

**LITTLE FALLS**  
**BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**



## Little Falls Township Public Schools

Tracey Marinelli  
Superintendent of  
Schools  
973-256-1034  
tmarinelli@lfschools.org

Melissa Sanzari-Stevens  
Business Administrator/Board  
Secretary  
973-256-7371  
mstevens@lfschools.org



October 23, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report of the Little Falls Township School District (the "District") for the fiscal year ended June 30, 2024 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 Annual Comprehensive 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 2023/2024 fiscal year with a student enrollment of 942 students, which is a 23-student increase from the previous year's enrollment.

One District... One Team... One Vision...

[www.lfschools.org](http://www.lfschools.org)

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

Fiscal	Student	Percent
<u>Year</u>	<u>Enrollment</u>	<u>Change</u>
2023-2024	942	2.5
2022-2023	919	1.7
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)

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 385 students.

School #2 serves Pre-Kindergarten through Grade Two students and has self-contained LLD classes. The total enrollment for School #2 is approximately 361 students.

School #3 serves Grades 3 and 4 and has self-contained special education classes serving LLD. School #3 houses approximately 196 students.

We have multiple Special Education Programs that service over one hundred students. 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 offerings, 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. In 2023, the community voted to reduce the Board of Education to a seven-member board. 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 health benefit rising costs continue to be of great concern for the district.

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[www.lfschools.org](http://www.lfschools.org)

## MAJOR INITIATIVES:

Communication with the stakeholders of the community is delivered by multiple avenues other than the district website. The Superintendent and all of the school principals continues to use 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 is distributed by U.S mail to the entire township so people are aware of the accomplishments and events happening in the district.

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 individualized coaching which addressed deficiencies that occur 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 \$37,000.

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, 2024.

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[www.lfschools.org](http://www.lfschools.org)

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,

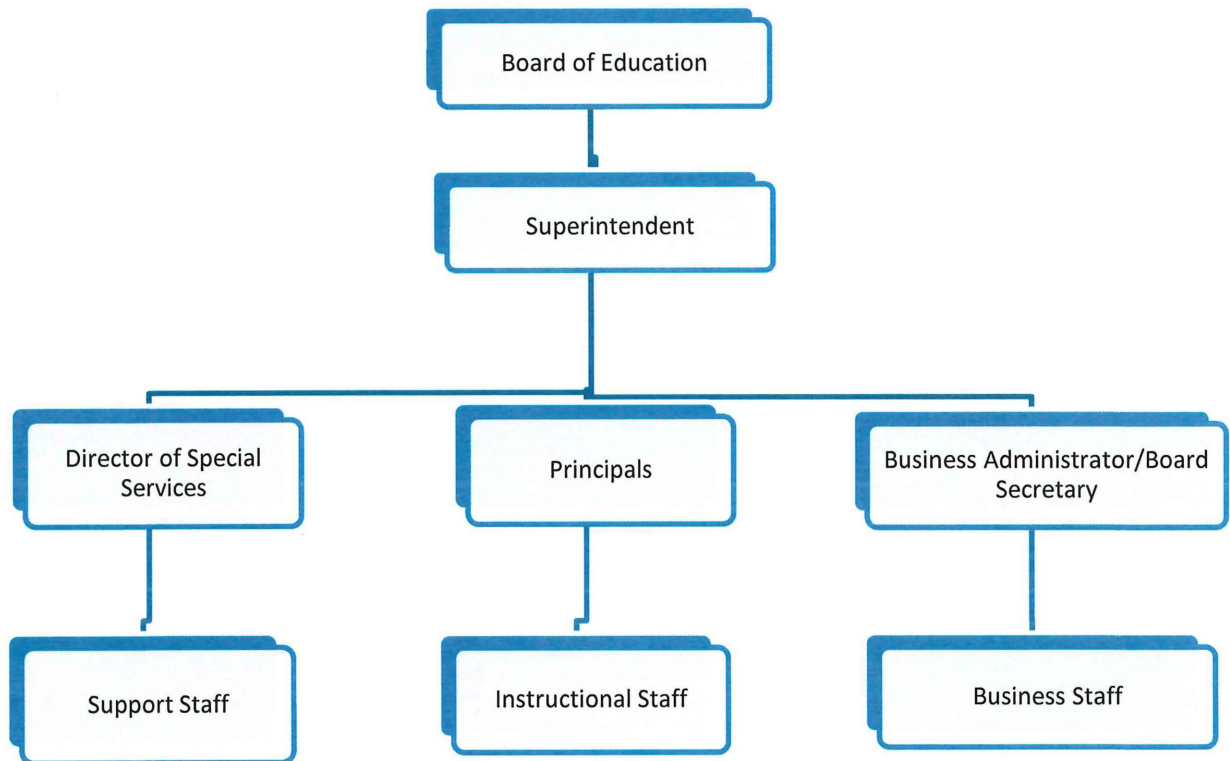
*Melissa Sanzari-Stevens*

Melissa Sanzari-Stevens

School Business Administrator/Board Secretary

October 7, 2024

Little Falls Board of Education  
Organizational Chart  
2023-2024





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

**ROSTER OF OFFICIALS  
JUNE 30, 2024**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Rachel Capizzi, President	2026
Vincenzo Miraglia, Vice President	2025
<b><u>Board Members</u></b>	
Desiree DiBuono	2024
Douglas Jandoli	2024
Patricia Lijoi	2025
Nicole Smith	2026
Michael Tullo	2026
Lauren Verdi	2024
Shannon Zurbruegg	2025

**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, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinions***

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, 2024 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 accompanying 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, 2024, 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, the 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 October 23, 2024 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  
October 23, 2024

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

# **LITTLE FALLS BOARD OF EDUCATION**

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

This section of Little Falls Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Little Falls Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$7,430,601 (net position).
- Overall District revenues were \$22,294,305. General revenues accounted for \$16,630,841 or 75% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,663,464 of total revenues.
- The School District had \$21,283,194 in expenses for governmental activities; only \$4,846,126 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$16,630,459 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,207,366 a decrease of \$1,425,776 when compared to the ending fund balance at June 30, 2023 of \$5,633,142.
- The General Fund unassigned fund balance at June 30, 2024 was in a surplus position of \$285,426, an increase of \$36,839 when compared with the ending unassigned fund balance surplus of \$248,587 at June 30, 2023.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$561,673 which represents an increase of \$95,144 when compared to the ending unassigned fund balance at June 30, 2023 of \$466,529.



# LITTLE FALLS BOARD OF EDUCATION

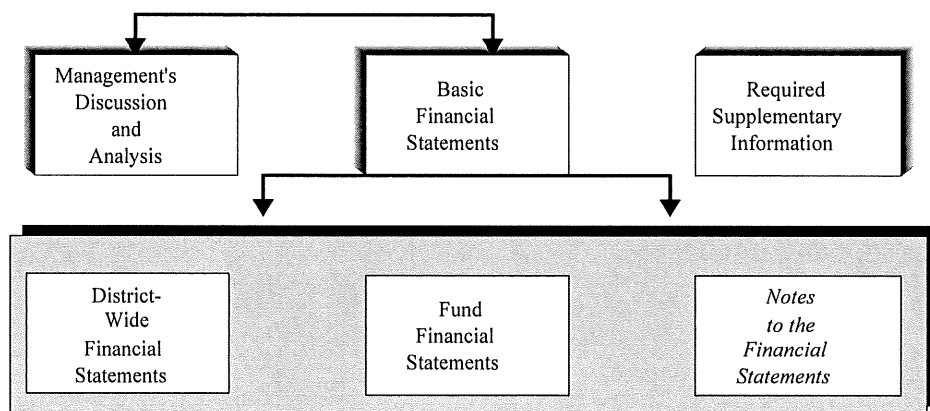
## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
  - The Governmental Funds statements tell how basic services were financed in the short term as well as what remains for future spending.
  - Proprietary Funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



# LITTLE FALLS BOARD OF EDUCATION

## Management's Discussion and Analysis

### OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
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/liability information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

# **LITTLE FALLS BOARD OF EDUCATION**

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

### **District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or position

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included here.

### **Fund Financial Statements**

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

- Some funds are required by State law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

# **LITTLE FALLS BOARD OF EDUCATION**

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

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

The District has two kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's Enterprise Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

### **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. The notes to the financial statements can be found following the fund financial statements.

### **Other Information**

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

# LITTLE FALLS BOARD OF EDUCATION

## Management's Discussion and Analysis

### DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,430,601 and \$7,247,369 as of June 30, 2024 and 2023, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. 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.

Net Position as of June 30, 2024 and 2023						
	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and Other Assets	\$ 4,382,531	\$ 5,722,762	\$ 478,778	\$ 503,487	\$ 4,861,309	\$ 6,226,249
Capital Assets	<u>7,514,917</u>	<u>6,247,986</u>	<u>53,580</u>	<u>7,727</u>	<u>7,568,497</u>	<u>6,255,713</u>
<b>Total Assets</b>	<u>11,897,448</u>	<u>11,970,748</u>	<u>532,358</u>	<u>511,214</u>	<u>12,429,806</u>	<u>12,481,962</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>162,263</u>	<u>292,471</u>	<u>-</u>	<u>-</u>	<u>162,263</u>	<u>292,471</u>
<b>Total Assets and Deferred Outflows</b>	<u>12,059,711</u>	<u>12,263,219</u>	<u>532,358</u>	<u>511,214</u>	<u>12,592,069</u>	<u>12,774,433</u>
<b>Liabilities</b>						
Long-Term Liabilities	4,738,271	4,704,939			4,738,271	4,704,939
Other Liabilities	<u>193,003</u>	<u>243,904</u>	<u>45,712</u>	<u>14,392</u>	<u>238,715</u>	<u>258,296</u>
<b>Total Liabilities</b>	<u>4,931,274</u>	<u>4,948,843</u>	<u>45,712</u>	<u>14,392</u>	<u>4,976,986</u>	<u>4,963,235</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	183,008	562,338			183,008	562,338
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>1,474</u>	<u>1,491</u>	<u>1,474</u>	<u>1,491</u>
<b>Total Deferred Inflows</b>	<u>183,008</u>	<u>562,338</u>	<u>1,474</u>	<u>1,491</u>	<u>184,482</u>	<u>563,829</u>
<b>Total Liabilities and Deferred Inflows</b>	<u>5,114,282</u>	<u>5,511,181</u>	<u>47,186</u>	<u>15,883</u>	<u>5,161,468</u>	<u>5,527,064</u>
<b>Net Position</b>						
Net Investment in Capital Assets	5,346,709	4,074,277	53,580	7,727	5,400,289	4,082,004
Restricted	1,941,100	3,540,705			1,941,100	3,540,705
Unrestricted	<u>(342,380)</u>	<u>(862,944)</u>	<u>431,592</u>	<u>487,604</u>	<u>89,212</u>	<u>(375,340)</u>
<b>Total Net Position</b>	<u>\$ 6,945,429</u>	<u>\$ 6,752,038</u>	<u>\$ 485,172</u>	<u>\$ 495,331</u>	<u>\$ 7,430,601</u>	<u>\$ 7,247,369</u>

# LITTLE FALLS BOARD OF EDUCATION

## Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 146,477	\$ 102,000	\$ 589,787	\$ 543,923	\$ 736,264	\$ 645,923
Operating Grants and Contributions	4,697,814	4,794,640	227,551	264,883	4,925,365	5,059,523
Capital Grants and Contributions	1,835	802,897			1,835	802,897
General Revenues						
Property Taxes	16,441,496	15,933,621			16,441,496	15,933,621
State Aid	39,043	33,481			39,043	33,481
Investment Earnings	7,691	8,336	382	294	8,073	8,630
Miscellaneous	142,229	95,676	-	-	142,229	95,676
<b>Total Revenues</b>	<u>21,476,585</u>	<u>21,770,651</u>	<u>817,720</u>	<u>809,100</u>	<u>22,294,305</u>	<u>22,579,751</u>
<b>Expenses</b>						
Instruction						
Regular	10,845,696	10,522,300			10,845,696	10,522,300
Special Education	2,510,482	2,304,560			2,510,482	2,304,560
Other Instruction	466,601	351,779			466,601	351,779
School Sponsored Activities and Athletics	166,314	137,522			166,314	137,522
Support Services						
Student and Instruction Related Services	3,026,446	2,969,927			3,026,446	2,969,927
General Administration Services	677,229	693,964			677,229	693,964
School Administration Services	914,877	844,264			914,877	844,264
Plant Operation and Maintenance	1,379,778	1,305,043			1,379,778	1,305,043
Pupil Transportation	603,481	626,771			603,481	626,771
Central Services	652,983	634,448			652,983	634,448
Interest and Other Chgs on Long-Term Debt	39,307	43,941			39,307	43,941
Before and After Care			191,075	173,615	191,075	173,615
Food Service	-	-	636,804	484,320	636,804	484,320
<b>Total Expenses</b>	<u>21,283,194</u>	<u>20,434,519</u>	<u>827,879</u>	<u>657,935</u>	<u>22,111,073</u>	<u>21,092,454</u>
Change in Net Position	193,391	1,336,132	(10,159)	151,165	183,232	1,487,297
<b>Net Position, Beginning of Year</b>	<u>6,752,038</u>	<u>5,415,906</u>	<u>495,331</u>	<u>344,166</u>	<u>7,247,369</u>	<u>5,760,072</u>
<b>Net Position, End of Year</b>	<u>\$ 6,945,429</u>	<u>\$ 6,752,038</u>	<u>\$ 485,172</u>	<u>\$ 495,331</u>	<u>\$ 7,430,601</u>	<u>\$ 7,247,369</u>

# LITTLE FALLS BOARD OF EDUCATION

## Management's Discussion and Analysis

### Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

**Total and Net Cost of Governmental Activities.** The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 10,845,696	\$ 10,522,300	\$ 8,928,683	\$ 8,345,541
Special Education	2,510,482	2,304,560	1,044,022	925,191
Other Instruction	466,601	351,779	318,203	221,217
School Sponsored Activities and Athletics	166,314	137,522	72,777	58,373
Support Services				
Student and Instruction Related Services	3,026,446	2,969,927	2,384,494	2,354,988
General Administration	677,229	693,964	601,274	612,401
School Administration Services	914,877	844,264	819,499	735,334
Plant Operation and Maintenance	1,379,778	1,305,043	1,257,722	444,629
Pupil Transportation	603,481	626,771	420,141	471,201
Central Services	652,983	634,448	550,946	522,166
Interest and Other Charges on Long-Term Debt	39,307	43,941	39,307	43,941
<b>Total</b>	<b>\$ 21,283,194</b>	<b>\$ 20,434,519</b>	<b>\$ 16,437,068</b>	<b>\$ 14,734,982</b>

# **LITTLE FALLS BOARD OF EDUCATION**

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

### **FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$4,207,366, a decrease of \$1,425,776 from last year's fund balance of \$5,633,142.

