

# LITTLE FALLS CITY SCHOOL DISTRICT

## EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY OF 2023 AUDIT REPORT AND FINDINGS

- Auditors' Report on Financial Statements and Supplementary Information
  - **Unmodified Opinion**
- Auditors' Report on Internal Control Over Financial Reporting and on Compliance in Accordance with *Government Auditing Standards*
  - **Unmodified Opinion**
  - **Two instances of noncompliance – Fund Balance Limitation and General Fund Budgetary Noncompliance**
- Auditors' Report on Compliance and Internal Control for Each Major Program Required by Uniform Guidance
  - **Unmodified Opinion**
  - **Total federal expenses of \$2,451,665 for year ended June 30, 2023**

# EXECUTIVE SUMMARY OF 2023 AUDIT REPORT AND FINDINGS

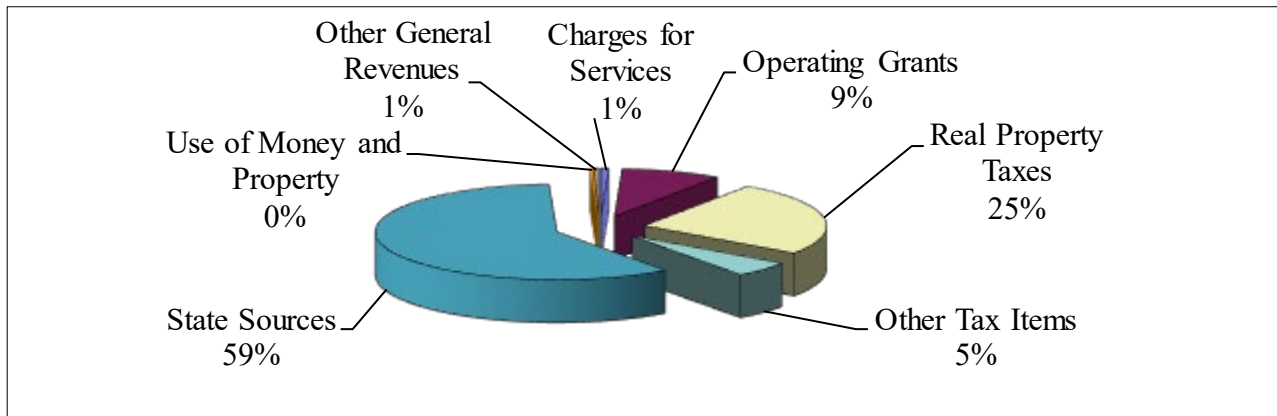
- Management Comment Letter
  - **No current year concerns or issues noted**
  - **One prior year issue is resolved**
- Independent Auditors' Report on Extraclassroom Activity Funds
  - **Unmodified Opinion**
- Extraclassroom Activity Funds Management Comment Letter
  - **One recurring issue noted**
  - **Several prior year issues are resolved**

# REQUIRED COMMUNICATIONS

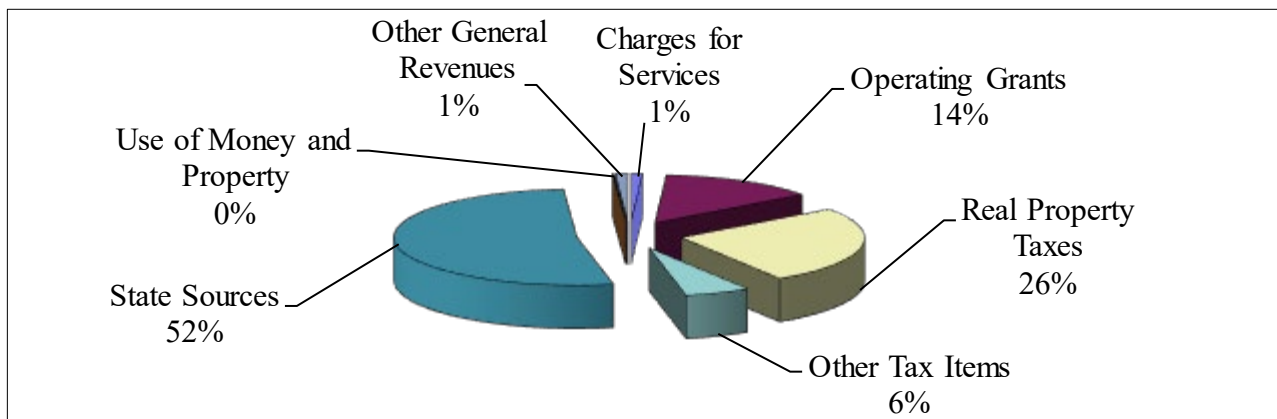
- Communication with Those Charged with Governance at the Conclusion of the Audit. **No comments of concern** to be reported regarding the following:
  - Qualitative Aspects of Accounting Practices
  - Difficulties Encountered in Performing the Audit
  - Corrected and Uncorrected Misstatements
  - Disagreements with Management
  - Management Representation
  - Management Consultations with Other Independent Accountants
  - Other Audit Findings or Issues
  - Other Matters

