

**BOROUGH OF LITTLE FERRY**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2021**

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**BOROUGH OF LITTLE FERRY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2021**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Little Ferry  
Little Ferry, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Little Ferry, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2021, and the related notes to the financial statements.

#### ***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Little Ferry as of December 31, 2021 and 2020, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Little Ferry as of December 31, 2021 and 2020, or changes in financial position for the years then ended.

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

We conducted our audits 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 Division of Local Government Services, Department of Community Affairs, 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 Borough of Little Ferry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 67 percent and 71 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2021 and 2020, respectively.

### ***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Little Ferry on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible 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 Borough of Little Ferry'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 Division of Local Government Services, Department of Community Affairs, 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 Division of Local Government Services, Department of Community Affairs, 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 Borough of Little Ferry'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 Borough of Little Ferry'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Little Ferry as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Little Ferry. Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, 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 financial statements as a whole on the basis of accounting described in Note 1.

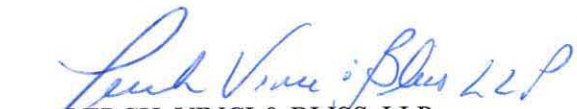
### ***Other Information***


Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 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 July 18, 2022 on our consideration of the Borough of Little Ferry'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 Borough of Little Ferry'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 Borough of Little Ferry's internal control over financial reporting and compliance.

  
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
July 18, 2022



**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
Cash	A-4	\$ 17,462,319	\$ 15,935,178
Grants Receivable	A-6	33,622	34,418
Due from State- Senior Citizens and Veterans Deductions	A-7	<u>10,374</u>	<u>10,124</u>
		<u>17,506,315</u>	<u>15,979,720</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-8	736,383	711,370
Tax Title Liens Receivable	A-9	37,614	37,513
Property Acquired for Taxes - Assessed Valuation	A-10	1,062,600	1,062,600
Revenue Accounts Receivable	A-11	8,743	158,338
Due from Animal Control Trust Fund	B-6	<u>5,276</u>	<u>3,413</u>
		<u>1,850,616</u>	<u>1,973,234</u>
Total Assets		<u>\$ 19,356,931</u>	<u>\$ 17,952,954</u>

**BOROUGH OF LITTLE FERRY  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 1,660,816	\$ 3,248,568
Encumbrances Payable	A-15	474,702	662,852
Accounts Payable	A-22	1,798	7,791
Local School District Taxes Payable	A-17	3,904,783	3,555,493
Prepaid Taxes	A-18	152,469	149,894
County Taxes Payable	A-16		11,096
Reserve for Tax Appeals	A-19	295,822	275,822
Reserve for Grants Appropriated	A-20	167,468	142,560
Reserve for Grants - Unappropriated	A-21	562,018	
Reserve for Tax Map	A-13	31,338	31,338
Reserve for Tax Rate Stabilization	A-14	2,450,000	2,450,000
Tax Overpayments	A-25	1,887	23,543
Due to General Capital Fund	C-4	1,638	18,254
Due to Length of Service Awards Program (LOSAP) Trust Fund	B	55,130	72,509
Due to Other Trust Fund	B-2	<u>197,706</u>	<u>253,474</u>
		9,957,575	10,903,194
Reserve for Receivables	A	1,850,616	1,973,234
Fund Balance	A-1	<u>7,548,740</u>	<u>5,076,526</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 19,356,931</u>	<u>\$ 17,952,954</u>