Revenues and other financing sources for the District's governmental funds were \$23,787,737; total expenditures were \$25,213,513.

**General Fund** - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues and other financing sources of the General Fund were \$22,727,713 for the fiscal year ended June 30, 2024. State sources amounted to \$5,861,308, federal sources totaled \$17,074 and local and other sources were \$16,849,331.

Expenditures of the General Fund were \$24,157,434. Instructional expenditures were \$14,770,385 for support services were \$7,554,738 and capital expenditures totaled \$1,713,109 and debt service totaled \$119,202 the fiscal year ended June 30, 2024.

**Special Revenue Fund** - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$774,814 for the fiscal year ended June 30, 2024. Federal sources totaled \$638,970 and local sources were \$135,844.

Expenditures of the Special Revenue Fund were \$770,869. Instructional expenditures were \$520,080 for support services were \$248,954 and capital expenditures totaled \$1,835 for the fiscal year ended June 30, 2024.

#### **Proprietary Funds**

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

**Enterprise Fund** - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.



# LITTLE FALLS BOARD OF EDUCATION

## Management's Discussion and Analysis

### GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.

### CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$7,568,497 and \$6,255,713 (net of accumulated depreciation), respectively. The capital assets consist of land, construction in progress, land improvements, buildings and building improvements, computers, and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$448,013 for governmental activities and \$4,659 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	<b>Governmental</b>		<b>Business- Type</b>		<b>Total</b>	
	<b><u>Activities</u></b>		<b><u>Activities</u></b>			
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Land	\$ 23,264	\$ 23,264			\$ 23,264	\$ 23,264
Construction in Progress	708,989	1,569,666			708,989	1,569,666
Land Improvement	1,332,630	417,816			1,332,630	417,816
Buildings & Building Improvements	10,186,570	8,917,731			10,186,570	8,917,731
Machinery and Equipment	<u>2,985,414</u>	<u>2,593,445</u>	<u>\$ 95,392</u>	<u>\$ 44,890</u>	<u>3,080,806</u>	<u>2,638,335</u>
<b>Total</b>	<b><u>\$ 15,236,867</u></b>	<b><u>\$ 13,521,922</u></b>	<b><u>\$ 95,392</u></b>	<b><u>\$ 44,890</u></b>	<b><u>\$ 15,332,259</u></b>	<b><u>\$ 13,566,812</u></b>

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

### LONG TERM LIABILITIES

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$240,971, serial bonds of \$1,929,805 (including original issue premium), capital financing agreements of \$238,403, and net pension liability of \$2,329,092 totaling \$4,738,271. This is in comparison to long-term liabilities at June 30, 2023 of \$4,839,386 or a decrease of \$101,115.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

## **LITTLE FALLS BOARD OF EDUCATION**

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

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional 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, 2024**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,295,841	\$ 442,144	\$ 1,737,985
Receivables, net			
Receivables from Other Governments	2,845,434	31,762	2,877,196
Other Accounts Receivable		60	60
Prepaid Expense	241,256		241,256
Inventory		4,812	4,812
Capital Assets, net			
Not Being Depreciated	732,253		732,253
Being Depreciated, Net	6,782,664	53,580	6,836,244
Total Assets	<u>11,897,448</u>	<u>532,358</u>	<u>12,429,806</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	162,263	-	162,263
Total Deferred Outflows of Resources	<u>162,263</u>	<u>-</u>	<u>162,263</u>
Total Assets and Deferred Outflows of Resources	<u>12,059,711</u>	<u>532,358</u>	<u>12,592,069</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Liabilities	141,581	36,467	178,048
Unearned Revenue	33,584	9,245	42,829
Accrued Interest Payable	17,838		17,838
Noncurrent Liabilities			
Due Within One Year	362,441		362,441
Due Beyond One Year	4,375,830	-	4,375,830
Total Liabilities	<u>4,931,274</u>	<u>45,712</u>	<u>4,976,986</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		1,474	1,474
Deferred Amounts on Net Pension Liability	183,008	-	183,008
Total Deferred Inflows of Resources	<u>183,008</u>	<u>1,474</u>	<u>184,482</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,114,282</u>	<u>47,186</u>	<u>5,161,468</u>
<b>NET POSITION</b>			
Net Investment in Capital Asset	5,346,709	53,580	5,400,289
Restricted for:			
Other Purposes	573,681		573,681
Capital Projects	1,367,419		1,367,419
Unrestricted	(342,380)	431,592	89,212
Total Net Position	<u>\$ 6,945,429</u>	<u>\$ 485,172</u>	<u>\$ 7,430,601</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, 2024

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	\$ 10,845,696	\$ 146,477	\$ 1,770,536		\$ (8,928,683)		\$ (8,928,683)
Special Education	2,510,482		1,466,460		(1,044,022)		(1,044,022)
Other Instruction	466,601		148,398		(318,203)		(318,203)
School Sponsored Activities	166,314		93,537		(72,777)		(72,777)
Support Services:							
Student and Instruction Related Services	3,026,446		641,952		(2,384,494)		(2,384,494)
School Administrative Services	914,877		95,378		(819,499)		(819,499)
General Administrative Services	677,229		75,955		(601,274)		(601,274)
Central Services	652,983		102,037		(550,946)		(550,946)
Plant Operations and Maintenance	1,379,778		120,221	\$ 1,835	(1,257,722)		(1,257,722)
Pupil Transportation	603,481		183,340		(420,141)		(420,141)
Interest on Long-Term Debt	39,307	-	-	-	(39,307)	-	(39,307)
Total Governmental Activities	21,283,194	146,477	4,697,814	1,835	(16,437,068)	-	(16,437,068)
Business-Type Activities:							
Food Service	636,804	343,457	227,551			\$ (65,796)	(65,796)
Before and After Care (Non-Major)	191,075	246,330	-	-	-	55,255	55,255
Total Business-Type Activities	827,879	589,787	227,551	-	-	(10,541)	(10,541)
Total Primary Government	\$ 22,111,073	\$ 736,264	\$ 4,925,365	\$ 1,835	(16,437,068)	(10,541)	(16,447,609)
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					16,195,329		16,195,329
Taxes Levied for Debt Service					246,167		246,167
Unrestricted Grants & Contributions					39,043		39,043
Interest					7,691	382	8,073
Miscellaneous Income					142,229	-	142,229
Total General Revenues and Transfers					16,630,459	382	16,630,841
Change in Net Position					193,391	(10,159)	183,232
Net Position—Beginning of Year					6,752,038	495,331	7,247,369
Net Position—End of Year					\$ 6,945,429	\$ 485,172	\$ 7,430,601

## **FUND FINANCIAL STATEMENTS**

**LITTLE FALLS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2024**

	<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	\$ 1,180,584	\$ 115,257		\$ 1,295,841
Receivables From Other Governments	2,753,996	91,438		2,845,434
Prepaid Expense	241,256			241,256
Due from Other Funds	<u>78,063</u>	<u>-</u>	<u>-</u>	<u>78,063</u>
Total Assets	<u>\$ 4,253,899</u>	<u>\$ 206,695</u>	<u>\$ -</u>	<u>\$ 4,460,594</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 20,098	\$ 71,026		\$ 91,124
Payroll Deductions and Withholdings	50,457			50,457
Unearned Revenue	10,150	23,434		33,584
Due to Other Funds	<u>-</u>	<u>78,063</u>	<u>-</u>	<u>78,063</u>
Total Liabilities	<u>80,705</u>	<u>172,523</u>	<u>-</u>	<u>253,228</u>
Fund Balance:				
Restricted				
Excess Surplus	678,892			678,892
Excess Surplus Designated for Subsequent Year's Expenditures	518,330			518,330
Capital Reserve	1,295,619			1,295,619
Capital Reserve Designated for Subsequent Year's Expenditures	71,800			71,800
Maintenance Reserve	328,156			328,156
Unemployment Compensation	211,353			211,353
Student Activities		34,172		34,172
Assigned				
Year-end Encumbrances	727,073			727,073
Designated for Subsequent Year's Expenditures	56,545			56,545
Unassigned	<u>285,426</u>	<u>-</u>	<u>-</u>	<u>285,426</u>
Total Fund Balances	<u>4,173,194</u>	<u>34,172</u>	<u>-</u>	<u>4,207,366</u>
Total Liabilities and Fund Balances	<u>\$ 4,253,899</u>	<u>\$ 206,695</u>	<u>\$ -</u>	<u>\$ 4,460,594</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, 2024

Amounts reported for governmental activities in the statement of net position (A-1) are different because:		\$	4,207,366
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,236,867 and the accumulated depreciation is \$7,721,951.			7,514,917
The District has financed capital assets through the issuance of serial bonds. The interest accrued at year end is:			(17,838)
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.			
	Deferred Outflows of Resources	\$	162,263
	Deferred Inflows of Resources		<u>(183,008)</u>
			(20,745)
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:			
	Bonds Payable, Including Original Issue Premium		(1,929,805)
	Capital Financing Agreements		(238,403)
	Compensated Absence		(240,971)
	Net Pension Liability		<u>(2,329,092)</u>
			<u>(4,738,271)</u>
Net position of governmental activities		\$	<u>6,945,429</u>



**LITTLE FALLS BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Local Sources:				
Property Tax Levy	\$ 16,195,329		\$ 246,167	\$ 16,441,496
Tuition	146,477			146,477
Interest	7,691			7,691
Miscellaneous	142,229	\$ 135,844	-	278,073
Total - Local Sources	16,491,726	135,844	246,167	16,873,737
State Sources	5,861,308		39,043	5,900,351
Federal Sources	17,074	638,970	-	656,044
Total Revenues	22,370,108	774,814	285,210	23,430,132
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	11,821,936	112,369		11,934,305
Special Education Instruction	2,439,889	232,724		2,672,613
Other Instruction	420,817	86,241		507,058
School Sponsored Activities and Athletics	87,743	88,746		176,489
Support Services				
Student and Instruction Related Services	3,024,206	248,954		3,273,160
General Administrative Services	724,265			724,265
School Administrative Services	1,001,729			1,001,729
Central Services	722,256			722,256
Plant Operations and Maintenance	1,468,046			1,468,046
Pupil Transportation	614,236			614,236
Capital Outlay	1,713,109	1,835		1,714,944
Debt Service:				
Principal	119,202		240,000	359,202
Interest and Other Charges	-	-	45,210	45,210
Total Expenditures	24,157,434	770,869	285,210	25,213,513
Excess of Revenues Over Expenditures	(1,787,326)	3,945	-	(1,783,381)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Capital Financing Agreements	357,605			357,605
Transfers In/(Out)	-	-	-	-
Total Other Financing Sources and (Uses)	357,605	-	-	357,605
Net Change in Fund Balances	(1,429,721)	3,945	-	(1,425,776)
Fund Balance, Beginning of Year	5,602,915	30,227	-	5,633,142
Fund Balance, End of Year	\$ 4,173,194	\$ 34,172	\$ -	\$ 4,207,366

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, 2024**

**Total net change in fund balances - governmental funds (from B-2)** **\$ (1,425,776)**

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	\$ 1,714,944	
Depreciation Expense	<u>(448,013)</u>	
		1,266,931

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	240,000	
Capital Financing Agreement Principal	<u>119,202</u>	
		359,202

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	3,904	
Capital Financing Agreements	<u>(357,605)</u>	
		(353,701)

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	1,999
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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 (+).