# GOVERNMENTAL ACTIVITIES: REVENUE

2023

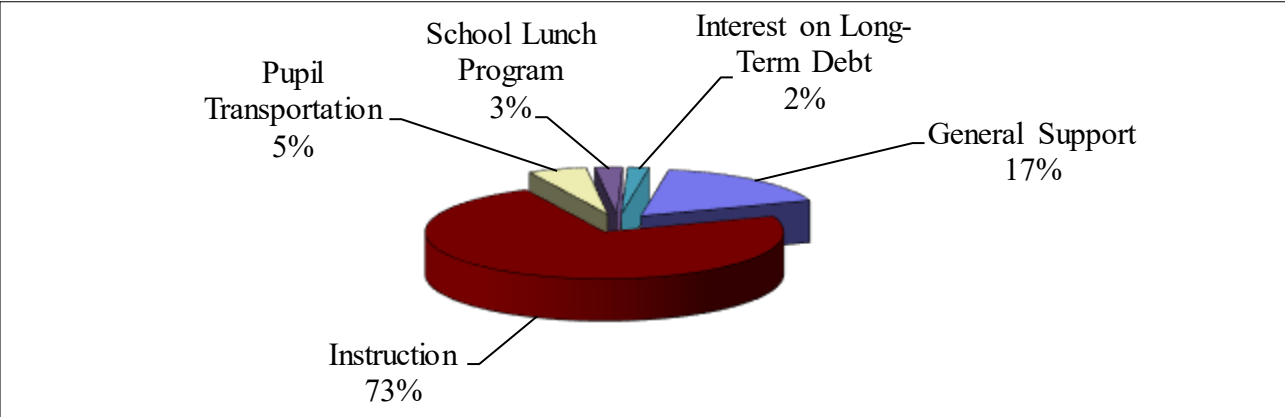


2022

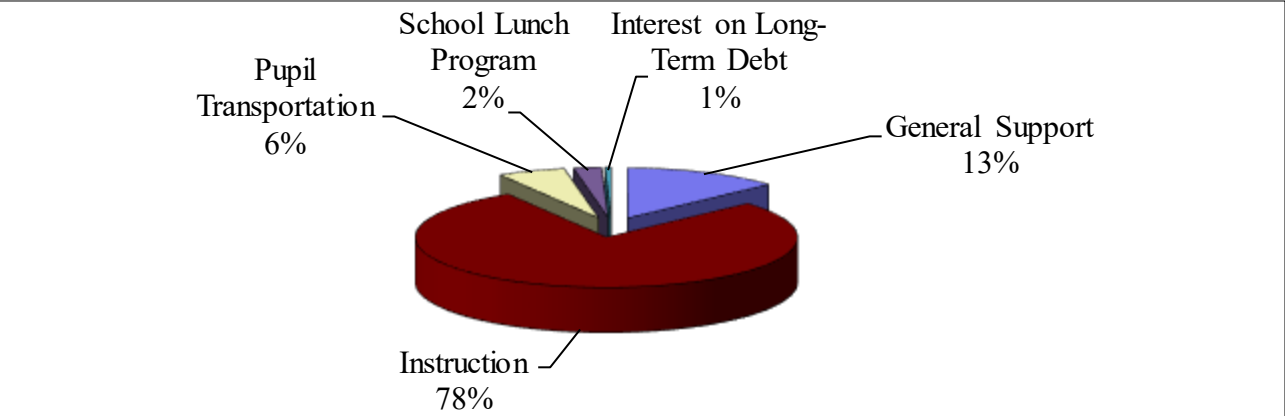


# GOVERNMENTAL ACTIVITIES: EXPENSES

2023



2022



# ASSETS - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>ASSETS</b>					
Cash and Investments	\$ 2,081,938	\$ 2,150,888	\$ 3,798,137	\$ 1,556,983	\$ 1,716,255
Receivables	2,201,078	2,125,086	1,445,049	1,349,424	1,756,622
Due from Other Funds	1,074,908	1,327,907	607,771	1,499,246	1,162,021
<b>Total Assets</b>	<b>\$ 5,357,924</b>	<b>\$ 5,603,881</b>	<b>\$ 5,850,957</b>	<b>\$ 4,405,653</b>	<b>\$ 4,634,898</b>

# LIABILITIES - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>LIABILITIES</b>					
Accounts Payable and Accruals	\$ 69,458	\$ 328,609	\$ 374,535	\$ 113,079	\$ 344,769
Due to Retirement Systems	1,007,972	967,456	863,774	836,362	974,684
Due to Other Funds	-	657,015	412,731	29,066	53,947
Other	-	56,803	70,004	-	-
<b>Total Liabilities</b>	<b>\$ 1,077,430</b>	<b>\$ 2,009,883</b>	<b>\$ 1,721,044</b>	<b>\$ 978,507</b>	<b>\$ 1,373,400</b>

# FUND BALANCE - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>FUND BALANCE</b>					
Restricted	\$ 559,640	\$ 555,662	\$ 555,561	\$ 555,122	\$ 225,000
Assigned	100,397	40,454	71,759	291,042	257,503
Unassigned	<u>3,620,457</u>	<u>2,997,882</u>	<u>3,502,593</u>	<u>2,580,982</u>	<u>2,778,995</u>
<b>Total Fund Balances</b>	<u>4,280,494</u>	<u>3,593,998</u>	<u>4,129,913</u>	<u>3,427,146</u>	<u>3,261,498</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,357,924</u>	<u>\$ 5,603,881</u>	<u>\$ 5,850,957</u>	<u>\$ 4,405,653</u>	<u>\$ 4,634,898</u>

# REVENUES - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>REVENUES</b>					
Real Property Taxes (Including STAR and Tax Items)	\$ 9,401,187	\$ 9,300,871	\$ 9,187,392	\$ 8,974,084	\$ 8,796,834
