		(1,188,018)	1,140,244		(47,774)
Disaster Grants - Public Assistance (FEMA)	97.036	N/A	27,243	3/1/20	12/31/21	(27,243)	-				27,243	-		-	-		-
<b>Total Disaster Grants - Public Assistance (FEMA)</b>						(27,243)	-				27,243	-		-	-		-
<b>Total Special Revenue Fund</b>						(620,220)	285,653				851,752	649,259	(8,600)	(1,311,463)	1,170,789		(140,674)

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

LITTLE FALLS BOARD OF EDUCATION  
 Schedule of Expenditures of Federal Awards  
 for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal A.L. Number	Federal FAIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Carrvover Amount			Total Budgetary Expenditures	Adjustment	Balance at June 30, 2022			Memo GAAP Receivable	
				From	To	Accounts Receivable	Deferred Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor		
<b>U.S. Department of Agriculture</b>																		
<b>Passed-through State Department of Agriculture</b>																		
<b>Enterprise Fund:</b>																		
School Breakfast Program	10.553	221NJ304N1099	\$ 60,577	7/1/21	6/30/22						\$ 53,822	\$ 60,577		\$ (6,755)			*	\$ (6,755)
School Breakfast Program	10.553	211NJ304N1099	118,044	7/1/20	6/30/21	\$ (8,443)					8,443						*	
National School Lunch Program	10.555	221NJ304N1099	485,307	7/1/21	6/30/22						455,099	485,307		(30,208)			*	(30,208)
National School Lunch Program	10.555	211NJ304N1099	198,497	7/1/20	6/30/21	(41,352)					41,352						*	
Non Cash Assistance	10.555	221NJ304N1099	22,708	7/1/21	6/30/22	-	-	-	-	-	22,708	20,049	-	-	2,659	-	*	-
<b>Total Enterprise Fund</b>						<b>(49,795)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>581,424</b>	<b>565,933</b>	<b>-</b>	<b>(36,963)</b>	<b>2,659</b>	<b>-</b>	<b>*</b>	<b>(36,963)</b>
<b>Sub-Total Federal Financial Awards</b>						<b>\$ (670,015)</b>	<b>\$ 285,653</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,445,145</b>	<b>\$ 1,229,919</b>	<b>\$ (8,600)</b>	<b>\$ (1,351,184)</b>	<b>\$ 1,173,448</b>	<b>\$ -</b>	<b>*</b>	<b>\$ (180,395)</b>

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

LITTLE FALLS BOARD OF EDUCATION  
 Schedule of Expenditures of State Financial Assistance  
 for the Fiscal Year ended June 30, 2022