Decrease in Compensated Absences	6,073	
Decrease in Pension Expense	<u>338,663</u>	
		<u>344,736</u>

<b>Change in net assets of governmental activities (Exhibit A-2)</b>	<b>\$ <u>193,391</u></b>
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**LITTLE FALLS BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2024**

	Business-Type Activities		
	Enterprise Funds		
	Food <u>Service</u>	Before & After Care - <u>Non-Major</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 241,989	\$ 200,155	\$ 442,144
Intergovernmental Receivable			
State	2,186		2,186
Federal	29,576		29,576
Consumer Accounts Receivable		60	60
Inventory	<u>4,812</u>	<u>-</u>	<u>4,812</u>
Total Current Assets	<u>278,563</u>	<u>200,215</u>	<u>478,778</u>
Noncurrent Assets			
Furniture, Machinery and Equipment	95,392		95,392
Less: Accumulated Depreciation	<u>(41,812)</u>	<u>-</u>	<u>(41,812)</u>
Total Noncurrent Assets	<u>53,580</u>	<u>-</u>	<u>53,580</u>
Total Assets	<u>332,143</u>	<u>200,215</u>	<u>532,358</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	36,467		36,467
Unearned Revenue	<u>9,245</u>	<u>-</u>	<u>9,245</u>
Total Current Liabilities	<u>45,712</u>	<u>-</u>	<u>45,712</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue	<u>1,474</u>	<u>-</u>	<u>1,474</u>
Total Liabilities and Deferred Inflows of Resources	<u>47,186</u>	<u>-</u>	<u>47,186</u>
<b>NET POSITION</b>			
Investment in Capital Assets	53,580	-	53,580
Unrestricted	<u>231,377</u>	<u>200,215</u>	<u>431,592</u>
Total Net Position	<u>\$ 284,957</u>	<u>\$ 200,215</u>	<u>\$ 485,172</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, 2024**

	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	\$ 221,678		\$ 221,678
Daily Sales - Non-reimbursable Programs	121,779		121,779
Before & After Care Program	<u>-</u>	<u>\$ 246,330</u>	<u>246,330</u>
Total Operating Revenues	<u>343,457</u>	<u>246,330</u>	<u>589,787</u>
<b>OPERATING EXPENSES</b>			
Cost of Food - Reimbursable Programs	217,867		217,867
Cost of Food - Non-reimbursable Programs	21,547		21,547
Salaries and Benefits	250,839	179,833	430,672
Purchased Professional Services	11,187	8,271	19,458
Insurance	21,639		21,639
Supplies and Materials	67,784	2,971	70,755
Management Fee	40,458		40,458
Miscellaneous Expense	834		834
Depreciation Expense	<u>4,649</u>	<u>-</u>	<u>4,649</u>
Total Operating Expenses	<u>636,804</u>	<u>191,075</u>	<u>827,879</u>
Operating Income (Loss)	<u>(293,347)</u>	<u>55,255</u>	<u>(238,092)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	7,242		7,242
State School Breakfast Program	227		227
NJEIE Program	3,495		3,495
Federal Sources			
National School Lunch Program	143,671		143,671
National School Breakfast Program	9,791		9,791
P-EBT Administrative	653		653
Supply Chain Assistance	25,464		25,464
Food Distribution Program	37,008		37,008
Interest and Investment Revenue	<u>18</u>	<u>364</u>	<u>382</u>
Total Nonoperating Revenues	<u>227,569</u>	<u>364</u>	<u>227,933</u>
Change in Net Position	(65,778)	55,619	(10,159)
Total Net Position - Beginning of Year	<u>350,735</u>	<u>144,596</u>	<u>495,331</u>
Total Net Position - End of Year	<u>\$ 284,957</u>	<u>\$ 200,215</u>	<u>\$ 485,172</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, 2024**

	Business-Type Activities Enterprise Funds		
	Food Service	Before & After Care - Non-Major	Total
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 344,241	\$ 246,690	\$ 590,931
Cash Payments for Employees' Salaries and Benefits	(250,839)	(179,833)	(430,672)
Cash Payments to Suppliers for Goods and Services	<u>(312,023)</u>	<u>(11,242)</u>	<u>(323,265)</u>
Net Cash Provided by (Used for ) Operating Activities	<u>(218,621)</u>	<u>55,615</u>	<u>(163,006)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	<u>167,529</u>	<u>-</u>	<u>167,529</u>
Net Cash Provided by Noncapital Financing Activities	<u>167,529</u>	<u>-</u>	<u>167,529</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Acquisition of Capital Assets	<u>(50,502)</u>	<u>-</u>	<u>(50,502)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(50,502)</u>	<u>-</u>	<u>(50,502)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	<u>18</u>	<u>364</u>	<u>382</u>
Net Cash Provided by Investing Activities	<u>18</u>	<u>364</u>	<u>382</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(101,576)	55,979	(45,597)
Cash and Cash Equivalents, Beginning of Year	<u>343,565</u>	<u>144,176</u>	<u>487,741</u>
Cash and Cash Equivalents, End of Year	<u>\$ 241,989</u>	<u>\$ 200,155</u>	<u>\$ 442,144</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used For) Operating Activities</b>			
Operating Income/(Loss)	<u>\$ (293,347)</u>	<u>\$ 55,255</u>	<u>\$ (238,092)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided by/(Used for) Operating Activities			
Depreciation Expense	4,649		4,649
Non-Cash Federal Assistance - Food Distribution Program	37,008		37,008
(Increase) Decrease in Inventory	1,766		1,766
(Increase) Decrease in Accounts Receivable		360	360
Increase (Decrease) in Unearned Revenue	784		784
Increase (Decrease) in Deferred Commodities Revenue	(17)		(17)
Increase (Decrease) in Accounts Payable	<u>30,536</u>	<u>-</u>	<u>30,536</u>
Total Adjustments	<u>74,726</u>	<u>360</u>	<u>75,086</u>
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (218,621)</u>	<u>\$ 55,615</u>	<u>\$ (163,006)</u>
<b>Non-Cash Investing, Capital and Financial Activities</b>			
Value Received - Food Distribution Program	\$ 36,991		

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, 2024**

**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 2024, the District adopted the following GASB statements:

- 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.

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

- 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, 2024**

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

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

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

**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.



**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**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 fund 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.

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, 2024**

**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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software 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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *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

6. *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 future periods 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 has 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, 2024**

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

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

***7. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused 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.

***8. 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.

***9. Financing Agreements***

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

***10. 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, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *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, 2024 audited excess surplus that is required to be appropriated in the 2025/2026 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, 2023 audited excess surplus that was appropriated in the 2024/2025 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).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2024/2025 original budget certified for taxes.

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, 2024**

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

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

***11. 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.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the 2024/2025 original budget certified for taxes.

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

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

***12. 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, 2024**

**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 2022-2023 and 2023-2024 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. *On-Behalf Payments***

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities include the State’s proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

**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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters.

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**A. Budgetary Information (Continued)**

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. 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.

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 2023/2024. Also, during 2023/2024 the Board increased the original budget of the general fund by \$280,435 and the special revenue fund by \$206,332. The increases were funded by the additional appropriation of grant awards, student activity revenues, and the reappropriation of prior year general fund encumbrances.

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

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

**B. Excess Expenditures Over Appropriations**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Speech, OT, PT and Related Services			
Purchased Prof – Ed. Svcs.	\$40,383	\$44,177	\$3,794
Special Revenue Fund			
Support Services			
Employee Benefits	74,629	98,882	24,253

The above variances were offset with other available resources.

**C. Capital Reserve**

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

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



**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**C. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, June 30, 2023	\$ 2,621,338
Increased by:	
Deposits Approved by Board Resolution	246,081
Decreased by:	
Withdrawals Approved in District Budget	<u>(1,500,000)</u>
Balance, June 30, 2024	<u>\$ 1,367,419</u>

The June 30, 2024 LRFP balance of the total cost of uncompleted capital projects is estimated by management to be \$9,783,085.

The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District's Long Range Facilities Plan. \$71,800 of the capital reserve balance at June 30, 2024 was designated and appropriated for use in the 2024/2025 original budget certified for taxes.

**D. Maintenance Reserve**

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

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, June 30, 2023	\$ 678,156
Increased by	
Deposits Approved by Board Resolution	<u>50,000</u>
Decreased by	
Withdrawals Approved in District Budget	<u>(400,000)</u>
Balance, June 30, 2024	<u>\$ 328,156</u>

The June 30, 2024 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.

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2024 is \$1,197,222. Of this amount, \$518,330 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$678,892 will be appropriated in the 2025/2026 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2024, the book value of the Board's deposits were \$1,737,985 and bank and brokerage firm balances of the Board's deposits amounted to \$2,008,605. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 1,980,153
Uninsured and Collateralized	<u>28,452</u>
	<u>\$ 2,008,605</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, 2024 the Board's bank balance of \$28,452 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.

\$ 28,452

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**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, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

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, 2024 for the district's individual major and non-major funds are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total</u>
Receivables:					
Property Taxes	\$ 2,699,222				\$ 2,699,222
Intergovernmental					
State	54,774		\$ 2,186		56,960
Federal		\$ 91,438	29,576		121,014
Other	-	-	-	\$ 60	60
Net Total Receivables	<u>\$ 2,753,996</u>	<u>\$ 91,438</u>	<u>\$ 31,762</u>	<u>\$ 60</u>	<u>\$ 2,877,256</u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**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	\$ 10,150
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>23,434</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 33,584</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
<b>Governmental activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 23,264			\$ 23,264
Construction In Progress	<u>1,569,666</u>	<u>\$ 673,229</u>	<u>\$ (1,533,906)</u>	<u>708,989</u>
Total Capital Assets, Not Being Depreciated	<u>1,592,930</u>	<u>673,229</u>	<u>(1,533,906)</u>	<u>732,253</u>
Capital Assets, Being Depreciated:				
Land Improvements	417,816	40,927	873,887	1,332,630
Building and Building Improvements	8,917,731	608,820	660,019	10,186,570
Machinery and Equipment	<u>2,593,446</u>	<u>391,968</u>	<u>-</u>	<u>2,985,414</u>
Total Capital Assets Being Depreciated	<u>11,928,993</u>	<u>1,041,715</u>	<u>1,533,906</u>	<u>14,504,614</u>
Less Accumulated Depreciation for:				
Land Improvements	(810,405)	(33,073)		(843,478)
Building and Building Improvements	(4,722,969)	(205,970)		(4,928,939)
Machinery and Equipment	<u>(1,740,563)</u>	<u>(208,970)</u>	<u>-</u>	<u>(1,949,533)</u>
Total Accumulated Depreciation	<u>(7,273,937)</u>	<u>(448,013)</u>	<u>-</u>	<u>(7,721,950)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,655,056</u>	<u>593,702</u>	<u>1,533,906</u>	<u>6,782,664</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,247,986</u>	<u>\$ 1,266,931</u>	<u>\$ -</u>	<u>\$ 7,514,917</u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2024</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 44,890	\$ 50,502	-	\$ 95,392
Total Capital Assets Being Depreciated	44,890	50,502	-	95,392
Less Accumulated Depreciation For:				
Machinery and Equipment	(37,163)	(4,649)	-	(41,812)
Total Accumulated Depreciation	(37,163)	(4,649)	-	(41,812)
Total Capital Assets, Being Depreciated, Net	7,727	45,853	-	53,580
Business-Type Activities Capital Assets, Net	<u>\$ 7,727</u>	<u>\$ 45,853</u>	<u>\$ -</u>	<u>\$ 53,580</u>

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

<b>Governmental Activities:</b>	
Instruction	
Regular	\$ 201,786
Special Education	82,524
Other Instruction	8,154
Total Instruction	292,464
Support Services	
Student and Instruction Related Services	81,315
General Administration Services	12,365
School Administration Services	25,402
Central Services	10,528
Operations and Maintenance of Plant	24,013
Student Transportation	1,926
Total Support Services	155,549
Total Depreciation Expense - Governmental Activities	<u>\$ 448,013</u>
<b>Business Type Activities:</b>	
Food Service Fund	\$ 4,649
Total Depreciation Expense - Business Type Activities	<u>\$ 4,649</u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

The composition of interfund balances as of June 30, 2024, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 78,063
Total		<u>\$ 78,063</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. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreements to finance the other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2024 are comprised of the following:

\$357,605, Fiscal year 2024 Agreement, for the acquisition of Computer Equipment for a term of 3 years due in annual installments of \$119,201 and \$119,202 through 2026 at no interest	<u>\$ 238,403</u>
Total	<u>\$ 238,403</u>

**Governmental Activities:**

<u>Fiscal Year Ended June 30,</u>	<u>Capital Financing Agreement Principal</u>
2025	\$ 119,202
2026	<u>119,201</u>
	<u>\$ 238,403</u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. 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, 2024 are comprised of the following issues:

\$3,067,000, 2016 Bonds, due in annual installments of \$237,000 to \$240,000 through August 1, 2031, interest at 2.00% to 3.00%	<u>\$ 1,917,000</u>
Total	<u><u>\$ 1,917,000</u></u>

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>	
2025	\$ 240,000	\$ 40,410	\$ 280,410
2026	240,000	35,610	275,610
2027	240,000	30,810	270,810
2028	240,000	26,010	266,010
2029	240,000	29,475	269,475
2030-2032	<u>717,000</u>	<u>21,060</u>	<u>738,060</u>
	<u><u>\$ 1,917,000</u></u>	<u><u>\$ 183,375</u></u>	<u><u>\$ 2,100,375</u></u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 59,114,308
Less: Net Debt Issued and Authorized But Not Issued	<u>1,917,000</u>
Remaining Borrowing Power	<u><u>\$ 57,197,308</u></u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 2,157,000		\$ 240,000	\$ 1,917,000	\$ 240,000
Deferred Amounts:					
Add: Original Issue Premium	16,709	-	3,904	12,805	3,239
Total Bonds Payable	2,173,709	-	243,904	1,929,805	243,239
Compensated Absences	247,044		6,073	240,971	
Capital Financing Agreements		\$ 357,605	119,202	238,403	119,202
Net Pension Liability	2,418,633	-	89,541	2,329,092	-
Governmental Activity Long-Term Liabilities	<u>\$ 4,839,386</u>	<u>\$ 357,605</u>	<u>\$ 458,720</u>	<u>\$ 4,738,271</u>	<u>\$ 362,441</u>

For the governmental activities, the liabilities for compensated absences, capital financing agreements 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 provided traditional health coverage with the State Employee Health Benefits Programs.

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, 2024**

**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:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ -	\$ 21,361	\$ 369	\$ 8,622	\$ 211,353
2023	-	20,860	363	18,252	210,984
2022	-	39,971	315	36,317	186,338

**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, 2024, 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, 2024, 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, 2024**

**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:

<b>Tier</b>	<b>Definition</b>
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  $1/55^{\text{th}}$  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  $1/60^{\text{th}}$  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, by 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's 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, 2024**

**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:

<b>Tier</b>	<b>Definition</b>
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 age for their 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 PERS 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, 2024**

**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. Empower Retirement (formerly Prudential) 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  
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**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, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the July 1, 2022 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 2024.

