LITTLE FALLS BOARD OF EDUCATION
AUDITOR'S MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2025

LITTLE FALLS BOARD OF EDUCATION
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AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE

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INDEPENDENT AUDITOR'S MANAGEMENT REPORT

Honorable President and Members
of the Board of Education
Township of Little Falls
County of Passaic, New Jersey

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Little Falls Board of Education as of and for the fiscal year ended June 30, 2025, and have issued our report thereon dated October 9, 2025.

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

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

Lerch, Vinci & Bliss, LLP

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

Paul J. Lerch

Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
October 9, 2025

LITTLE FALLS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

GENERAL COMMENTS

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule Exhibit J-20 contained in the District's Annual Comprehensive Financial Report "ACFR".

Official Bonds

Name	Position	Amount
Melissa Sanzari-Stevens	School Business Administrator/ Board Secretary	$250,000

There is a Public Employees' Faithful Performance Blanket Position Bond with NJSBAIG covering all other employees with multiple coverage of $100,000.

P.L. 2020,C.44

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

The data submitted did include all health benefit plans offered by school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. Tuition charges were established by the Board of Education and are not subject to adjustment.

Financial Planning, Accounting and Reporting

Examination of Claims

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

Payroll Account

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

All payrolls tested were certified by the President of the Board and the Board Secretary/School Business Administrator and approved by the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to the general fund.

Financial Planning, Accounting and Reporting (Continued)

Payroll Account (Continued)

Payrolls were delivered to the secretary of the board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

The School Business Administrator completed and filed the required Certification of Compliance with Federal and State Law respecting the reporting of compensation for certain employees.

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

Reserve for Encumbrances and Accounts Payable

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

Travel

The District had an approved Board travel policy as required by NJAC 6A:23A-6.13 and NJSA 18A:11-12.

Classification of Expenditures

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

Board Secretary's Records

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

Bids received were summarized in the minutes (N.J.S.A.18A:18A-21).

Acknowledgment of the Board's receipt of the Board Secretary's and the monthly financial reports were included in the minutes.

The prescribed contractual order system was followed.

Financial Planning, Accounting and Reporting (Continued)

Board Secretary's Records (Continued)

Monthly Board Secretary's payment and certifications were approved by the Board in a timely manner.

Treasurer's Records (Chief School Administrator)

The Chief School Administrator did perform cash reconciliations for the general operating account, payroll account, payroll agency account, unemployment account and food service account (N.J.S.A. 18A:17-9).

Unemployment Compensation Insurance

The Board has adopted the direct reimbursement method with respect to Unemployment Compensation Insurance. Financial transactions of this fund are reported in the General Fund in accordance with GASB Statement No. 84.

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

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

I.D.E.A. Part B

Separate accounting was maintained for each approved project. Grant application approvals and acceptance of grant funds were made by board resolution and recorded in the minutes.

Other Special Federal and/or State Projects

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

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

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

T.P.A.F. Reimbursements

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

T.P.A.F. Reimbursements to the State for Federal Salary Expenditures

The amount of the expenditure charged to the current year's Final Reports for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was submitted for reimbursement by the District.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of school funds, not included within the terms of N.J.S.A. 18A:18A-3, shall be made and awarded only by the board of education after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or calculated by the Governor pursuant to N.J.S.A. 18A:18A-3 except by contract or agreement".

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:39-3(a) are $44,000 (with a Qualified Purchasing Agent) and $32,000 (without a Qualified Purchasing Agent), respectively. The District's Business Administrator is (QPA) qualified and the District, by Board resolution, has increased the bid threshold to $44,000. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently $24,200.

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

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

The results of our examination did not indicate that any individual payments, contracts, or agreements which were made "for the performance of any work or goods or services", in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A.18A:18A-4, amended.

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

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

School Food Service

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

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

School Food Service (Continued)

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded $100,000 in federal and state support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the School Food Authority (SFA) had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

Non-program foods were purchased, prepared and offered for sale.

The Statement of Revenues, Expenses and Changes in Net Position (ACFR Exhibit B-5) does separate program and non-program revenue and non-program cost of goods sold.

Net cash resources did exceed three months average expenditures.

We inquired of management about the public health emergency procedures/practices that the SFA instated to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Program. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amount to the SFA.

Before and After Care Programs

Cash receipts and cash disbursements were maintained in good condition and in accordance with board policy.

Student Body Activity

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

Cash receipts and disbursements records were maintained in good condition.

Cash receipts were promptly deposited. (N.J.A.C. 6A:23A-16.12). Cash disbursements had property supporting documentation (N.J.A.C. 6A:23A-16.12).