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,145,000	\$ 1,700,000
Miscellaneous Revenue Anticipated	A-2	2,220,983	3,271,647
Receipts from Delinquent Taxes	A-2	711,277	713,162
Receipts from Current Taxes	A-2	35,799,157	34,679,413
Non-Budget Revenue	A-2	265,302	478,812
Other Credits to Income			
Statutory Excess - Animal Control	B-6	1,863	1,407
Cancelled Accounts Payable	A-22	7,791	15,000
Liquidate Prior Year Reserve for Revenue Accounts Receivable	A	155,000	
Cancelled Tax Overpayments	A-25	23,543	
Unexpended Balance of Appropriation Reserves	A-12	<u>3,304,315</u>	<u>1,817,660</u>
 Total Revenues		 <u>44,634,231</u>	 <u>42,677,101</u>
<b>EXPENDITURES</b>			
Operations			
Salaries and Wages	A-3	5,454,372	5,449,528
Other Expenses	A-3	7,421,622	8,417,412
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,503,512	1,454,294
Capital Improvements	A-3	500,000	500,000
Municipal Debt Service	A-3	1,322,116	1,386,212
Transferred to B.O.E. for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	A-3	76,729	76,299
County Taxes Payable	A-16	2,997,344	2,808,432
Due County for Added and Omitted Taxes	A-16	40,555	11,096
Local District School Taxes Payable	A-17	20,698,625	20,000,476
Other Debits to Income			
Establish Reserve for Interfunds	A	1,863	1,407
Establish Reserve for Revenue Accounts Receivable	A		155,000
Refund Prior Year Revenue	A-4	<u>279</u>	<u>1,023</u>
 Total Expenditures		 <u>40,017,017</u>	 <u>40,261,179</u>
 Statutory Excess to Fund Balance		 4,617,214	 2,415,922
 Fund Balance, January 1	A	 <u>5,076,526</u>	 <u>4,360,604</u>
		9,693,740	6,776,526
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>2,145,000</u>	<u>1,700,000</u>
 Fund Balance, December 31	A	 <u>\$ 7,548,740</u>	 <u>\$ 5,076,526</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF LITTLE FERRY  
STATEMENT OF REVENUES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Added by N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b>FUND BALANCE ANTICIPATED</b>	A-1	\$ 2,145,000	-	\$ 2,145,000	-
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	33,000		35,376	\$ 2,376
Other	A-2	47,000		53,331	6,331
Fees and Permits	A-2	25,842		23,560	(2,282)
Fines and Costs					
Municipal Court	A-11	123,969		86,167	(37,802)
Interest and Costs on Taxes	A-11	160,000		172,935	12,935
Energy Receipts Tax	A-11	938,349		938,349	-
Uniform Fire Safety Act	A-11	19,000		22,038	3,038
Uniform Construction Code Fees	A-11	255,000		357,360	102,360
State and Federal Revenues Offset with					
Appropriations					
Municipal Recycling Assistance	A-6	12,432		12,432	
Clean Communities Grant	A-6		\$ 18,174	18,174	
EMAA -Emergency Management Grant	A-6		10,000	10,000	
Alcohol Education & Rehabilitation Grant	A-6		1,590	1,590	
Body Armor Grant	A-6	2,035		2,035	
Municipal Alliance	A-6	7,159		7,159	
Other Special Items:					
Reserve for Payment of Debt	A-11	20,000		20,000	
Hotel Tax	A-11	69,783		52,997	(16,786)
Cell Tower Rents	A-11	49,000		52,123	3,123
Summer Recreation	A-11	46,553		44,441	(2,112)
Shared Service Agreement - Bogota Court	A-11	84,584		84,584	
Shared Service Agreement - Tenafly-Registrar	A-11	21,649		21,649	
Shared Service Agreement- School Resource Office	A-11	49,683		49,683	
Interlocal Agreement - BCUA	A-11	155,000	-	155,000	-
Total Miscellaneous Revenues	A-1	2,120,038	29,764	2,220,983	71,181
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-1,A-8	721,000	-	711,277	(9,723)
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>					
Local Tax For Municipal Purposes	A-2,A-8	11,945,493		12,745,237	799,744
Minimum Library Tax	A-2,A-8	417,396	-	417,396	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	12,362,889	-	13,162,633	799,744
Total General Revenues	A-3	\$ 17,348,927	\$ 29,764	18,239,893	\$ 861,202
<b>Non-Budget Revenue</b>	A-1,A-2			265,302	
				<u>\$ 18,505,195</u>	

**BOROUGH OF LITTLE FERRY  
STATEMENT OF REVENUES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

Reference

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 35,799,157
Allocated to School and County Taxes	A-16,A-17	<u>23,736,524</u>
		12,062,633
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,100,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,162,633</u>

**OTHER LICENSES**

Borough Clerk		\$ 39,870
Board of Health/Registrar		<u>13,461</u>
	A-2,A-11	<u>\$ 53,331</u>

**FEEES AND PERMITS**

Borough Clerk		\$ 16,785
Board of Health/Registrar		1,440
Police		200
Planning/Zoning		4,295
Tax Collector		<u>840</u>
	A-2,A-11	<u>\$ 23,560</u>