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, 2024 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 more 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 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 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:

<u>Fiscal</u> <u>Year Ended</u> <u>June 30,</u>		<u>PERS</u>	<u>On-behalf</u> <u>TPAF</u>		<u>DCRP</u>
2024	\$	214,914	\$	3,009,133	\$ 27,560
2023		202,103		2,913,611	25,329
2022		184,413		2,982,215	20,214

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$1,285, \$1,202 and \$1,214, 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 \$681,307 during the fiscal year ended June 30, 2024 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 based on a measurement date no earlier than the end of the employer's prior fiscal year. 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, 2022 through June 30, 2024. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

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, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$2,329,092 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 20. 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, 2023. At June 30, 2023, the District's proportionate share was .01608 percent, which was an increase of .00005 percent from its proportionate share measured as of June 30, 2022 of .01603 percent.

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension (benefit) of (\$123,750) for PERS. The pension contribution made by the District during the current 2023/2024 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, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. 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, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 22,269	\$ 9,521
Changes of Assumptions	5,117	141,153
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	10,726	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>124,151</u>	<u>32,334</u>
Total	<u>\$ 162,263</u>	<u>\$ 183,008</u>

At June 30, 2024, 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:

<b><u>Year Ending June 30,</u></b>	<b><u>Total</u></b>
2024	\$ (95,922)
2025	(14,504)
2026	107,529
2027	(18,177)
2028	329
Thereafter	<u>-</u>
	<u>\$ (20,745)</u>

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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)**

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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.

***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>\$ 3,031,982</u>	<u>\$ 2,329,092</u>	<u>\$ 1,730,839</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, 2023. A sensitivity analysis specific to the District's net pension liability at June 30, 2023 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  
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**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 based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. 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, 2023, the State's pension contribution was more 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$881,317 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, 2024 the State's proportionate share of the net pension liability attributable to the District is \$35,873,899. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. 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, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .07030 percent, which was a decrease of .00113 percent from its proportionate share measured as of June 30, 2021 of .07143 percent.

LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25%
	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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
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**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, 2023) 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, 2023 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%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%
International Small Cap Equity	1.25%	9.22%

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2023. 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  
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**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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ 42,301,837	\$ 35,873,899	\$ 30,460,048

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, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 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, 2023. 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  
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**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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</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, 2024**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the June 30, 2022 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 \$1.44 billion to the OPEB plan in fiscal year 2023.

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, 2024, 2023 and 2022 were \$818,976, \$765,399 and \$696,766, 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  
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**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 based on a measurement date no earlier than the end of the employer’s prior fiscal year. 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, 2022 through June 30, 2023. 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, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$993,245. 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, 2024 the State’s proportionate share of the OPEB liability attributable to the District is \$30,264,106. 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, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, 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, 2022 of .06 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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)**

**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 disables 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, 2022 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is, increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% 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, 2023 was 3.65%. 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, 2024**

**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)**

**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, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ 29,479,983
Changes Recognized for the Fiscal Year:	
Service Cost	1,411,018
Interest on the Total OPEB Liability	1,065,865
Differences Between Expected and Actual Experience	(950,215)
Changes of Assumptions	61,000
Gross Benefit Payments	(830,859)
Contributions from the Member	27,314
Net Changes	784,123
Balance, June 30, 2023 Measurement Date	\$ 30,264,106

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

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, 2023.

**LITTLE FALLS BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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 3.65%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	<b>1% Decrease <u>(2.65%)</u></b>	<b>Current Discount Rate <u>(3.65%)</u></b>	<b>1% Increase <u>(4.65%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 35,479,469</u>	<u>\$ 30,264,106</u>	<u>\$ 26,076,775</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>\$ 25,123,874</u>	<u>\$ 30,264,106</u>	<u>\$ 36,990,113</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 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, 2024**

**NOTE 5 RECENT HEALTHCARE DEVELOPMENTS**

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,824,107 in federal aid to address the effects of the COVID-19 pandemic.

**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, 2024**

	<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	\$ 16,195,329		\$ 16,195,329	\$ 16,195,329	
Tuition - Preschool	99,000		99,000	146,477	\$ 47,477
Interest	1,000		1,000	7,691	6,691
Miscellaneous	-	-	-	142,229	142,229
Total Local Sources	16,295,329	-	16,295,329	16,491,726	196,397
State Sources					
Special Education Aid	947,371		947,371	947,371	
Transportation Aid	157,391		157,391	157,391	
Security Aid	128,260		128,260	128,260	
Extraordinary Aid				154,960	154,960
Additional Nonpublic Transportation Aid				20,930	20,930
On-behalf TPAF Pension System Contribution (Non-Budgeted)					
Normal				2,975,202	2,975,202
Premium NCGI				33,931	33,931
Post Retirement Medical Benefits				818,976	818,976
Long Term Disability Insurance				1,285	1,285
On-behalf TPAF Social Security Contributions (Non-budgeted)	-	-	-	681,307	681,307
Total State Sources	1,233,022	-	1,233,022	5,919,613	4,686,591
Federal Sources					
Semi Medicaid Reimbursement	25,741	-	25,741	17,074	(8,667)
Total Federal Sources	25,741	-	25,741	17,074	(8,667)
Total Revenues	17,554,092	-	17,554,092	22,428,413	4,874,321
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE</b>					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	293,534	\$ (18,257)	275,277	275,277	-
Kindergarten	596,741	(32,458)	564,283	564,283	-
Grades 1-5	3,475,101	28,644	3,503,745	3,503,745	-
Grades 6-8	2,456,922	(55,459)	2,401,463	2,401,463	-
Regular Programs - Home Instruction					
Salaries of Teachers	5,000	(4,160)	840	840	-
Regular Programs - Undistributed Instruction					
Unused Sick Time		-			-
Unused Vacation Payment to Terminated/ Retired Staff	30,000	-	30,000	30,000	-
Purchased Professional Education Svs.	15,000	19,515	34,515	18,915	15,600
Purchased Technical Services	23,957	124	24,081	24,081	-
Other Purchased Services	100,000	110,216	210,216	210,214	2
General Supplies	423,991	62,734	486,725	416,118	70,607
Textbooks	12,000	(422)	11,578	11,578	-
Total Regular Programs	7,432,246	110,477	7,542,723	7,456,514	86,209



**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 301,151	\$ 65,872	\$ 367,023	\$ 366,895	\$ 128
Other Salaries for Instruction	275,971	12,282	288,253	288,253	-
General Supplies	3,000	26,758	29,758	29,758	-
Total Learning and/or Language Disabilities	580,122	104,912	685,034	684,906	128
Multiple Disabilities					
Salaries of Teachers	269,214	(105,086)	164,128	164,128	-
Other Salaries for Instruction	289,652	(47,349)	242,303	242,303	-
Purchased Professional-Educational Svs.	24,000	11,255	35,255	31,562	3,693
General Supplies	2,560	2,059	4,619	4,619	-
Total Multiple Disabilities	585,426	(139,121)	446,305	442,612	3,693
Preschool Disabilities - Part Time					
Other Salaries for Instruction		8,780	8,780	8,780	-
General Supplies	-	8,576	8,576	8,576	-
Total Preschool Disabilities - Part Time	-	17,356	17,356	17,356	-
Preschool Disabilities - Full Time					
Salaries of Teachers	81,084	(504)	80,580	80,580	-
Other Salaries for Instruction	138,633	55,388	194,021	194,021	-
General Supplies	10,172	(8,013)	2,159	2,159	-
Total Preschool Disabilities - Full Time	229,889	46,871	276,760	276,760	-
Basic Skills/Remedial - Instruction					
Salaries of Teachers	285,530	(31,141)	254,389	253,986	403
General Supplies	500	(500)	-	-	-
Total Basic Skills/Remedial - Instruction	286,030	(31,641)	254,389	253,986	403
School Sponsored Co-Curricular Activities					
Salaries	77,598	(18,607)	58,991	58,991	-
Purchases Services	-	183	183	-	183
Total School Sponsored Co-Curricular Activities	77,598	(18,424)	59,174	58,991	183
Total - Instruction	9,191,311	90,430	9,281,741	9,191,125	90,616
Undistributed Expenditures					
Instruction					
Tuition to Priv Sch. For Disabled w/in State	405,590	(119,576)	286,014	280,365	5,649
Total Undistributed Expenditures - Instruction	405,590	(119,576)	286,014	280,365	5,649

**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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					
Health Services					
Salaries	\$ 226,620	\$ 8,433	\$ 235,053	\$ 235,053	-
Purchased Professional and Technical Svs.	23,575	1,309	24,884	24,884	-
Supplies and Materials	2,500	(1,099)	1,401	1,401	-
Total Health Services	252,695	8,643	261,338	261,338	-
Speech, OT, PT and Related Services					
Salaries	249,650	(40,869)	208,781	204,714	\$ 4,067
Purchased Professional-Educational Services	-	40,383	40,383	44,177	(3,794)
Supplies and Materials	5,000	440	5,440	5,440	-
Total Speech, OT, PT and Related Services	254,650	(46)	254,604	254,331	273
Other Support Services - Students - Extra Services					
Salaries	227,555	17,549	245,104	245,103	1
Purchased Professional-Educational Services	46,000	-	46,000	46,000	-
Total Other Support Services - Students - Extra Services	273,555	17,549	291,104	291,103	1
Guidance					
Salaries of Other Professional Staff	200,935	(96,875)	104,060	104,060	-
Total Guidance	200,935	(96,875)	104,060	104,060	-
Child Study Teams					
Salaries of Other Professional Staff	741,088	(71,561)	669,527	664,446	5,081
Salaries of Secretarial and Clerical Assistants	72,800	-	72,800	72,800	-
Purchased Professional-Educational Svs.	-	178	178	178	-
Other Purchased Professional-Technical Svs.	3,602	6,250	9,852	9,852	-
Supplies and Materials	23,000	722	23,722	22,455	1,267
Other Objects	1,970	(1,648)	322	295	27
Total Child Study Teams	842,460	(66,059)	776,401	770,026	6,375
Improvement of Instruction Services					
Salaries of Other Professional Staff	42,488	-	42,488	42,488	-
Purchased Professional-Educational Services	4,780	-	4,780	4,780	-
Other Purchased Services	22,464	-	22,464	7,309	15,155
Other Objects	200	-	200	200	-
Total Improvement of Instruction Services	69,932	-	69,932	54,777	15,155
Educational Media Services/School Library					
Salaries	102,080	-	102,080	102,080	-
Salaries of Technology Coordinator	65,000	(2,500)	62,500	62,500	-
Purchased Professional and Technical Services	60,000	(39,602)	20,398	10,499	9,899
Total Educational Media Services/School Library	227,080	(42,102)	184,978	175,079	9,899

**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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					
Instructional Staff Training Service					
Purchased Professional - Educational Svs.	-	\$ 10,500	\$ 10,500	-	\$ 10,500
Total Instructional Staff Training Service	-	10,500	10,500	-	10,500
Support Services General Administration					
Salaries	\$ 307,973	2,392	310,365	\$ 310,365	-
Legal Services	10,000	(5,521)	4,479	3,051	1,428
Audit Fees	35,000	33,000	68,000	32,290	35,710
Other Purchased Professional Services	38,765	(1,500)	37,265	30,718	6,547
Communications/Telephone	29,300	2,631	31,931	31,195	736
Travel - All Other	8,000	(1,310)	6,690	6,311	379
BOE Other Purchased Services	64,620	(1,681)	62,939	60,263	2,676
Supplies and Materials	7,000	6,775	13,775	13,775	-
Miscellaneous Expenditures	6,375	(1,122)	5,253	4,447	806
BOE Membership Dues and Fees	6,275	1,565	7,840	7,840	-
Total Support Services General Administration	513,308	35,229	548,537	500,255	48,282
Support Services School Administration					
Salaries of Principals/Asst. Principals	373,893	2,512	376,405	376,405	-
Salaries of Secretarial and Clerical Assistants	245,997	(36,148)	209,849	209,663	186
Other Salaries	2,000	17,485	19,485	17,835	1,650
Purchased Professional and Technical Svs.	4,991	6,750	11,741	4,990	6,751
Other Purchased Services	1,500	3,984	5,484	4,943	541
Supplies and Materials	35,000	(3,954)	31,046	28,172	2,874
Other Objects	1,800	(145)	1,655	1,597	58
Total Support Services School Administration	665,181	(9,516)	655,665	643,605	12,060
Undistributed Expenditures - Central Services					
Salaries	420,451	-	420,451	416,948	3,503
Purchased Professional Services	600	(500)	100	100	-
Purchased Technical Services	15,000	5,245	20,245	20,245	-
Misc. Purchased Services	2,500	770	3,270	3,270	-
Supplies and Materials	6,200	(80)	6,120	6,120	-
Miscellaneous Purchase Services	1,500	200	1,700	1,700	-
Total Undistributed Expenditures -Central Services	446,251	5,635	451,886	448,383	3,503
Undist. Expend. - Admin. Info. Technology					
Salaries	75,000	5,000	80,000	80,000	-
Supplies and Materials	-	5,053	5,053	5,017	36
Total Undist. Expend-Admin. Info. Tech.	75,000	10,053	85,053	85,017	36
Undist. Expend. - Required Maint. For School Facilities					
Salaries	93,000	529	93,529	93,529	-
Cleaning, Repair, and Maintenance	245,000	149,057	394,057	346,100	47,957
General Supplies	61,100	(8,687)	52,413	18,293	34,120
Other Objects	900	-	900	642	258
Total Undist. Expend - Required Maint. For School Facilities	400,000	140,899	540,899	458,564	82,335