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2024 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers with isolated exceptions. The information that was included on the workpapers was verified with isolated exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

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

LITTLE FALLS BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2024-2025 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

Our procedures included a review of the transfer of local funds from the Capital Reserve Account and awarding of contracts for eligible facilities construction. No exceptions were noted. Capital assets financial records are being prepared by a third party service provider for the year ending June 30, 2025.

Miscellaneous

Testing for Lead of All Drinking Water in Educational Facilities

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

Suggestions to Management

- Fixed asset reporting should be prepared timely.
- Pricing documentation should be available to support purchases through Coop's.

Follow-up on Prior Year Findings

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

Acknowledgement

We received the complete cooperation of all the officials of the school district and I greatly appreciate the courtesies extended to the members of the audit team.

LITTLE FALLS BOARD OF EDUCATION
FOOD SERVICE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
NUMBER OF MEALS SERVED AND (OVER)/UNDER
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

FOOD SERVICE FUND
SCHEDULE OF NET CASH RESOURES
ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOT APPLICABLE

LITTLE FALLS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024
SCHEDULE OF AUDITED ENROLLMENTS

	2025-26 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as Private Schools	Sample for Verifi-cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Preschool		-		-	-	-		-		-	-	-				
Full Day Preschool - 3yr	9	-	13	-	(4)	-	13	-	27	-	(14)	-				
Full Day Preschool - 4yr	18	-	14	-	4	-	14	-	-	-	14	-				
Half Day Kindergarten		-		-	-	-		-		-	-	-				
Full Day Kindergarten	92	-	92	-	-	-	92	-	91	-	1	-				
One	96	-	96	-	-	-	96	-	92	-	4	-				
Two	74	-	74	-	-	-	74	-	73	-	1	-				
Three	93	-	93	-	-	-	93	-	91	-	2	-				
Four	87	-	87	-	-	-	87	-	89	-	(2)	-				
Five	79	-	79	-	-	-	79	-	79	-	-	-				
Six	70	-	70	-	-	-	70	-	70	-	-	-				
Seven	89	-	89	-	-	-	89	-	89	-	-	-				
Eight	73	-	73	-	-	-	73	-	73	-	-	-				
Nine	-	-	-	-	-	-	-	-	-	-	-	-				
Ten	-	-	-	-	-	-	-	-	-	-	-	-				
Eleven	-	-	-	-	-	-	-	-	-	-	-	-				
Twelve	-	-	-	-	-	-	-	-	-	-	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	780	-	780	-	-	-	780	-	774	-	6	-	-	-	-	-
Special Ed - Elementary	113	-	113	-	-	-	54	-	55	-	(1)	-	5	2	2	-
Special Ed - Middle School	61	-	61	-	-	-	61	-	61	-	-	-	-	-	-	-
Special Ed - High School		-		-	-	-		-		-		-		-		-
Subtotal	174	-	174	-	-	-	115	-	116	-	(1)	-	5	2	2	-
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	954	-	954	-	-	-	895	-	890	-	5	-	5	2	2	-
Percentage Error					0.00%	0.00%					0.56%	0.00%				0.00%

LITTLE FALLS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024
SCHEDULE OF AUDITED ENROLLMENTS

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	26.0	26.0	-	5.0	5.0	-	4.0	4.0	-	2.0	2.0	-
One	30.0	29.0	1.0	6.0	6.0	-	1.0	1.0	-	1.0	1.0	-
Two	22.0	21.0	1.0	5.0	5.0	-	2.0	2.0	-	2.0	2.0	-
Three	38.0	38.0	-	8.0	7.0	1.0	3.0	3.0	-	1.0	1.0	-
Four	23.0	23.0	-	5.0	5.0	-	1.0	1.0	-	1.0	1.0	-
Five	25.0	24.0	1.0	5.0	5.0	-	2.0	2.0	-	1.0	1.0	-
Six	13.0	13.0	-	3.0	3.0	-	1.0	1.0	-	1.0	1.0	-
Seven	25.0	25.0	-	5.0	5.0	-	1.0	1.0	-	2.0	2.0	-
Eight	26.0	26.0	-	5.0	5.0	-	4.0	4.0	-			-
Nine			-			-			-			-
Ten			-			-			-			-
Eleven			-			-			-			-
Twelve			-			-			-			-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	228.0	225.0	3.0	47.0	46.0	1.0	19.0	19.0	-	11.0	11.0	-
Special Ed - Elementary	45.0	44.0	1.0	9.0	9.0	-			-			-
Special Ed - Middle	15.0	16.0	(1.0)	3.0	3.0	-			-			-
Special Ed - High			-			-			-			-
Subtotal	60.0	60.0	-	12.0	12.0	-	-	-	-	-	-	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	288.0	285.0	3.0	59.0	58.0	1.0	19.0	19.0	-	11.0	11.0	-
Percentage Error			1.04%			1.69%			0.00%			0.00%