**ANALYSIS OF NON-BUDGET REVENUES**

Cable Franchise Fees		\$ 108,892
Library Reimbursements		17,022
Insurance Reimbursements		25,635
Sewer Charges		47,023
Miscellaneous/Refunds/Other		25,815
LOSAP Refund		9,064
Interest on Deposits and Investments		2,479
Sokol Rent		12,600
FEMA Reimbursements		11,690
Senior Citizen 2% Administrative Payments		760
Sale of Municipal Assets		<u>4,322</u>
	A-2	<u>\$ 265,302</u>

Cash Collected	A-4	\$ 265,009
Due from Other Trust Fund	B-2	58
Due from General Capital Fund	C-4	<u>235</u>
		<u>\$ 265,302</u>



**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Appropriations</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 159,955	\$ 159,955	\$ 156,747	\$ 3,208	
Other Expenses - Postage	20,350	20,350	15,514	4,836	
Other Expenses - Miscellaneous	197,740	197,740	140,824	56,916	
CDL Drug Testing	5,000	5,000		5,000	
Mayor & Council					
Salaries & Wages	35,950	35,950	35,950		
Other Expenses	8,900	8,900	6,007	2,893	
Municipal Clerk					
Salaries & Wages	86,782	87,082	87,082	-	
Other Expenses	21,675	21,675	11,222	10,453	
Other Expenses - Elections	8,250	8,250	7,869	381	
Financial Administration (Treasury)					
Salaries & Wages	140,161	140,161	128,894	11,267	
Other Expenses	46,000	46,000	28,718	17,282	
Audit Services					
Other Expenses	47,500	47,500	46,600	900	
Revenue Administration (Tax Collection)					
Salaries & Wages	50,412	50,412	50,208	204	
Other Expenses	14,250	14,250	9,624	4,626	
Assessment of Taxes					
Salaries & Wages	20,185	20,185	17,479	2,706	
Other Expenses	63,425	63,425	39,005	24,420	
Legal Services & Costs					
Other Expenses - Fees and Costs	136,000	136,000	107,712	28,288	
Other Expenses - Special Counsel	15,000	15,000	5,680	9,320	
Engineering Services & Costs					
Other Expenses	30,000	30,500	30,455	45	
Historic Society					
Other Expenses	100	100		100	
Planning Board/ Zoning Board					
Salaries & Wages	5,796	5,796	5,682	114	
Other Expenses	17,600	17,600	6,535	11,065	
Insurance					
General Liability	487,750	487,750	471,616	16,134	
Employee Group Health	1,969,750	1,814,486	1,275,785	538,701	
PUBLIC SAFETY					
Aid to Volunteer Ambulance First Aid Squad	20,000	20,000	11,343	8,657	
Fire					
Salaries & Wages	8,474	8,474	8,474		
Salaries & Wages - Uniform Fire Safety	29,585	29,585	24,785	4,800	
Other Expenses - Clothing Allowance	58,140	58,140	-	58,140	
Other Expenses - Miscellaneous	65,100	65,190	65,135	55	
Other Expenses - Uniform Fire Safety	24,488	24,488	13,539	10,949	
Other Expenses - Fire Hydrant Services	100,000	100,000	93,488	6,512	

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Appropriations</u>		<u>2021 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Cont'd)					
Police					
Salaries & Wages	\$ 3,334,787	\$ 3,334,787	\$ 3,055,526	\$ 279,261	
Other Expenses - Miscellaneous	140,850	140,850	120,954	19,896	
Office of Emergency Management					
Other Expenses	17,000	17,000	14,030	2,970	
PUBLIC WORKS					
Streets & Roads Maintenance					
Salaries & Wages	961,873	961,873	902,091	59,782	
Other Expenses	108,858	108,858	108,858	-	
Other Public Works Functions					
Other Expenses - Sewer System	52,600	52,600	9,185	43,415	
Other Expenses - Drainage	46,000	46,000	24,032	21,968	
Other Expenses - Beautification Comm.	5,000	5,000	4,273	727	
Solid Waste Collection					
Other Expenses	350,000	350,000	301,232	48,768	
Buildings and Grounds					
Salaries & Wages	31,172	31,600	31,599	1	
Other Expenses	95,200	95,625	92,864	2,761	
Other Expenses - Environmental Testing	3,000	5,385	5,385		
Vehicle Maintenance					
Other Expenses	79,500	79,500	72,672	6,828	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	8,833	12,501	12,500	1	
Other Expenses	57,350	57,350	53,888	3,462	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries & Wages	35,000	35,000	30,537	4,463	
Other Expenses	82,450	82,450	50,002	32,448	
Maintenance of Parks and Playgrounds					
Other Expenses	30,000	30,000	28,516	1,484	
OTHER COMMON OPERATING FUNCTIONS					
Salary & Wage Adjustment	40,000	40,000	40,000	-	
Senior Citizen Program					
Other Expenses	7,100	7,100	5,125	1,975	
Senior Citizen / Community Busing					
Salaries & Wages	2,500	2,500		2,500	
Municipal Court					
Salaries and Wages	47,240	47,241	47,240	1	
Other Expenses	25,100	25,100	21,507	3,593	