**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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>					
Custodial Services					
Salaries	\$ 411,903	\$ (5,234)	\$ 406,669	\$ 404,352	\$ 2,317
Purchased Professional and Technical Svs.	6,100	5,634	11,734	11,734	-
Cleaning, Repair, and Maintenance Services	38,300	(4,511)	33,789	26,237	7,552
Other Purchased Property Services	18,500	(228)	18,272	17,327	945
Insurance	127,364	(538)	126,826	126,771	55
General Supplies	45,000	2,531	47,531	47,458	73
Energy (Natural Gas)	90,000	-	90,000	83,127	6,873
Energy(Electricity)	113,000	35,000	148,000	127,149	20,851
Other Objects	750	170	920	920	-
Total Custodial Services	850,917	32,824	883,741	845,075	38,666
Care and Upkeep of Grounds					
Purchased Professional and Technical Svs.	19,000	7,870	26,870	25,250	1,620
Cleaning, Repair, and Maintenance Services	3,000	37,927	40,927	40,927	-
Total Care and Upkeep of Grounds	22,000	45,797	67,797	66,177	1,620
Security					
Purchased Professional & Technical Svs.		35,000	35,000	35,000	-
General Supplies	-	5,850	5,850	5,850	-
Total Security	-	40,850	40,850	40,850	-
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	20,509	-	20,509	16,806	3,703
Salaries for Pupil Transportation (Between Home and School) - Sp Ed	79,132	(3,686)	75,446	62,851	12,595
Management Fee - ESC & CTSA					
Transportation Prog.	10,000	(257)	9,743	9,127	616
Purchased Professional and Technical Svs.	1,050	(120)	930	-	930
Cleaning, Repair & Maint. Services	15,000	10,394	25,394	25,394	-
Rental Payments - School Buses	6,000	(3,762)	2,238	1,950	288
Contracted Services (Other Than Between Home and School) - Vendors	4,600	(2,466)	2,134	1,270	864
Contracted Services (Regular Ed. Students)- ESCs & CTSA	250,000	(32,272)	217,728	182,925	34,803
Contracted Services (Special Ed. Students)- ESCs & CTSA	250,000	(24,283)	225,717	225,717	-
Contracted Services-Aid in Lieu of Payments - Non-Public Schools	56,210	-	56,210	48,930	7,280
Miscellaneous Purchased Services-Trans.	575	(17)	558	308	250
Supplies and Materials	-	134	134	134	-
Total Student Transportation Services	693,076	(56,335)	636,741	575,412	61,329
Unallocated Benefits - Employee Benefits					
Social Security Contributions	225,000	15,895	240,895	240,895	
Other Retirement Contributions-PERS/DCRP	239,000	7,914	246,914	242,474	4,440
Workmen's Compensation	98,201	(9,293)	88,908	88,908	-
Health Benefits	2,631,282	174,113	2,805,395	2,487,761	317,634
Tuition Reimbursement	30,000	-	30,000	23,835	6,165
Other Employee Benefits	94,000	-	94,000	82,649	11,351
Total Unallocated Benefits - Employee Benefits	3,317,483	188,629	3,506,112	3,166,522	339,590

**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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>					
On-behalf TPAF Pension System Contribution (Non-Budget)					
Normal				\$ 2,975,202	\$ (2,975,202)
NCGI Premium				33,931	(33,931)
Post Retirement Medical Benefits				818,976	(818,976)
Long Term Disability Insurance				1,285	(1,285)
On-behalf TPAF Social Security Contributions (Non-budgeted)	-	-	-	681,307	(681,307)
Total On-behalf Contributions	-	-	-	4,510,701	(4,510,701)
Total Undistributed Expenditures	\$ 9,510,113	\$ 146,099	\$ 9,656,212	13,531,640	(3,875,428)
Interest Deposit to Maintenance Reserve	500	-	500		500
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Expenditures - Current Expense	18,702,424	236,529	18,938,953	22,722,765	(3,783,812)
<b>CAPITAL OUTLAY</b>					
Equipment					
Instruction	243,000	-	243,000	15,703	227,297
Total Equipment	243,000	-	243,000	15,703	227,297
Facilities Acquisition and Construction Serv.					
Architectural/Engineering Services	-	37,000	37,000	37,000	-
Construction Services	1,500,000	-	1,500,000	963,704	536,296
Assessment for Debt Serv on SDA Funding	20,146	-	20,146	20,146	-
Total Facilities Acquisition and Construction Serv.	1,520,146	37,000	1,557,146	1,020,850	536,296
Assets acquired under Capital Financing Agreements					
Leased Equipment - Regular Instruction	-	-	-	357,605	(357,605)
Total Assets acquired under Capital Financing Agreements	-	-	-	357,605	(357,605)
Total Capital Outlay	1,763,146	37,000	1,800,146	1,394,158	405,988
Transfer of Funds to Charter Schools	33,605	6,906	40,511	40,511	-
Total Expenditures	20,499,175	280,435	20,779,610	24,157,434	(3,377,824)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(2,945,083)	(280,435)	(3,225,518)	(1,729,021)	1,496,497
Other Financing Sources (Uses)					
Transfers Out					
Capital Financing Agreement Proceeds	-	-	-	357,605	357,605
Total Other Financing Sources (Uses)	-	-	-	357,605	357,605
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(2,945,083)	(280,435)	(3,225,518)	(1,371,416)	1,854,102
Fund Balances, Beginning of Year	5,820,857	-	5,820,857	5,820,857	-
Fund Balances, End of Year	\$ 2,875,774	\$ (280,435)	\$ 2,595,339	\$ 4,449,441	\$ 1,854,102

LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<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				\$ 678,892	
Excess Surplus - Designated for Subsequent Year's Expenditures				518,330	
Capital Reserve				1,295,619	
Capital Reserve - Designated for Subsequent Year's Expenditures				71,800	
Maintenance Reserve				328,156	
Unemployment Compensation				211,353	
Assigned					
Year-end Encumbrances				727,073	
Designated for Subsequent Year's Expenditures				56,545	
Unassigned				<u>561,673</u>	
				4,449,441	
Less: State Aid Payment Not Recognized on GAAP				121,287	
Extraordinary Aid Payment Not Recognized on GAAP				<u>154,960</u>	
Fund Balance, GAAP Basis				<u>\$ 4,173,194</u>	

**LITTLE FALLS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<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	\$ 499,660	\$ 157,683	\$ 657,343	\$ 638,970	\$ (18,373)
Local Sources	-	48,639	48,639	135,844	87,205
Total Revenues	499,660	206,322	705,982	774,814	68,832
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	204,926	(112,810)	92,116	91,813	303
Purchased Professional Technical Service	40,000	(26,242)	13,758	13,053	705
Purchased Services	184,734	47,990	232,724	232,724	-
Instructional Supplies		104,547	104,547	91,992	12,555
Other Objects		2,036	2,036	1,752	284
Student Activities (Non Budget)	-	-	-	88,746	(88,746)
Total Instruction	429,660	15,521	445,181	520,080	(74,899)
Support Services:					
Salaries		122,936	122,936	99,895	23,041
Employee Benefits		74,629	74,629	98,882	(24,253)
Purchased Professional Technical Service	55,000	(15,576)	39,424	32,383	7,041
Other Purchased Services	15,000	(1,942)	13,058	8,875	4,183
Total Support Services	70,000	180,047	250,047	240,035	10,012
Facilities Acquisition and Constructions Services:					
Buildings	-	10,754	10,754	10,754	-
Total Facilities Acquisition and Construction Services	-	10,754	10,754	10,754	-
Total Expenditures	499,660	206,322	705,982	770,869	(64,887)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	3,945	3,945
Fund Balance, July 1	30,227	-	30,227	30,227	-
Fund Balance, June 30	\$ 30,227	\$ -	\$ 30,227	\$ 34,172	\$ 3,945

Restricted Fund Balances:  
Restricted Fund Balance  
Student Activities and Athletics

\$ 34,172

**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, 2024**

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)	\$ 22,428,413	\$ 774,814
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2023		
Encumbrances, June 30, 2024		
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements (2022/2023 State Aid)	217,942	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2023/2024 State Aid)	<u>(276,247)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibits B-2)	<u>\$ 22,370,108</u>	<u>\$ 774,814</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule (Exhibits C-1 and C-2)	<u>\$ 24,157,434</u>	<u>\$ 770,869</u>
Differences - Budget to GAAP		
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, 2023		
Encumbrances, June 30, 2024	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 24,157,434</u>	<u>\$ 770,869</u>

**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 Ten Fiscal Years\*

	2024		2023		2022		2021		2020		2019		2018		2017		2016		2015	
District's Proportion of the Net Position Liability (Asset)	0.01608	%	0.01603	%	0.01575	%	0.01481	%	0.01517	%	0.01673	%	0.01946	%	0.05829	%	0.01963	%	0.01957	%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 2,329,092</u>		<u>\$ 2,418,633</u>		<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>	
District's Covered Payroll	<u>\$ 1,406,776</u>		<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>	
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	166	%	198	%	158	%	217	%	257	%	304	%	383	%	426	%	353	%	274	%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23	%	62.91	%	70.33	%	58.32	%	56.27	%	53.60	%	48.10	%	40.14	%	47.93	%	52.08	%

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

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

**Public Employees Retirement System**

**Last Ten Fiscal Years**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 214,914	\$ 202,103	\$ 184,413	\$ 162,007	\$ 147,524	\$ 166,399	\$ 181,960	\$ 165,047	\$ 168,807	\$ 182,549
Contributions in Relation to the Contractually Required Contribution	<u>214,914</u>	<u>202,103</u>	<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>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 1,491,589</u>	<u>\$ 1,406,776</u>	<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>
Contributions as a Percentage of Covered Payroll	14.41 %	14.37 %	15.11 %	13.72 %	13.28 %	15.62 %	16.80 %	13.95 %	13.10 %	14.63 %

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 Ten Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Position Liability (Asset)	0 %	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 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	\$ 35,873,899	\$ 36,856,375	\$ 33,620,095	\$ 45,882,083	\$ 42,253,567	\$ 42,644,056	\$ 42,067,497	\$ 45,853,739	\$ 40,766,917	\$ 34,855,179
Total	\$ 35,873,899	\$ 36,856,375	\$ 33,620,095	\$ 45,882,083	\$ 42,253,567	\$ 42,644,056	\$ 42,067,497	\$ 45,853,739	\$ 40,766,917	\$ 34,855,179
District's Covered Payroll	\$ 8,981,876	\$ 8,177,948	\$ 8,161,226	\$ 7,920,368	\$ 7,596,395	\$ 7,485,851	\$ 7,065,552	\$ 6,662,989	\$ 6,327,908	\$ 5,850,530
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 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68 %	32.29 %	35.52 %	24.60 %	26.95 %	26.48 %	25.41 %	22.33 %	28.74 %	33.64 %

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

**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, 2024**

**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 Seven Fiscal Years\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>							
Service Cost	\$ 1,411,018	\$ 1,850,173	\$ 2,084,622	\$ 1,161,432	\$ 1,073,687	\$ (545,886)	\$ 1,502,189
Interest on Total OPEB Liability	1,065,865	781,252	922,536	854,297	1,029,006	904,054	976,175
Changes of Benefit Terms		-	(37,852)				
Differences Between Expected and Actual Experience	(950,215)	(56,945)	(5,223,720)	6,520,175	(4,046,275)		
Changes of Assumptions	61,000	(7,908,270)	35,085	7,029,932	351,417	(3,416,918)	(4,064,482)
Contribution from the Member	27,314	24,826	23,585	20,308	21,447	70,450	33,189
Gross Benefit Payments	<u>(830,859)</u>	<u>(773,853)</u>	<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>	784,123	(6,082,817)	(2,922,444)	14,916,148	(2,294,219)	(4,901,538)	(2,454,262)
<b>Total OPEB Liability - Beginning</b>	<u>29,479,983</u>	<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>	<u>33,219,115</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 30,264,106</u>	<u>\$ 29,479,983</u>	<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>30,264,106</u>	<u>29,479,983</u>	<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>
Total OPEB Liability - Ending	<u>\$ 30,264,106</u>	<u>\$ 29,479,983</u>	<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>\$ 10,388,652</u>	 <u>\$ 9,398,452</u>	 <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%	  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, 2024**

**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, 2024

	Every Student Succeeds Act (E. S. S. A.)				I. D. E. A.				
	Title I Part A	Title II Part A	Title III Immigrant	Title IV Part A	Part B Basic	Part B Preschool	High Impact Tutoring	Total Exhibit E-1a	Total
<b>REVENUES:</b>									
Federal Sources	\$ 239,531	\$ 33,926	\$ 3,227	\$ 9,631	\$ 221,329	\$ 11,395	\$ 17,092	\$ 102,839	\$ 638,970
State Sources	-	-	-	-	-	-	-	-	-
Local Sources	-	-	-	-	-	-	-	135,844	135,844
<b>Total Revenues</b>	<b>239,531</b>	<b>33,926</b>	<b>3,227</b>	<b>9,631</b>	<b>221,329</b>	<b>11,395</b>	<b>17,092</b>	<b>238,683</b>	<b>774,814</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	\$ 64,801							\$ 27,012	\$ 91,813
Purchased Professional Technical Service							\$ 13,053	-	13,053
Purchased Services					\$ 221,329	\$ 11,395		-	232,724
Instructional Supplies	12,728		\$ 2,882	\$ 5,830			1,002	69,550	91,992
Other Objects								1,752	1,752
Student Activities	-	-	-	-	-	-	-	88,746	88,746
<b>Total Instruction</b>	<b>77,529</b>	<b>-</b>	<b>2,882</b>	<b>5,830</b>	<b>221,329</b>	<b>11,395</b>	<b>14,055</b>	<b>187,060</b>	<b>520,080</b>
Support Services:									
Salaries	63,120							36,775	99,895
Employee Benefits	98,882							-	98,882
Purchased Professional Technical Service		\$ 25,396		3,801			3,037	149	32,383
Other Purchased Services	-	8,530	345	-	-	-	-	-	8,875
<b>Total Support Services</b>	<b>162,002</b>	<b>33,926</b>	<b>345</b>	<b>3,801</b>	<b>-</b>	<b>-</b>	<b>3,037</b>	<b>36,924</b>	<b>240,035</b>
Facilities Acquisition and Constructions Services:									
Buildings	-	-	-	-	-	-	-	10,754	10,754
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,754</b>	<b>10,754</b>
<b>Total Expenditures</b>	<b>239,531</b>	<b>33,926</b>	<b>3,227</b>	<b>9,631</b>	<b>221,329</b>	<b>11,395</b>	<b>17,092</b>	<b>234,738</b>	<b>770,869</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	3,945	3,945
Fund Balance, July 1	-	-	-	-	-	-	-	30,227	30,227
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,172	\$ 34,172