Transportation

	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	102.0	102.0	-	27.0	27.0	-
Reg -SpEd, col. 4	1.0	1.0	-	1.0	1.0	-
Transported - Non-Public, col. 3	-	-	-	-	-	-
All non public	46.0	46.0	-	14.0	14.0	-
Special Ed Spec, col. 6	32.0	32.0	-	11.0	11.0	-
Totals	181.0	181.0	-	53.0	53.0	-
Percentage Error						0.00%

LITTLE FALLS BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2024
SCHEDULE OF AUDITED ENROLLMENTS

	Resident LEP NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool						
Full Day Preschool						
Half Day Kindegarten						
Full Day Kindergarten	2.0	2.0	-	1.0	1.0	-
One	1.0	1.0	-	1.0	1.0	-
Two	3.0	3.0	-	1.0	1.0	-
Three	2.0	2.0	-	1.0	1.0	-
Four	-	-	-	-	-	-
Five	1.0	1.0	-	1.0	1.0	-
Six	1.0	1.0	-	1.0	1.0	-
Seven	1.0	1.0	-	1.0	1.0	-
Eight	1.0	1.0	-	1.0	1.0	-
Nine			-			-
Ten			-			-
Eleven			-			-
Twelve			-			-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	12.0	12.0	-	8.0	8.0	-
Special Ed - Elementary	-	-	-	1.0	1.0	-
Special Ed - Middle	-	-	-	-	-	-
Special Ed - High	-	-	-	-	-	-
Subtotal	0.0	0.0	-	1.0	1.0	-
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	12.0	12.0	-	9.0	9.0	-
Percentage Error			0.00%			0.00%

LITTLE FALLS BOARD OF EDUCATION
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

SECTION 1

2024-2025 Total General Fund Expenditures per the ACFR, Exhibit C-1	$ 25,177,291	
Decreased by:		
Other Financing Agreements	(1,127,554)	
On-Behalf TPAF Pension & Social Security	(4,841,827)	
Adjusted 2024-2025 General Fund Expenditures	$ 19,207,910	
2% of Adjusted 2024-2025 General Fund Expenditures	$ 384,158	
Enter Greater of 2% of Adjusted 2024-2025 General Fund Expenditures or $250,000	384,158	
Increased by: Allowable Adjustment*	290,672	
Maximum Unassigned Fund Balance		$ 674,830

SECTION 2

Total General Fund - Fund Balance at June 30, 2025 (Per ACFR Budgetary Comparison Schedule/Statement)		$ 4,136,611
Decreased by:		
Restricted:		
Capital Reserve	$ 1,295,619	
Maintenance Reserve	243,156	
Maintenance Reserve - Designated for Subsequent Year's Expenditures	85,000	
Excess Surplus:		
Prior Year - Designated for Subsequent Year's Expenditures	678,892	
Unemployment Compensation	264,838	
Assigned:		
Year-End Encumbrances	169,754	
Designated for Subsequent Year's Expenditures	180,181	
		2,917,440
Total Unassigned Fund Balance		$ 1,219,171

SECTION 3

Restricted Fund Balance - Excess Surplus	$ 544,341

Recapitulation of Excess Surplus as of June 30, 2025

Reserved Excess Surplus - Designated for Subsequent Year's Budget	$ 678,892
Excess Surplus	544,341
	$ 1,223,233

**Detail of Allowable Adjustments*

Extraordinary Aid - Unbudgeted	$ 269,190
Additional Nonpublic School Transportation Aid - Unbudgeted	21,482
Total Adjustments	$ 290,672

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

There are none.

IV. School Food Services

There are none.

V. Before and After School Programs

There are none.

VI. Student Body Activities

There are none.

VII. Application for State School Aid

There are none.

VIII. Pupil Transportation

There are none.

IX. Facilities and Capital Assets

There are none.

X. Miscellaneous

There are none.

XI. Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on prior year audit finding/recommendations.

ACKNOWLEDGMENT

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

Respectfully submitted,

LERCH, VINCI & BLISS, LLP

Paul J. Lerch
Public School Accountant
Certified Public Accountant