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021 Appropriations		2021 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
OTHER COMMON OPERATING FUNCTIONS (Cont'd)					
Uniform Construction Code Enforcement Functions					
Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries & Wages	\$ 113,879	\$ 140,354	\$ 138,565	\$ 1,789	
Other Expenses	11,250	11,250	7,356	3,894	
Other Code Enforcement Functions					
Rent Leveling Board					
Other Expenses	50	50		50	
Unclassified:					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	210,000	210,000	205,996	4,004	
Street Lighting	125,000	125,000	113,104	11,896	
Telephone	30,000	30,000	28,713	1,287	
Water	18,350	18,350	18,336	14	
Gasoline	80,000	80,000	72,944	7,056	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Garbage - Tipping Fees	300,000	420,000	375,658	44,342	
Recycling - Leaf Disposal	55,000	55,000	53,437	1,563	-
Total Operations Within "CAPS"	10,399,260	10,398,268	8,948,097	1,450,171	-
Detail:					
Salaries & Wages	5,112,584	5,143,456	4,773,359	370,097	-
Other Expenses	5,286,676	5,254,812	4,174,738	1,080,074	-
DEFERRED CHARGES / REGULATORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Prior Year Bills					
Hackensack Meridian	1,200	1,200	1,200		
Edmunds GovTech	792	792	792		
Occupational Medicine-Corporate Wellness	383	383	382		\$ 1
Statutory Charges					
Social Security System (O.A.S.I.)	215,000	215,000	208,340	6,660	
Public Employees Retirement System	265,946	266,937	266,936	1	
Consolidated Police & Fire Retirement System	100	100	-	100	
Police & Firemens' Retirement System	1,010,001	1,010,001	1,010,000	1	
Pension Adjustment Fund	100	100		100	
Defined Contribution Retirement Program	9,000	9,000	5,482	3,518	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	1,502,522	1,503,513	1,493,132	10,380	1
Total General Appropriations for Municipal Purposes Within "CAPS"	11,901,782	11,901,781	10,441,229	1,460,551	1

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF LITTLE FERRY  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Appropriations</u>		<u>2021 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - EXCLUDED FROM "CAPS"					
Educational Functions					
Maintenance of Free Public Library (P.L.1985 C.82)	\$ 417,396	\$ 417,396	\$ 313,718	\$ 103,678	
Sewerage Processing and Disposal Costs					
Bergen County Utilities Authority - Operation and Maintenance	1,100,540	1,100,541	1,100,541	-	
Bergen County Utilities Authority - Debt Service	417,783	417,783	417,783	-	
South Hackensack Sewer Charges	27,000	27,000	26,733	267	
Recycling Tax	15,000	15,000	15,000	-	
Reserve for Tax Appeals	20,000	20,000	20,000		
Public Safety Functions					
LOSAP	110,000	110,000	55,130	54,870	-
Total Other Operations Excluded from "CAPS"	<u>2,107,719</u>	<u>2,107,720</u>	<u>1,948,905</u>	<u>158,815</u>	<u>-</u>
Interlocal Municipal Services Agreement					
Bergen County Utilities Authority					
Salaries & Wages	155,000	155,000	130,000	25,000	
Tenafly Registrar Shared Services					
Salaries & Wages	21,649	21,649	10,200	11,449	
Bogota Shared Services					
Salaries & Wages	84,584	84,584	79,583	5,001	
Other Expenses	4,700	4,700	4,700	-	
School Resource Officer	49,683	49,683	49,683	-	-
Total Interlocal Municipal Service Agreements	<u>315,616</u>	<u>315,616</u>	<u>274,166</u>	<u>41,450</u>	<u>-</u>
Public and Private Programs Offset by Revenues					
Body Armor Replacement Program	2,035	2,035	2,035		
Assistance to Firefighters		1,590	1,590		
EMAA - Emergency Management Grant		10,000	10,000		
Municipal Alliance	7,159	7,159	7,159		
Municipal Alliance- Local Match	3,000	3,000	3,000		
Clean Communities		18,174	18,174		
Municipal Recycling Assistance	12,432	12,432	12,432	-	-
Total Public and Private Programs Offset by Revenues	<u>24,626</u>	<u>54,390</u>	<u>54,390</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>2,447,961</u>	<u>2,477,726</u>	<u>2,277,461</u>	<u>200,265</u>	<u>-</u>
Detail:					
Salaries & Wages	310,916	310,916	269,466	41,450	-
Other Expenses	2,137,045	2,166,810	2,007,995	158,815	-