LITTLE FALLS BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	CRRSA - ESSER I	ARP-ESSER III					Student Activities / Athletics	Local	Total Exhibit E-1a
	ESSER II	ARP ESSER III	Accelerated Learning Coach	Evidence Based Summer Learning	Evidence Based Comprehensive	Mental Health			
<b>REVENUES:</b>									
Federal Sources	\$ 10	\$ 5,919	\$ 28,418	\$ 5,806	\$ 33,262	\$ 29,424			\$ 102,839
State Sources									-
Local Sources	-	-	-	-	-	-	\$ 92,691	\$ 43,153	135,844
Total Revenues	10	5,919	28,418	5,806	33,262	29,424	92,691	43,153	238,683
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers					\$ 27,012				\$ 27,012
Purchased Professional Technical Service									-
Purchased Services									-
Instructional Supplies	\$ 10		\$ 28,418		2,804			\$ 38,318	69,550
Other Objects					1,752				1,752
Student Activities	-	-	-	-	-	-	\$ 88,746	-	88,746
Total Instruction	10	-	28,418	-	31,568	-	88,746	38,318	187,060
Support Services:									
Salaries				5,806	1,694	\$ 29,275			36,775
Employee Benefits									-
Purchased Professional Technical Service						149			149
Other Purchased Services	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	5,806	1,694	29,424	-	-	36,924
Facilities Acquisition and Constructions Services:									
Buildings	-	\$ 5,919	-	-	-	-	-	4,835	10,754
Total Facilities Acquisition and Construction Services	-	5,919	-	-	-	-	-	4,835	10,754
Total Expenditures	10	5,919	28,418	5,806	33,262	29,424	88,746	43,153	234,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	3,945	-	3,945
Fund Balance, July 1	-	-	-	-	-	-	30,227	-	30,227
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,172	\$ -	\$ 34,172

**LITTLE FALLS BOARD OF EDUCATION**  
**SPECIAL REVENUE FUND**  
**SCHEDULE OF PRESCHOOL EDUCATION AID**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024**

<u>School</u>	<u>Balance</u> <u>July 1, 2023</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance,</u> <u>June 30, 2024</u>
ELEMENTARY SCHOOLS	\$ 30,227	\$ 92,691	\$ 88,746	\$ 34,172
	<u>\$ 30,227</u>	<u>\$ 92,691</u>	<u>\$ 88,746</u>	<u>\$ 34,172</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, 2024**

**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, 2024**

**NOT APPLICABLE**



**ENTERPRISE FUNDS**

**EXHIBIT G-1**

**LITTLE FALLS BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2024**

**NOT APPLICABLE**

**EXHIBIT G-2**

**PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOT APPLICABLE**

**EXHIBIT G-3**

**PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest</u>		<u>Balance, July 1, 2023</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
			<u>Date</u>	<u>Amount</u>	<u>Rate</u>				
School Bonds	5/24/2016	\$ 3,067,000	8/1/2024	\$ 240,000	2.000	%			
			8/1/2025	240,000	2.000				
			8/1/2026	240,000	2.000				
			8/1/2027	240,000	2.000				
			8/1/2028	240,000	2.125				
			8/1/2029	240,000	2.250				
			8/1/2030	240,000	2.500				
			8/1/2031	237,000	3.000		\$ 2,157,000	\$ 240,000	\$ 1,917,000
							<u>\$ 2,157,000</u>	<u>\$ 240,000</u>	<u>\$ 1,917,000</u>

LITTLE FALLS BOARD OF EDUCATION  
LONG-TERM DEBT  
STATEMENT OF OBLIGATIONS UNDER FINANCING AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<u>Description</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2024</u>
<b>Capital Financing Agreements</b>					
TEQLease - Computer Equipment	\$ 357,605	\$ <u>-</u>	\$ <u>357,605</u>	\$ <u>119,202</u>	\$ <u>238,403</u>

**LITTLE FALLS BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 246,167		\$ 246,167	\$ 246,167	
State Sources					
Debt Service State Aid	39,043	-	39,043	39,043	-
Total Revenues	285,210	-	285,210	285,210	-
EXPENDITURES					
Regular Debt Service					
Principal	240,000		240,000	240,000	
Interest	45,210	-	45,210	45,210	-
Total Expenditures	285,210	-	285,210	285,210	-
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

## 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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
						(Restated)	(Restated)			
Governmental Activities										
Net Investment in Capital Assets	\$ 2,782,904	\$ 3,054,161	\$ 4,096,858	\$ 4,127,031	\$ 4,984,187	\$ 5,194,686	\$ 3,039,784	\$ 3,276,019	\$ 4,074,277	\$ 5,346,709
Restricted	1,932,914	2,290,644	2,299,360	2,422,152	3,152,592	3,723,642	3,225,507	3,511,398	3,540,705	1,941,100
Unrestricted	(3,098,144)	(3,042,803)	(2,943,315)	(2,068,060)	(2,535,758)	(2,496,223)	(1,805,140)	(1,371,511)	(862,944)	(342,380)
Total Governmental Activities Net Position	<u>\$ 1,617,674</u>	<u>\$ 2,302,002</u>	<u>\$ 3,452,903</u>	<u>\$ 4,481,123</u>	<u>\$ 5,601,021</u>	<u>\$ 6,422,105</u>	<u>\$ 4,460,151</u>	<u>\$ 5,415,906</u>	<u>\$ 6,752,038</u>	<u>\$ 6,945,429</u>
Business-type activities										
Net Investment in Capital Assets			\$ 1,937	\$ 1,870	\$ 1,469	\$ 1,069	\$ 668	\$ 9,926	\$ 7,727	\$ 53,580
Restricted										
Unrestricted	\$ 1,352	\$ 3,016	1,790	26,015	48,234	51,815	64,034	334,240	487,604	431,592
Total Business-Type Activities Net Position	<u>\$ 1,352</u>	<u>\$ 3,016</u>	<u>\$ 3,727</u>	<u>\$ 27,885</u>	<u>\$ 49,703</u>	<u>\$ 52,884</u>	<u>\$ 64,702</u>	<u>\$ 344,166</u>	<u>\$ 495,331</u>	<u>\$ 485,172</u>
District-Wide										
Net Investment in Capital Assets	\$ 2,782,904	\$ 3,054,161	\$ 4,098,795	\$ 4,128,901	\$ 4,985,656	\$ 5,195,755	\$ 3,040,452	\$ 3,285,945	\$ 4,082,004	\$ 5,400,289
Restricted	1,932,914	2,290,644	2,299,360	2,422,152	3,152,592	3,723,642	3,225,507	3,511,398	3,540,705	1,941,100
Unrestricted	(3,096,792)	(3,039,787)	(2,941,525)	(2,042,045)	(2,487,524)	(2,444,408)	(1,741,106)	(1,037,271)	(375,340)	89,212
Total District-Wide Net Position	<u>\$ 1,619,026</u>	<u>\$ 2,305,018</u>	<u>\$ 3,456,630</u>	<u>\$ 4,509,008</u>	<u>\$ 5,650,724</u>	<u>\$ 6,474,989</u>	<u>\$ 4,524,853</u>	<u>\$ 5,760,072</u>	<u>\$ 7,247,369</u>	<u>\$ 7,430,601</u>

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".

Note 2 - 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)*

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 7,280,993	\$ 8,007,850	\$ 8,811,828	\$ 9,539,688	\$ 9,594,015	\$ 9,386,593	\$ 10,617,230	\$ 9,694,239	\$ 10,522,300	\$ 10,845,696
Special Education	3,824,169	4,028,196	4,077,683	3,951,147	3,443,303	3,506,739	3,340,237	3,137,490	2,304,560	2,510,482
Other Instruction	251,226	431,333	493,058	346,460	251,521	266,435	372,688	343,270	351,779	466,601
School Sponsored Activities and Athletics	47,942	64,670	64,763	73,647	66,046	83,238	106,828	111,389	137,522	166,314
Support Services:										
Student & Instruction Related Services	2,187,789	2,300,792	2,498,207	2,675,784	2,576,907	2,746,575	3,114,831	3,066,239	2,969,927	3,026,446
School Administrative services	743,079	747,319	766,661	851,469	784,748	533,155	655,778	940,233	844,264	914,877
General Administration	468,797	439,008	498,679	573,009	524,551	824,549	901,534	694,030	693,964	677,229
Central Services	364,088	392,287	460,312	486,962	443,052	418,248	590,561	622,918	634,448	652,983
Plant Operations and Maintenance	1,158,476	1,158,616	1,198,916	1,301,546	1,204,753	1,107,261	1,365,533	1,287,683	1,305,043	1,379,778
Pupil Transportation	446,749	470,858	493,467	400,867	365,394	370,683	423,368	472,947	626,771	603,481
Interest on long-term debt	45,208	109,882	75,982	86,223	77,593	68,397	77,682	49,078	43,941	39,307
Total governmental activities expenses	16,818,516	18,150,811	19,439,556	20,286,802	19,331,883	19,311,873	21,566,270	20,419,516	20,434,519	21,283,194
Business-type activities:										
Food Service	252,114	272,390	307,854	331,481	352,152	306,830	325,002	474,200	484,320	636,804
Before and After Care							18,503	97,003	173,615	191,075
Inclusive Preschool	-	-	-	-	-	-	-	-	-	-
Total business-type activities expense	252,114	272,390	307,854	331,481	352,152	306,830	343,505	571,203	657,935	827,879
Total district expenses	\$ 17,070,630	\$ 18,423,201	\$ 19,747,410	\$ 20,618,283	\$ 19,684,035	\$ 19,618,703	\$ 21,909,775	\$ 20,990,719	\$ 21,092,454	\$ 22,111,073
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 84,299	\$ 57,231	\$ 60,150	\$ 44,325	\$ 40,120	\$ 34,200	\$ 27,200	\$ 51,000	\$ 102,000	\$ 146,477
Operating grants and contributions	4,015,044	4,563,462	5,530,450	6,546,407	5,397,061	4,790,746	6,814,066	5,362,100	4,794,640	4,697,814
Capital grants and contributions	29,349	249,543	967,397				214,530	35,120	802,897	1,835
Total governmental activities program revenues	4,128,692	4,870,236	6,557,997	6,590,732	5,437,181	4,824,946	7,055,796	5,448,220	5,699,537	4,846,126

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
Business-type activities:										
Charges for services										
Food service	\$ 117,186	\$ 130,443	\$ 174,746	\$ 221,669	\$ 254,433	\$ 183,661	\$ 6,336	\$ 60,697	\$ 313,653	\$ 343,457
Before and After Care								184,595	230,270	246,330
Operating grants and contributions	118,281	125,609	115,048	133,967	119,522	126,183	348,971	586,773	264,883	227,551
Total business type activities program revenues	235,467	256,052	289,794	355,636	373,955	309,844	355,307	832,065	808,806	817,338
Total district program revenues	\$ 4,364,159	\$ 5,126,288	\$ 6,847,791	\$ 6,946,368	\$ 5,811,136	\$ 5,134,790	\$ 7,411,103	\$ 6,280,285	\$ 6,508,343	\$ 5,663,464
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (12,689,824)	\$ (13,280,575)	\$ (12,881,559)	\$ (13,696,070)	\$ (13,894,702)	\$ (14,486,927)	\$ (14,510,474)	\$ (14,971,296)	\$ (14,734,982)	\$ (16,437,068)
Business-type activities	(16,647)	(16,338)	(18,060)	24,155	21,803	3,014	11,802	260,862	150,871	(10,541)
Total district-wide net expense	\$ (12,706,471)	\$ (13,296,913)	\$ (12,899,619)	\$ (13,671,915)	\$ (13,872,899)	\$ (14,483,913)	\$ (14,498,672)	\$ (14,710,434)	\$ (14,584,111)	\$ (16,447,609)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 13,403,910	\$ 13,671,988	\$ 13,945,428	\$ 14,224,337	\$ 14,508,823	\$ 14,798,999	\$ 15,094,980	\$ 15,396,876	\$ 15,722,542	\$ 16,195,329
Taxes levied for debt service	221,060	226,553	282,988	371,511	380,092	374,834	378,296	376,253	211,079	246,167
Unrestricted grants and contributions	16,334	18,007	25,977	40,488	28,843	27,298	28,948	75,410	33,481	39,043
Interest	7,006	10,071	8,306	8,484	11,003	12,087	8,536	8,794	8,336	7,691
Miscellaneous income	48,844	56,284	28,254	79,470	85,839	94,793	66,850	88,221	95,676	142,229
Transfers	(13,000)	(18,000)	(18,768)					(18,503)	-	-
Total governmental activities	13,684,154	13,964,903	14,272,185	14,724,290	15,014,600	15,308,011	15,577,610	15,927,051	16,071,114	16,630,459
Business-type activities:										
Investment earnings	2	2	3	3	15	167	16	99	294	382
Transfers	13,000	18,000	18,768					18,503	-	-
Total business-type activities	13,002	18,002	18,771	3	15	167	16	18,602	294	382
Total district-wide	\$ 13,697,156	\$ 13,982,905	\$ 14,290,956	\$ 14,724,293	\$ 15,014,615	\$ 15,308,178	\$ 15,577,626	\$ 15,945,653	\$ 16,071,408	\$ 16,630,841
<b>Change in Net Position</b>										
Governmental activities	\$ 994,330	\$ 684,328	\$ 1,390,626	\$ 1,028,220	\$ 1,119,898	\$ 821,084	\$ 1,067,136	\$ 955,755	\$ 1,336,132	\$ 193,391
Business-type activities	(3,645)	1,664	711	24,158	21,818	3,181	11,818	279,464	151,165	(10,159)
Total district	\$ 990,685	\$ 685,992	\$ 1,391,337	\$ 1,052,378	\$ 1,141,716	\$ 824,265	\$ 1,078,954	\$ 1,235,219	\$ 1,487,297	\$ 183,232