State Sources	18,492,179	14,949,753	12,749,101	13,125,749	12,475,008
Federal/Medicaid Reimbursements	107,537	147,150	453,895	64,346	151,599
Other	566,330	577,519	584,847	334,244	614,075
Interfund Transfers	<u>406,930</u>	<u>223,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>\$ 28,974,163</u>	<u>\$ 25,198,793</u>	<u>\$ 22,975,235</u>	<u>\$ 22,498,423</u>	<u>\$ 22,037,516</u>



# EXPENDITURES - GENERAL FUND

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>EXPENDITURES</b>					
General Support	\$ 3,326,099	\$ 3,012,790	\$ 2,863,297	\$ 2,998,845	\$ 2,874,274
Instruction	12,526,359	11,072,485	10,763,521	10,824,649	10,530,167
Transportation	1,499,024	1,266,188	1,103,259	1,159,900	1,090,377
Employee Benefits	7,946,187	7,383,672	6,878,310	6,685,449	6,492,662
Debt Service	2,981,678	2,992,136	658,135	644,021	691,078
Interfund Transfers	8,320	7,437	5,946	19,911	70,634
<b>Total Expenditures</b>	<b>28,287,667</b>	25,734,708	22,272,468	22,332,775	21,749,192
Excess of Revenues (Expenditures)	<b>\$ 686,496</b>	\$ (535,915)	\$ 702,767	\$ 165,648	\$ 288,324

# OTHER GOVERNMENTAL FUNDS

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>Capital Outlay</b>	<b>\$ 673,882</b>	\$ 6,448,153	\$ 13,647,408	\$ 8,818,798	\$ 1,529,908
<b>Special Aid - Revenues and Transfers</b>	<b>\$ 2,022,446</b>	\$ 3,211,203	\$ 851,682	\$ 1,110,354	\$ 1,013,301
<b>Special Aid - Expenditures</b>	<b>\$ 2,022,446</b>	\$ 3,211,203	\$ 851,682	\$ 1,074,232	\$ 1,023,147
<b>School Lunch - Revenues</b>	<b>\$ 730,585</b>	\$ 850,993	\$ 387,734	\$ 592,538	\$ 593,875
<b>School Lunch - Expenditures</b>	<b>\$ 727,167</b>	\$ 653,038	\$ 530,604	\$ 627,318	\$ 642,881