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021 Appropriations</u>		<u>2021 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D.)					
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 500,000	\$ 500,000	\$ 500,000	-	-
Total Capital Improvements Excluded from "CAPS"	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	850,000	850,000	850,000		
Payment of Bond Anticipation Notes	171,873	171,873	171,873		
Interest on Bonds	183,325	183,325	183,325		
Interest on Notes	106,500	106,500	106,161		\$ 339
Green Trust Loan Repayments - Princ. & Interest	<u>10,757</u>	<u>10,757</u>	<u>10,757</u>	-	-
Total Municipal Debt Service Excluded from "CAPS"	<u>1,322,455</u>	<u>1,322,455</u>	<u>1,322,116</u>	-	<u>339</u>
Transferred to B.O.E. for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	<u>76,729</u>	<u>76,729</u>	<u>76,729</u>	-	-
Total General Appropriations Excluded from "CAPS"	<u>4,347,145</u>	<u>4,376,910</u>	<u>4,176,306</u>	\$ 200,265	<u>339</u>
Subtotal General Appropriations	16,248,927	16,278,691	14,617,535	1,660,816	340
Reserve for Uncollected Taxes	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	-	-
Total General Appropriations	<u>\$ 17,348,927</u>	<u>\$ 17,378,691</u>	<u>\$ 15,717,535</u>	<u>\$ 1,660,816</u>	<u>\$ 340</u>
<u>Reference</u>	A-2	A-3	A-1	A, A-1	



**BOROUGH OF LITTLE FERRY  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	<u>Appropriations Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-2	\$ 17,348,927	
Added by 40A:4-87	A-2	<u>29,764</u>	
	A-3	<u>\$ 17,378,691</u>	
Cash Disbursed	A-4		\$ 13,735,279
Encumbrances Payable	A-15		474,702
Transfer to Appropriated Grant Reserves	A-20		54,390
Due to General Capital Fund - Payment of Bond Anticipation Notes	C-4		171,873
Current Fund Expenditures Paid by General Capital Fund	C-4		106,161
Due to Length of Service Awards Program (LOSAP) Trust Fund	B		55,130
Transfer to Reserve for Tax Appeals	A-19		20,000
Reserve for Uncollected Taxes	A-2		<u>1,100,000</u>
			<u>\$ 15,717,535</u>

**BOROUGH OF LITTLE FERRY  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-1	\$ 10,107	\$ 8,976
		<u>10,107</u>	<u>8,976</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	1,116,106	636,761
Due from Current Fund	B-2	<u>197,706</u>	<u>253,474</u>
		<u>1,313,812</u>	<u>890,235</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND</b>			
Cash	B-1	100	100
Due from Other Trust Fund	B-10	<u>100</u>	<u>100</u>
		<u>200</u>	<u>200</u>
<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b>			
Cash	B-1	<u>37,738</u>	<u>32,489</u>
		<u>37,738</u>	<u>32,489</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND-(LOSAP)-(UNAUDITED)</b>			
Investments	B	2,719,568	2,248,849
Due from Current Fund	A-3,B	<u>55,130</u>	<u>72,509</u>
		<u>2,774,698</u>	<u>2,321,358</u>
Total Assets		<u>\$ 4,136,555</u>	<u>\$ 3,253,258</u>