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Balance at June 30, 2022			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	GAAP Receivable
<b>State Department of Education</b>												
<b>General Fund:</b>												
Special Education Categorical Aid	22-495-034-5120-089	740,157	7/1/21	6/30/22			\$ 667,820	\$ 740,157	\$ (72,337)			\$ 740,157
Special Education Categorical Aid	21-495-034-5120-089	582,384	7/1/20	6/30/21	\$ (57,231)		57,321					
Security Aid	22-495-034-5120-084	23,895	7/1/21	6/30/22			21,560	23,895	(2,335)			23,895
Security Aid	21-495-034-5120-084	23,895	7/1/20	6/30/21	(2,348)		2,348					
Total State Aid Public Cluster					(59,579)	-	749,049	764,052	(74,672)	-	-	764,052
Transportation Aid	22-495-034-5120-014	124,510	7/1/21	6/30/22			112,341	124,510	(12,169)			124,510
Transportation Aid	21-495-034-5120-014	124,510	7/1/20	6/30/21	(12,236)		12,236					
Additional Nonpublic Transportation Aid	22-495-034-5120-014	14,500	7/1/21	6/30/22				14,500	(14,500)		\$ (14,500)	14,500
Additional Nonpublic Transportation Aid	21-495-034-5120-014	9,570	7/1/20	6/30/21	(9,570)		9,570					
Total Transportation Aid Cluster					(21,806)	-	134,147	139,010	(26,669)	-	(14,500)	139,010
Extraordinary Aid	22-495-034-5120-044	28,733	7/1/21	6/30/22				28,733	(28,733)			28,733
Extraordinary Aid	21-495-034-5120-044	36,363	7/1/20	6/30/21	(36,363)		36,363					
Total Extraordinary Aid Cluster					(36,363)	-	36,363	28,733	(28,733)	-	-	28,733
School Security Grant	20E00130	44,853	7/1/20	6/30/22	-	-	44,853	44,853	-			44,853
Total Security Grant Cluster					-	-	44,853	44,853	-	-	-	44,853
Reimbursed Social Security Tax	22-495-034-5094-003	587,298	7/1/21	6/30/22			558,070	587,298	(29,228)		(29,228)	587,298
Reimbursed Social Security Tax	21-495-034-5094-003	577,928	7/1/20	6/30/21	(28,338)		28,338					
Total Reimbursed Social Security Tax Cluster					(28,338)	-	586,408	587,298	(29,228)	-	(29,228)	587,298
On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5094-002	2,940,725	7/1/21	6/30/22			2,940,725	2,940,725				2,940,725
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	22-495-034-5094-004	41,490	7/1/21	6/30/22			41,490	41,490				41,490
On-Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	22-495-034-5094-001	696,766	7/1/21	6/30/22			696,766	696,766				696,766
On-Behalf- Teachers' Pension & Annuity Fund – Long Term Disability	22-495-034-5094-004	1,214	7/1/21	6/30/22			1,214	1,214				1,214
On-Behalf Teachers' Pension and Annuity Fund Cluster					-	-	3,680,195	3,680,195	-	-	-	3,680,195
<b>Total General Fund</b>					(146,086)	-	5,231,015	5,244,141	(159,302)	-	(43,728)	5,244,141
<b>Enterprise Fund:</b>												
State Department of Agriculture												
National School Lunch Program (State Share)	22-100-010-3350-023	20,839	7/1/21	6/30/22			19,474	20,839	(1,365)		(1,365)	20,839
National School Lunch Program (State Share)	21-100-010-3350-023	10,183	7/1/20	6/30/21	(1,065)		1,065					
<b>Total Enterprise Fund</b>					(1,065)	-	20,539	20,839	(1,365)	-	(1,365)	20,839
<b>Debt Service Fund:</b>												
Debt Service Aid	22-495-034-5121-075	30,557	7/1/21	6/30/22			30,557	30,557				30,557
<b>Total Debt Service Fund</b>					-	-	30,557	30,557	-	-	-	30,557
<b>Total State Financial Assistance</b>					\$ (147,151)	\$ -	\$ 5,282,111	\$ 5,295,537	\$ (160,667)	\$ -	\$ (45,093)	\$ 5,295,537
Less: On-Behalf TPAF Pension System Contributions								(2,940,725)				
On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5094-002							(41,490)				
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	22-495-034-5094-004							(696,766)				
On-Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	22-495-034-5094-001							(1,214)				
On-Behalf- Teachers' Pension & Annuity Fund – Long Term Disability	22-495-034-5094-004											
<b>Total for State Financial Assistance-Major Program Determination</b>								\$ 1,615,342				

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

**NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

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

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Little Falls 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 \$7,396 for the general fund and an increase \$30,783 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	\$ 14,727	\$ 5,236,745	\$ 5,251,472
Special Revenue Fund	659,055		659,055
Debt Service Fund		30,557	30,557
Food Service Fund	565,934	20,839	586,773
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 1,239,716</u>	<u>\$ 5,288,141</u>	<u>\$ 6,527,857</u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

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 \$587,298 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$2,982,215, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$696,766 and TPAF Long-Term Disability Insurance in the amount of \$1,214 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions 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 FALLS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to 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>
87.027	H027A210100	IDEA Part B Basic, ARP
84.173	H173A210114	IDEA Part B Preschool, ARP
84.425D, 84.425U	S425D200027	CRRSA, ESSER II, ARP ESSER III

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

Auditee qualified as low-risk auditee?            yes     X     no



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

*Part I – Summary of Auditor’s Results*

**State Awards 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
22-495-034-5094-003	Reimbursed Social Security Tax

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

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

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

*Part 2 - Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE

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

*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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

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

*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.

**CURRENT YEAR STATE AWARDS**

THERE ARE NONE

**LITTLE FALLS BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**STATUS OF PRIOR YEAR FINDINGS**

THERE WERE NONE