# GENERAL FUND RESERVE BALANCES

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>Fund Balance</b>					
<b>Restricted</b>					
Reserve for Employees' Retirement Contributions	\$ 226,850	\$ 225,244	\$ 225,203	\$ 225,025	\$ 225,000
Reserve for Teachers' Retirement Contributions	157,006	155,901	155,873	155,749	-
Employee Benefit Accrued					
Liability Reserve	175,784	174,517	174,485	174,348	-
<b>Total Restricted</b>	<b>559,640</b>	<b>555,662</b>	<b>555,561</b>	<b>555,122</b>	<b>225,000</b>
<b>Assigned</b>					
Appropriated for Next Year's Budget	-	-	-	290,000	250,000
Encumbrances	100,397	40,454	71,759	1,042	7,503
<b>Total Assigned</b>	<b>100,397</b>	<b>40,454</b>	<b>71,759</b>	<b>291,042</b>	<b>257,503</b>
Unassigned	3,620,457	2,997,882	3,502,593	2,580,982	2,778,995
<b>Total Fund Balance</b>	<b>\$ 4,280,494</b>	<b>\$ 3,593,998</b>	<b>\$ 4,129,913</b>	<b>\$ 3,427,146</b>	<b>\$ 3,261,498</b>

# COMPLIANCE WITH §1318

<u>Compliance with §1318 of Real Property Law</u>	<u>JUNE 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Next Year's Budget is a Voter Approved Budget	<b>\$ 31,425,209</b>	\$ 27,766,583	\$ 26,188,902	\$ 22,799,520	\$ 22,485,657
Maximum Allowed (4% of Budget)	<b>1,257,008</b>	1,110,663	1,047,556	911,981	899,426
General Fund Fund Balance Subject to §1318 of Real Property Law	<b>3,620,457</b>	2,997,882	3,502,593	2,580,982	2,778,995
Actual Percentage	<b>11.52%</b>	10.80%	13.37%	11.32%	12.36%

# GENERAL FUND RESERVE ACTIVITY

<u>Current Year Reserve Activity</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Interest Earned</u>	<u>Appropriated</u>	<u>Ending Balance</u>
Reserve for Employees' Retirement Contributions	\$ 225,244	\$ -	\$ 1,606	\$ -	\$ 226,850
Reserve for Teachers' Retirement Contributions	155,901	-	1,105	-	157,006
Employee Benefit Accrued					
Liability Reserve	174,517	-	1,267	-	175,784
<b>Total Current Year Reserve Activity</b>	<b>\$ 555,662</b>	<b>\$ -</b>	<b>\$ 3,978</b>	<b>\$ -</b>	<b>\$ 559,640</b>

# GENERAL FUND BUDGET - 2023

	2023				
	Original Budget	Revised Budget	Actual w/ Encumbrances	\$ Variance Fav. (Unfav.)	% Variance Fav. (Unfav.)
<b>REVENUES</b>					
Real Property Taxes	\$ 9,119,159	\$ 9,119,159	\$ 7,788,628	\$ (1,330,531)	(17.08%)
Other Tax Items	329,502	329,502	1,612,559	1,283,057	79.57%
State Sources	17,683,922	17,683,922	18,492,179	808,257	4.37%
Federal Sources	-	-	21,127	21,127	100.00%
Other, Including Financing Sources	634,000	676,490	1,059,670	383,180	36.16%
<b>Total Revenues and Other Financing Sources</b>	<u>27,766,583</u>	<u>27,809,073</u>	<u>\$ 28,974,163</u>	<u>\$ 1,165,090</u>	<u>4.02%</u>
Carryover Encumbrances	40,454	40,454			
<b>Total Revenues</b>	<u>\$ 27,807,037</u>	<u>\$ 27,849,527</u>			
<b>EXPENDITURES</b>					
General Support	\$ 3,472,320	\$ 3,361,349	\$ 3,350,285	\$ 11,064	0.33%
Instruction	12,174,189	12,192,566	12,602,385	(409,819)	(3.25%)
Pupil Transportation	1,470,520	1,503,878	1,499,209	4,669	0.31%
Employee Benefits	7,723,575	7,748,056	7,946,187	(198,131)	(2.49%)
Debt Service and Other Financing Uses	2,966,433	3,043,678	2,989,998	53,680	1.80%
<b>Total Expenditures</b>	<u>\$ 27,807,037</u>	<u>\$ 27,849,527</u>	<u>\$ 28,388,064</u>	<u>\$ (538,537)</u>	<u>(1.90%)</u>