**BOROUGH OF LITTLE FERRY  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Reserve for Animal Control Trust Fund Expenditures	B-4	\$ 4,829	\$ 5,559
Due to State of New Jersey	B-5	2	4
Due to Current Fund	B-6	<u>5,276</u>	<u>3,413</u>
		<u>10,107</u>	<u>8,976</u>
<b>OTHER TRUST FUND</b>			
Escrow and Miscellaneous Deposits	B-3	680,610	379,527
Payroll Deductions Payable	B-11	80,111	48,192
Reserve for POAA	B-7	9,678	9,282
Reserve for Municipal Alliance Fund	B-9	70	70
Reserve for Recreation Fees	B-13	82,253	78,261
Reserve for Accumulated Leave Compensation	B-14	197,727	253,499
Reserve for Affordable Housing	B-8	263,263	121,304
Due to Community Development Trust Fund	B-10	<u>100</u>	<u>100</u>
		<u>1,313,812</u>	<u>890,235</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND</b>			
Due to General Capital Fund	B-12	<u>200</u>	<u>200</u>
		<u>200</u>	<u>200</u>
<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-16		2,446
Reserve for Expenditures	B-15	<u>37,738</u>	<u>30,043</u>
		<u>37,738</u>	<u>32,489</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (LOSAP) (UNAUDITED)</b>			
Reserve for LOSAP Benefits	B	<u>2,774,698</u>	<u>2,321,358</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,136,555</u>	<u>\$ 3,253,258</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 1,289,004	\$ 1,395,977
Grants Receivable	C-7	952,325	891,338
Deferred Charges to Future Taxation			
Funded	C-5	5,350,023	6,383,453
Unfunded	C-6	8,322,498	7,588,354
Due from Current Fund	C-4	1,638	18,254
Due from Community Development Trust Fund	C-11	<u>200</u>	<u>200</u>
 Total Assets		 <u>\$ 15,915,688</u>	 <u>\$ 16,277,576</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds Payable	C-15	\$ 5,240,000	\$ 6,265,000
Bond Anticipation Notes Payable	C-16	6,030,000	5,193,000
Green Acres Loan Payable	C-12	110,023	118,453
Improvement Authorizations			
Funded	C-8	365,528	728,913
Unfunded	C-8	2,063,766	1,870,188
Encumbrances/Contracts Payable	C-9	559,274	497,709
Reserve for Grants Receivable	C-7	952,325	891,338
Reserve for Payment of Debt	C-13	20,000	20,000
Reserve for Field Improvements	C-14	15,310	15,310
Capital Improvement Fund	C-10	319,242	541,042
Fund Balance	C-1	<u>240,220</u>	<u>136,623</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 15,915,688</u>	 <u>\$ 16,277,576</u>

There were bonds and notes authorized but not issued at December 31, 2021 and 2020 amounting to \$2,345,873 and \$2,395,354, respectively. (Exhibit C-17)

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$ 136,623	\$ 483,890
Increased by:			
Premium on Sale of Bonds and Notes	C-2	103,597	
Funded Improvement Authorizations Cancelled	C	<u>          -</u>	<u>      77,733</u>
		240,220	561,623
Decreased by:			
Appropriated to Finance Improvement Authorizations	C	<u>          -</u>	<u>      425,000</u>
Balance, December 31	C	<u>\$ 240,220</u>	<u>\$ 136,623</u>



**BOROUGH OF LITTLE FERRY  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Land and Land Improvements	\$ 8,509,786	\$ 8,509,786
Buildings and Building Improvements	17,174,334	17,174,334
Machinery and Equipment	<u>7,676,895</u>	<u>7,283,279</u>
 Total Assets	 <u>\$ 33,361,015</u>	 <u>\$ 32,967,399</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 33,361,015</u>	<u>\$ 32,967,399</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Little Ferry ("the Borough") was incorporated in the year 1894 and is governed by a Mayor and a Council of six Council members, each of whom is elected by the voters. The Mayor's term is for a four year period and the Council members for a three year period with two Council positions being voted upon each year. Appointments and committee member selections are made at the Annual Reorganization Meeting, generally held during the first week of January each year. Appointments and committee selections are made as provided for by statutes and ordinances governing these matters. The executive power of the Borough is exercised by the Mayor and Council. Administrative functions for implementing policies of the Borough are exercised by the Borough Administrator in conjunction with the department heads. Each Councilmember acts as a liaison to specific departments. These departments are: Department of Public Works/Buildings and Grounds, Police, Fire, Finance, Recreation and Board of Health. Day to day functions are under the direction of the Borough Administrator. Also present and available on a full time basis is the Borough Clerk. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library, volunteer fire department or volunteer first aid squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

The financial statements of the Borough of Little Ferry have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Community Development Block Grant Trust Fund - This fund is used to account for grant proceeds, program income and related expenditures for Federal Block grant entitlements.