Source: District's Financial Records

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
General Fund										
Restricted	\$ 2,258,248	\$ 3,292,589	\$ 3,679,054	\$ 3,921,146	\$ 4,767,767	\$ 5,054,345	\$ 4,464,016	\$ 4,835,832	\$ 4,728,808	\$ 3,104,150
Committed	-			881,839	212,013	121,179	111,888			
Assigned	52,690	130,075	219,760	154,175	27,303	145,058	198,920	144,973	625,520	783,618
Unassigned	240,402	242,927	245,688	238,718	258,845	249,141	592,473	580,321	248,587	285,426
Total general fund	<u>\$ 2,551,340</u>	<u>\$ 3,665,591</u>	<u>\$ 4,144,502</u>	<u>\$ 5,195,878</u>	<u>\$ 5,265,928</u>	<u>\$ 5,569,723</u>	<u>\$ 5,367,297</u>	<u>\$ 5,561,126</u>	<u>\$ 5,602,915</u>	<u>\$ 4,173,194</u>
All Other Governmental Funds										
Restricted	\$ 767,323	\$ 2,755,487	\$ 34,260				\$ 23,474	\$ 25,566	\$ 30,227	\$ 34,172
Committed										
Assigned										
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 767,323</u>	<u>\$ 2,755,487</u>	<u>\$ 34,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,474</u>	<u>\$ 25,566</u>	<u>\$ 30,227</u>	<u>\$ 34,172</u>

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,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax levy	\$ 13,624,970	\$ 13,898,541	\$ 14,228,416	\$ 14,595,848	\$ 14,888,915	\$ 15,173,833	\$ 15,473,276	\$ 15,773,129	\$ 15,933,621	\$ 16,441,496
Miscellaneous	146,935	145,815	100,360	163,422	208,180	143,359	137,108	251,391	326,117	432,241
State sources	2,177,268	2,394,595	3,401,731	2,896,692	3,270,834	3,485,713	4,139,923	5,267,302	5,497,251	5,900,351
Federal sources	349,850	391,684	374,970	375,926	363,594	361,646	752,231	673,782	1,480,067	656,044
<b>Total revenue</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>23,237,056</b>	<b>23,430,132</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	6,223,551	6,645,560	7,034,105	7,469,639	8,351,996	8,574,749	9,463,664	9,997,369	11,342,783	11,934,305
Special education instruction	3,494,449	3,558,237	3,471,955	3,238,576	3,168,742	3,382,758	3,014,893	3,325,632	2,504,034	2,672,613
Other instruction	238,617	353,523	411,006	284,102	224,536	258,024	332,644	320,901	390,974	507,058
School sponsored activities and athletics	48,556	63,735	60,573	65,071	66,091	89,966	99,758	121,657	151,166	176,489
<b>Support Services:</b>										
Student & inst. related services	1,984,110	2,031,563	2,099,563	2,185,606	2,334,907	2,618,961	2,785,173	3,147,940	3,177,809	3,273,160
General administration	691,331	445,186	467,612	520,973	515,226	548,353	597,114	708,521	729,184	724,265
School administrative services	452,433	669,194	632,269	676,692	702,854	791,484	794,461	982,863	937,058	1,001,729
Central services	361,822	386,777	419,490	431,960	451,375	441,527	547,324	646,000	687,935	722,256
Plant operations and maintenance	1,164,291	1,134,538	1,123,455	1,198,844	1,197,416	1,119,454	1,297,986	1,379,199	1,434,420	1,468,046
Pupil transportation	442,702	469,794	484,543	385,110	363,975	376,177	414,977	487,285	646,436	614,236
Capital outlay	94,273	877,939	3,961,424	83,519	877,964	257,171	1,068,390	227,003	944,247	1,714,944
<b>Debt service:</b>										
Principal	185,130	243,630	240,431	360,686	320,000	325,000	340,000	350,000	195,000	359,202
Interest and other charges	47,066	42,316	93,503	94,726	86,391	77,132	87,390	56,810	49,560	45,210
<b>Total expenditures</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>	<b>23,190,606</b>	<b>25,213,513</b>
Excess (Deficiency) of revenues over (under) expenditures	870,692	(91,357)	(2,394,452)	1,036,384	70,050	303,795	(341,236)	214,424	46,450	(1,783,381)
<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/Financing Proceeds		144,772								357,605
Cancel Prior Year Revenues (Net)				(19,268)						
Transfers in	701,000	1,535,444	158,734	2,208						
Transfers out	(714,000)	(1,553,444)	(177,502)	(2,208)				(18,503)	-	-
<b>Total other financing sources (uses)</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>-</b>	<b>357,605</b>
<b>Net change in fund balances</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>\$ 46,450</b>	<b>\$ (1,425,776)</b>
<b>Debt service as a percentage of</b>										
noncapital expenditures	1.21%	1.52%	1.45%	2.13%	1.80%	1.75%	1.72%	1.63%	0.88%	1.53%

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>Transportation</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Total</u>
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
2023	95,676	\$ 14,967	102,000	8,336	220,979
2024	142,229		146,477	7,691	296,397

**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>
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
2023	41,365,600	1,117,262,000	232,968,300	40,510,500	110,839,200	1,542,945,600	4,609,700	1,547,555,300	1,743,135,053	1.0170
2024	41,365,600	1,117,262,000	232,968,300	40,510,500	110,839,200	1,542,945,600	4,609,700	1,547,555,300	1,745,165,053	1.0610

Source: County Abstract of Ratables

93

<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>
2015	\$ 0.9222	\$ 0.4875	\$ 0.8170	\$ 0.8493	\$ 3.0760
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
2023	1.0170	0.5830	0.9100	0.721	3.231
2024	1.0610	0.5340	0.9310	0.695	3.221

Source: Tax Collector



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

Taxpayer	2024		2015	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Inwood Owners Inc	\$ 61,650,000	3.98%	\$ 68,500,000	4.63%
Theta Holding Co	38,615,000	2.50%	50,055,000	3.39%
PAR 3 PAR 5	14,601,900	0.94%		0.00%
Park Falls Associates	13,000,000	0.84%	13,285,000	0.90%
PAR 3 LLC			12,432,200	0.84%
Great Notch Village	9,771,900	0.63%	10,027,700	0.68%
Saturn Realty	9,656,300	0.62%	9,656,300	0.65%
Accurate JMF Urban Renewal LLC		0.00%		
Lennar Little Falls Townhomes LLC	8,874,000	0.57%		
SL 101 East Main St. LLC	8,500,000	0.55%		
Colfin 2019-4 Link Logistics	8,467,200	0.55%		
Sisco	8,433,500	0.54%	8,965,100	0.61%
AMB-AMS Operating Part				0.00%
Andrew Realty			8,500,000	0.57%
ST Hilltop Mnr LLC			7,000,000	0.47%
Brownstone Inc			6,898,800	
	<u>\$ 181,569,800</u>	<u>11.73%</u>	<u>\$ 195,320,100</u>	<u>12.74%</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	
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
2023	15,933,621	15,933,621	100.00%	N/A
2024	16,441,496	13,742,274	83.58%	\$ 2,699,222

**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)			
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	14,044	167
2023	2,157,000			2,157,000	14,399	150
2024	1,917,000	238,403		2,155,403	14,399 *	150

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			
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%	167
2023	2,157,000		2,157,000	0.14%	150
2024	1,917,000		1,917,000	0.12%	133

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, 2023  
(Unaudited)**

Net Direct Debt of School District as of December 31, 2023	\$ 1,917,000
Net Overlapping Debt of School District:	
Regional Schools - Township's Share	160,963
Little Falls Township (100%)	35,754,473
County of Passaic - Township's Share (4.85%)	13,908,985
Passaic County Utilities Authority - Township's Share (4.85%)	1,150,647
Passaic Valley Sewage Commission (1.72%)	<u>3,167,144</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2023	<u>\$ 56,059,212</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 2024

Equalized valuation basis

2023	\$ 2,183,619,587
2022	1,949,689,100
2021	1,778,122,082
	<u>\$ 5,911,430,769</u>

Average Equalized Valuation of Taxable Property	\$ 1,970,476,923
Debt Limit (3% of Average Equalized Valuation)	59,114,308
	<u>1,917,000</u>
Total Net Debt Applicable to Limit	<u>\$ 57,197,308</u>

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 50,812,469	\$ 49,418,654	\$ 48,773,886	\$ 48,410,326	\$ 48,432,636	\$ 48,955,752	\$ 49,848,109	\$ 51,324,126	\$ 54,218,063	\$ 59,114,308
Total net debt applicable to limit	<u>1,305,000</u>	<u>4,187,000</u>	<u>3,997,000</u>	<u>3,687,000</u>	<u>3,367,000</u>	<u>3,042,000</u>	<u>2,702,000</u>	<u>2,352,000</u>	<u>2,157,000</u>	<u>1,917,000</u>
Legal debt margin	<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>	<u>\$ 52,061,063</u>	<u>\$ 57,197,308</u>
Total net debt applicable to the limit as a percentage of debt limit	2.57%	8.47%	8.19%	7.62%	6.95%	6.21%	5.42%	4.58%	3.98%	3.24%

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>
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	59,559	5.6%
2022	14,044	57,067	3.6%
2023	14,399	57,067 *	4.2%
2024	14,044 *	57,067 *	4.2% *

Source: New Jersey State Department of Education

\* Estimate

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

2024			2015	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE



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

<b><u>Function/Program</u></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Instruction										
Regular	62.8	70.0	60.3	62.1	64.1	66.1	63.8	63.4	64.4	65.4
Special education	15.8	16.0	23.0	20.0	22.0	22.0	26.0	28.0	26.0	26.0
Other special education	38.0	30.0	29.0	15.0	13.0	13.0	14.0	18.0	15.0	17.0
Other instruction	10.0	15.0	13.2	18.0	21.0	21.0	15.0	11.0	14.0	14.0
Support Services:										
Student & instruction related services	9.0	6.0	7.0	6.8	6.8	6.8	8.0	8.0	8.0	8.0
General administration	1.5	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	5.5	4.0	4.0	4.0	4.0	4.0	4.8	4.8	4.8	5.0
Other administrative services	2.0	2.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Central services	2.6	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Administrative Information Technology									2.0	2.0
Plant operations and maintenance	7.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Pupil transportation	1.5	1.5	2.0	2.0	2.0	2.0	1.5	1.5	1.5	1.5
Other support services	4.1	5.0	5.0	6.5	6.5	6.5	7.0	8.0	8.0	9.0
Total	160.3	164.5	162.5	153.4	158.4	160.4	159.1	161.7	162.7	166.9

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	Teaching Staff	Teacher/Pupil Ratio	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary				
2015	900	\$ 15,101,862	16,780	5.14%	87.6	Not Available	897.71	859.86	-0.35%	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%
2023	919	22,001,799	23,941	2.49%	90.4	Not Available	914.06	861.15	1.63%	94.21%
2024	942	23,094,157	24,516	2.40%	91.4	Not Available	932.06	884.94	1.97%	94.94%

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)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Square Feet	53,756	53,756	59,905	59,905	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	413	398	386	400	380	386	384	363	391	385
Square Feet	38,907	38,907	43,590	43,590	43,590	43,590	43,590	43,590	43,590	42,590
Capacity (students)	280	280	280	280	280	280	280	280	280	280
Enrollment <sup>a</sup>	297	297	310	319	317	301	315	346	356	361
Square Feet	28,901	28,901	32,255	32,255	32,255	32,255	32,255	32,255	32,255	32,255
Capacity (students)	178	178	178	178	178	178	178	178	178	196
Enrollment	176	183	189	167	182	179	199	195	172	196

Number of Schools at June 30, 2024  
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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>School Facilities</u>	<u>School Number</u>										
Number 1	050	\$ 51,113	\$ 82,840	\$ 71,272	\$ 62,780	\$ 104,437	\$ 59,245	\$ 91,869	\$ 93,738	\$ 68,346	\$ 109,827
Number 2	060	49,535	61,045	52,381	54,652	91,225	51,318	72,986	67,202	55,985	64,047
Number 3	999	<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>	<u>67,202</u>	<u>284,690</u>
Total Required Maintenance for School Facilities		<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>	<u>\$ 191,533</u>	<u>\$ 458,564</u>

Source: District Records

**LITTLE FALLS BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2024  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Property - Blanket Building & Contents	\$ 37,096,300	\$ 5,000
Computer and Data Processing Equipment	Incl. in Property Blanket	1,000
Equipment Breakdown	37,096,300	25,000
Comprehensive General Liability	31,000,000	
Automobile Liability	31,000,000	1,000
Public Employee Dishonesty with Faithful Performance	100,000 per person	500
Cyber Liability	2,000,000	25,000 - 250,000
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	250,000	
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.)		
Environmental Liability	1,000,000	10,000
Microbial Matter		50,000 - 250,000
Flood - Selective Ins. Co. of New England		
Building Limit	500,000	1,250
Contents Limit	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, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

**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 Education  
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, 2024 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 October 23, 2024.