# GENERAL FUND BUDGET - 2022

	2022				
	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual w/ Encumbrances</u>	<u>\$ Variance Fav. (Unfav.)</u>	<u>% Variance Fav. (Unfav.)</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 9,046,365	\$ 9,046,365	\$ 7,621,963	\$ (1,424,402)	(18.69%)
Other Tax Items	241,192	241,192	1,678,908	1,437,716	85.63%
State Sources	15,918,975	15,918,975	14,949,753	(969,222)	(6.48%)
Other, Including Financing Sources	982,370	982,370	948,169	(34,201)	(3.61%)
<b>Total Revenues and Other Financing Sources</b>	<u>26,188,902</u>	<u>26,188,902</u>	<u>\$ 25,198,793</u>	<u>\$ (990,109)</u>	<u>(3.93%)</u>
Carryover Encumbrances	<u>71,607</u>	<u>71,607</u>			
<b>Total Revenues</b>	<u><b>\$ 26,260,509</b></u>	<u><b>\$ 26,260,509</b></u>			
<b>EXPENDITURES</b>					
General Support	\$ 3,401,867	\$ 3,192,297	\$ 3,017,480	\$ 174,817	5.79%
Instruction	10,797,775	11,199,393	11,108,249	91,144	0.82%
Pupil Transportation	1,243,760	1,311,696	1,266,188	45,508	3.59%
Employee Benefits	7,446,835	7,452,987	7,383,672	69,315	0.94%
Debt Service and Other Financing Uses	3,370,272	3,104,136	2,999,573	104,563	3.49%
<b>Total Expenditures</b>	<u><b>\$ 26,260,509</b></u>	<u><b>\$ 26,260,509</b></u>	<u><b>\$ 25,775,162</b></u>	<u><b>\$ 485,347</b></u>	<u><b>1.88%</b></u>

# NET POSITION ANALYSIS

	JUNE 30,				
	2023	2022	2021	2020	2019
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ 7,038,761	\$ 13,705,533	\$ 13,652,209	\$ 18,086,688	\$ 14,669,645
Restricted	1,000,476	1,651,710	1,160,256	569,310	263,554
Unrestricted	<u>(56,704,492)</u>	<u>(55,342,575)</u>	<u>(54,435,798)</u>	<u>(55,922,569)</u>	<u>(50,965,033)</u>
<b>Total Net Position (Deficit)</b>	<u>\$ (48,665,255)</u>	<u>\$ (39,985,332)</u>	<u>\$ (39,623,333)</u>	<u>\$ (37,266,571)</u>	<u>\$ (36,031,834)</u>
<b>Unrestricted Net Position (Deficit)</b>	\$ (56,704,492)	\$ (55,342,575)	\$ (54,435,798)	\$ (55,922,569)	\$ (50,965,033)
(Less):					
GASB 68 - Net Pension (Asset)/Liability and Deferred Inflows and Outflows	(2,613,804)	(3,182,943)	(1,626,822)	(1,288,722)	(2,770,342)
GASB 75 - OPEB Liability and Deferred Inflows and Outflows	<u>61,941,628</u>	<u>60,342,770</u>	<u>57,774,900</u>	<u>56,251,673</u>	<u>56,835,640</u>
<b>Total Unrestricted Net Position (Deficit)</b>	<u>\$ 2,623,332</u>	<u>\$ 1,817,252</u>	<u>\$ 1,712,280</u>	<u>\$ (959,618)</u>	<u>\$ 3,100,265</u>

# CURRENT AND FUTURE ACCOUNTING STANDARDS

## **Current Standards Implemented**

- The School District implemented GASB Statement No. 96 “Subscription-Based Information Technology Arrangements,” for the year ended June 30, 2023. There was no material effect on the financial statements.

## **Future Accounting Standards**

- GASB has issued Statement No. 101 “Compensated Absences,” effective for the year ending June 30, 2025.





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