Unemployment Compensation Insurance Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Length of Service Awards Program Trust Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2020 balances to conform to the December 31, 2021 presentation.

**Financial Statements – Regulatory Basis**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Little Ferry follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

**Inventories** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.



**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues/Receivables** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

**Grant and Similar Award Revenues/Receivables** - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

**Property Acquired for Taxes** - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

**Deferred Charges** – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

**Appropriation Reserves** – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**Expenditures** – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

**Encumbrances** - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

**BOROUGH OF LITTLE FERRY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Little Ferry has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

General Fixed Assets purchased after December 31, 2002 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2002 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in the government-wide financial statements at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in the government-wide financial statements.

**Use of Estimates** - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

Trust Funds  
 General Capital Fund

**BOROUGH OF LITTLE FERRY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021 and 2020 the Borough Council increased the original budget by \$29,764 and \$1,232,068. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2021 and 2020.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**A. Cash Deposits**

The Borough'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 Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021 and 2020, the book value of the Borough's deposits were \$19,915,374 and \$18,009,481, and bank and brokerage firm balances of the Borough's deposits amounted to \$20,676,734 and \$18,150,570, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured	<u>\$ 20,676,734</u>	<u>\$ 18,150,570</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 Borough does not have a formal policy for custodial credit risk. However, as of December 31, 2021 and 2020, none of the bank balances were exposed to custodial credit risk.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include 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 Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, 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 Investments in the Department of the Treasury for investment by local units; 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 NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2021 and 2020, the Borough had the following investments:

	<u>Fair Value</u>	
	<u>2021</u>	<u>2020</u>
Investment:		
Lincoln Financial Group LOSAP Investment Fund ( Unaudited)	\$ 2,719,568	\$ 2,248,849

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2021 and 2020, \$2,719,568 and \$2,248,849 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value (LOSAP - Unaudited)</u>	
	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 2,719,568	\$ 2,248,849

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough 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. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2021 and 2020, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments.

Fair Value of Investments. The Borough of Little Ferry measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2021 and 2020 are categorized as Level 2.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2021 and 2020 consisted of the following:

<u>Current</u>	<u>2021</u>	<u>2020</u>
Property Taxes	\$ 736,383	\$ 711,370
Tax Title Liens	<u>37,614</u>	<u>37,513</u>
	<u>\$ 773,997</u>	<u>\$ 748,883</u>

In 2021 and 2020, the Borough collected \$711,277 and \$713,162 from delinquent taxes, which represented 95% and 94%, respectively, of the prior year delinquent taxes receivable balance.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 5,276	\$ 254,474	\$ 3,413	\$ 344,237
Trust Funds:				
Animal Control		5,276		3,413
Other Trust	197,706	100	253,474	100
Community Development Block Grant Length of Service Awards Program (LOSAP)	100	200	100	200
General Capital Fund	55,130		72,509	
	<u>1,838</u>	<u>-</u>	<u>18,454</u>	<u>-</u>
 Total	 <u>\$ 260,050</u>	 <u>\$ 260,050</u>	 <u>\$ 347,950</u>	 <u>\$ 347,950</u>

The above balances are the result of revenues and/or expenditures being received/paid by one fund on behalf of another.

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

**NOTE 6 DEFERRED SCHOOL TAXES**

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2021 and 2020 are as follows:

	<u>Local District School</u>	
	<u>2021</u>	<u>2020</u>
Balance of Tax	\$10,310,027	\$9,960,737
Deferred Liability	<u>6,405,244</u>	<u>6,405,244</u>
 Taxes Payable	 <u>\$3,904,783</u>	 <u>\$3,555,493</u>

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 7 FUND BALANCE APPROPRIATED**

Under the regulatory basis of accounting, fund balance in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	<b>2021</b>		<b>2020</b>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 7,504,744	\$ 2,500,000	\$ 5,031,984	\$ 2,145,000
Non-Cash Surplus	43,996	-	44,542	-
	<u>\$ 7,548,740</u>	<u>\$ 2,500,000</u>	<u>\$ 5,076,526</u>	<u>\$ 2,145,000</u>

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2021 and 2020.