**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.

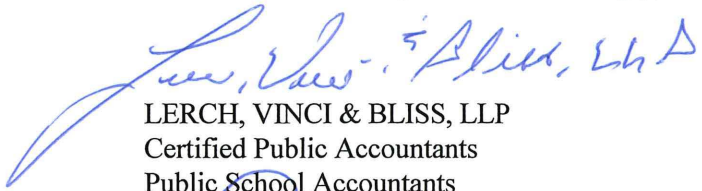
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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



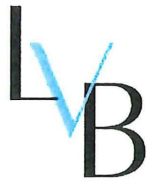
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Paul J. Lerch  
Public School Accountant  
PSA Number CS01118

Fair Lawn, New Jersey  
October 23, 2024





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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JOHN CUIFFO, CPA, PSA

**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 Education  
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, 2024. 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, 2024.

***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; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) 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, U.S. Uniform Guidance 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, U.S. Uniform Guidance, 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Little Falls Board of Education, as of and for the fiscal year ended June 30, 2024, 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 October 23, 2024, which contained unmodified 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  
October 23, 2024



**LITTLE FALLS BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal A.L. Number	Federal FAIN Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2023			Carryover Amount			Total Budgetary Expenditures	Adjustment	Balance at June 30, 2024			Memo GAAP Receivable
						Accounts Receivable	Deferred Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue	Cash Received			Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Health and Human Services																	
Passed-through State Department of Human Services																	
General Fund:																	
DHHS Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	17,074	7/1/23	6/30/24	-	-	-	-	-	\$ 17,074	\$ 17,074	-	-	-	-	*
Total General Fund																	
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund:																	
Title I, Part A	84.010	S010A230030	179,018	7/1/23	9/30/24				\$ (33,653)	\$ 33,653	149,128	200,568		\$ (63,543)	\$ 12,103		* \$ (51,440)
Title I, Part A, Carryover	84.010	S010A220030	188,477	7/1/22	9/30/23	\$ (73,636)	\$ 72,616	-	33,653	(33,653)	39,983	38,963	-	-	-	-	* -
Total Title I, Part A Cluster																	
Title II, Part A	84.367A	S367A230029	25,396	7/1/23	9/30/24				(12,713)	12,713	32,727	33,636		(5,382)	4,473		* (909)
Title II, Part A, Carryover	84.367A	S367A220029	31,753	7/1/22	9/30/23	(13,003)	13,003	-	12,713	(12,713)	290	290	-	-	-	-	* -
Total Title II, Part A Cluster																	
Title III, Immigrant	84.365A	S011A230030	3,181	7/1/23	9/30/24				(57)	57	3,227	3,227		(11)	11		* -
Title III, Immigrant Carryover	84.365A	S011A220030	3,316	7/1/22	9/30/23	(57)	57	-	57	(57)	-	-	-	-	-	-	* -
Total Title III Cluster																	
Title IV, Part A	84.424A	S424A230031	14,381	7/1/23	9/30/24	-	-	-	(2,272)	2,272	5,830	9,631	-	(10,823)	7,022		* (3,801)
Title IV, Part A, Carryover	84.424A	S424A220031	10,000	7/1/22	9/30/23	(2,272)	2,272	-	2,272	(2,272)	-	-	-	-	-	-	* -
Total Title IV, Part A Cluster																	
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	221,329	7/1/23	9/30/24						221,329	221,329		-	-		* -
I.D.E.A. Part B, Preschool	84.173	H173A230114	11,395	7/1/23	9/30/24	-	-	-	-	-	11,395	11,395	-	-	-	-	* -
Total Special Education Cluster (IDEA)																	
CRRSA, ESSER II	84.425D	S425D210027	418,323	3/13/20	9/30/23	(10)	10				10	10		-	-		* -
ARP - ESSER III	84.425U	S425U210027	940,155	3/13/20	9/30/24	(5,919)	5,919				5,919	5,919		-	-		* -
ARP - Accelerated Learning Coach	84.425U	S425U210027	80,269	3/13/20	9/30/24	(28,418)	28,418				28,418	28,418		-	-		* -
ARP - Evidence Based Summer	84.425U	S425U210027	40,000	3/13/20	9/30/24	(8,865)	8,865				8,865	5,806		-	3,059		* -
ARP - Evidence Based Comprehensive	84.425U	S425U210027	40,000	3/13/20	9/30/24	(34,000)	34,000				15,723	33,262		(18,277)	738		* (17,539)
ARP - NJTSS Mental Health	84.425U	S425U210027	45,000	3/13/20	9/30/24	(42,600)	42,600	-	-	-	28,767	29,424	-	(13,833)	13,176	-	* (657)
Total ESSER Fund Cluster																	
NJ High Impact Tutoring Grant	84.425	N/A	24,146	10/11/23	8/31/24	-	-	-	-	-	-	17,092	-	(24,146)	7,054	-	* (17,092)
Total High Impact Tutoring Grant																	
Total Special Revenue Fund						(208,780)	207,760	-	-	-	551,611	638,970	-	(136,015)	47,636	-	* (91,438)

LITTLE FALLS BOARD OF EDUCATION  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program Title	Federal A.L. Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2023			Carryover Amount		Cash Received	Total Budgetary Expenditures	Adjustment	Balance at June 30, 2024			Memo GAAP Receivable
							Accounts Receivable	Deferred Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue				Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Agriculture																		*
Passed-through State Department of Agriculture																		*
Enterprise Fund:																		*
School Breakfast Program	10.553	241NJ304N1099	N/A	\$ 9,791	7/1/23	6/30/24						\$ 7,294	\$ 9,791		\$ (2,497)			\$ (2,497)
School Breakfast Program	10.553	231NJ304N1099	N/A	9,146	7/1/22	6/30/23	\$ (752)					752						*
National School Lunch Program	10.555	241NJ304N1099	N/A	143,671	7/1/23	6/30/24						116,592	143,671		(27,079)			(27,079)
National School Lunch Program	10.555	231NJ304N1099	N/A	145,545	7/1/22	6/30/23	(7,610)					7,610						*
P-EBT Administrative	10.649			653	7/1/23	6/30/24						653	653					-
Supply Chain Assistance	10.555	241NJ304N1099		25,464	7/1/23	6/30/24						25,464	25,464					*
Non Cash Assistance	10.555	241NJ304N1099	N/A	36,991	7/1/23	6/30/24						36,991	35,517		-	\$ 1,474		*
Non Cash Assistance	10.555	231NJ304N1099	N/A	28,988	7/1/22	6/30/23	-	\$ 1,491	-	-	-	-	1,491	-	-	-	-	-
Total Enterprise Fund							(8,362)	1,491	-	-	-	195,356	216,587	-	(29,576)	1,474	-	(29,576)
Sub-Total Federal Financial Awards							\$ (217,142)	\$ 209,251	\$ -	\$ -	\$ -	\$ 764,041	\$ 872,631	\$ -	\$ (165,591)	\$ 49,110	\$ -	\$ (121,014)

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, 2024**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2023			Balance at June 30, 2024			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	Cumulative Total Expenditures	
State Department of Education														
General Fund:														
Special Education Categorical Aid	24-495-034-5120-089	947,371	7/1/23	6/30/24			\$ 854,182	\$ 947,371	\$ (93,189)				\$ 947,371	
Special Education Categorical Aid	23-495-034-5120-089	907,809	7/1/22	6/30/23	\$ (89,067)		89,067							
Security Aid	24-495-034-5120-084	128,260	7/1/23	6/30/24			115,644	128,260	(12,616)				128,260	
Security Aid	23-495-034-5120-084	35,007	7/1/22	6/30/23	(3,435)	-	3,435	-	-	-	-	-	-	
Total State Aid Public Cluster					(92,502)	-	1,062,328	1,075,631	(105,805)	-	-	-	1,075,631	
Transportation Aid	24-495-034-5120-014	157,391	7/1/23	6/30/24			141,909	157,391	(15,482)				157,391	
Transportation Aid	23-495-034-5120-014	124,510	7/1/22	6/30/23	(12,216)		12,216							
Additional Nonpublic Transportation Aid	24-495-034-5120-014	20,930	7/1/23	6/30/24			20,930		(20,930)			\$ (20,930)	20,930	
Additional Nonpublic Transportation Aid	23-495-034-5120-014	12,792	7/1/22	6/30/23	(12,792)	-	12,792	-	-	-	-	-	-	
Total Transportation Aid Cluster					(25,008)	-	166,917	178,321	(36,412)	-	-	(20,930)	178,321	
Extraordinary Aid	24-495-034-5120-044	154,960	7/1/23	6/30/24			154,960		(154,960)				154,960	
Extraordinary Aid	23-495-034-5120-044	113,224	7/1/22	6/30/23	(113,224)	-	113,224	-	-	-	-	-	-	
Total Extraordinary Aid Cluster					(113,224)	-	113,224	154,960	(154,960)	-	-	-	154,960	
Reimbursed Social Security Tax	24-495-034-5094-003	681,307	7/1/23	6/30/24			647,463	681,307	(33,844)			(33,844)	681,307	
Reimbursed Social Security Tax	23-495-034-5094-003	646,355	7/1/22	6/30/23	(64,810)	-	64,810	-	-	-	-	-	-	
Total Reimbursed Social Security Tax Cluster					(64,810)	-	712,273	681,307	(33,844)	-	-	(33,844)	681,307	
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002	2,975,202	7/1/23	6/30/24			2,975,202	2,975,202					2,975,202	
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	24-495-034-5094-004	33,931	7/1/23	6/30/24			33,931	33,931					33,931	
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	24-495-034-5094-001	818,976	7/1/23	6/30/24			818,976	818,976					818,976	
On-Behalf- Teachers' Pension & Annuity Fund – Long Term Disability	24-495-034-5094-004	1,285	7/1/23	6/30/24	-	-	1,285	1,285	-	-	-	-	1,285	
On-Behalf Teachers' Pension and Annuity Fund Cluster					-	-	3,829,394	3,829,394	-	-	-	-	3,829,394	
Total General Fund					(295,544)	-	5,884,136	5,919,613	(331,021)	-	-	(54,774)	5,919,613	
Enterprise Fund:														
State Department of Agriculture														
National School Lunch Program (State Share)	24-100-010-3350-023	7,469	7/1/23	6/30/24			6,071	7,469	(1,398)			(1,398)	7,469	
National School Lunch Program (State Share)	23-100-010-3350-023	7,351	7/1/22	6/30/23	(386)		386							
National School Lunch Program - NJEIE	N/A	3,495	7/1/23	6/30/24	-	-	2,707	3,495	(788)	-	-	(788)	3,495	
Total Enterprise Fund					(386)	-	9,164	10,964	(2,186)	-	-	(2,186)	10,964	
Debt Service Fund:														
Debt Service Aid	24-495-034-5121-075	39,043	7/1/23	6/30/24	-	-	39,043	39,043	-	-	-	-	39,043	
Total Debt Service Fund					-	-	39,043	39,043	-	-	-	-	39,043	
Total State Financial Assistance					\$ (295,930)	\$ -	\$ 5,932,343	\$ 5,969,620	\$ (333,207)	\$ -	\$ -	\$ (56,960)	\$ 5,969,620	
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf Teachers' Pension and Annuity Fund	24-495-034-5094-002							(2,975,202)						
On-Behalf- Teachers' Pension & Annuity Fund – Non-contributory Insurance	24-495-034-5094-004							(33,931)						
On Behalf-Teachers' Pension and Annuity Fund – Post Retirement Medical	24-495-034-5094-001							(818,976)						
On-Behalf- Teachers' Pension & Annuity Fund – Long Term Disability	24-495-034-5094-004							(1,285)						
Total for State Financial Assistance-Major Program Determination								\$ 2,140,226						

**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, 2024**

**NOTE 1 REPORTING ENTITY**

The Little Falls Board of Education (the "Board" or the "District") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board's Financial Statements.

**NOTE 2 BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board's summary of significant accounting policies are described in Note 1 to the Board's financial statements.

**NOTE 4 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 \$58,305 for the general 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	\$ 17,074	\$ 5,861,308	\$ 5,878,382
Special Revenue Fund	638,970		638,970
Debt Service Fund		39,043	39,043
Food Service Fund	<u>216,587</u>	<u>10,964</u>	<u>227,551</u>
Total Financial Assistance	<u>\$ 872,631</u>	<u>\$ 5,911,315</u>	<u>\$ 6,783,946</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, 2024**

**NOTE 5 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 6 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 \$681,307 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, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$3,009,133, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$818,976 and TPAF Long-Term Disability Insurance in the amount of \$1,285 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

**NOTE 7 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 8 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, 2024**

*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:

<b>AL Number(s)</b>	<b>FAIN Numbers</b>	<b>Name of Federal Program or Cluster</b>
84.010	S010A240030	Title I

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

Auditee qualified as low-risk auditee?       X       yes            no

**LITTLE FALLS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

*Part I – Summary of Auditor's Results*

**State Awards Section**

Internal Control over compliance:

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>24-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>24-495-034-5120-084</u>	<u>Security Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

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

**LITTLE FALLS BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***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, 2024**

*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, 2024**

*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