	<u>Balance December 31, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2021</u>
<b>2021</b>				
Land and Land Improvements	\$ 8,509,786			\$ 8,509,786
Buildings and Building Improvements	17,174,334			17,174,334
Machinery and Equipment	7,283,279	\$ 453,696	\$ 60,080	7,676,895
	<u>\$ 32,967,399</u>	<u>\$ 453,696</u>	<u>\$ 60,080</u>	<u>\$ 33,361,015</u>
	<u>Balance December 31, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2020</u>
<b>2020</b>				
Land and Land Improvements	\$ 8,500,486	\$ 9,300		\$ 8,509,786
Buildings and Building Improvements	17,174,334			17,174,334
Machinery and Equipment	6,898,773	463,552	\$ 79,046	7,283,279
	<u>\$ 32,573,593</u>	<u>\$ 472,852</u>	<u>\$ 79,046</u>	<u>\$ 32,967,399</u>



**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects and acquisitions. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,380,023	\$ 11,576,453
Less Funds Temporarily Held to Pay Bonds and Notes	<u>73,375</u>	<u>20,000</u>
Net Debt Issued	11,306,648	11,556,453
Authorized But Not Issued		
General		
Bonds and Notes	<u>2,345,873</u>	<u>2,395,354</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 13,652,521</u>	<u>\$ 13,951,807</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.091% and 1.189% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2021</u></b>			
General Debt	\$ 13,725,896	\$ 73,375	\$ 13,652,521
School Debt	-	-	-
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 13,725,896</u>	<u>\$ 73,375</u>	<u>\$ 13,652,521</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2020</u></b>			
General Debt	\$ 13,971,807	\$ 20,000	\$ 13,951,807
School Debt	-	-	-
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 13,971,807</u>	<u>\$ 20,000</u>	<u>\$ 13,951,807</u>

**Statutory Borrowing Power**

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 43,801,909	\$ 41,071,917
Less: Net Debt	<u>13,652,521</u>	<u>13,951,807</u>
	<hr/>	<hr/>
Remaining Borrowing Power	<u>\$ 30,149,388</u>	<u>\$ 27,120,110</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

The Borough's long-term debt consisted of the following at December 31:

**General Obligation Bonds**

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$6,300,000, 2010 Bonds, due in annual installments of \$650,000 through September, 2025, interest at 2.00% to 3.00%		\$ 3,250,000
\$3,727,000, 2017 Bonds, due in annual installments of \$200,000 to \$365,000 through April, 2030, interest at 3.00%	\$ 2,815,000	3,015,000
\$2,425,000, 2021 Refunding Bonds, due in annual installments of \$595,000 to \$615,000 through September, 2025, interest at 5.00%	<u>2,425,000</u>	<u>-</u>
Total	<u>\$ 5,240,000</u>	<u>\$ 6,265,000</u>

**General Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the State of New Jersey for the financing relating to the borough's Wetlands Acquisition Project, the Indian Lake property (Lakeview Park) Recreation Improvement Project. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$172,988, 2013 Loan, due in semi-annual installments of \$5,325 to \$10,493 through February, 2033, interest at 2.00%	<u>\$ 110,023</u>	<u>\$ 118,453</u>
	<u>\$ 110,023</u>	<u>\$ 118,453</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	General Bonds		General Green Acres Loans		Total
	Principal	Interest	Principal	Interest	
2022	\$ 810,000	\$ 179,460	\$ 8,599	\$ 2,158	\$ 1,000,217
2023	890,000	164,775	8,772	1,985	1,065,532
2024	905,000	126,100	8,948	1,808	1,041,856
2025	925,000	86,700	9,128	1,629	1,022,457
2026	320,000	46,500	9,312	1,445	377,257
2027-2031	1,390,000	85,200	49,445	4,342	1,528,987
2031-2033	-	-	15,819	317	16,136
<b>Total</b>	<b>\$ 5,240,000</b>	<b>\$ 688,735</b>	<b>\$ 110,023</b>	<b>\$ 13,684</b>	<b>\$ 6,052,442</b>

**Current Refundings of Debt**

On November 10, 2021, the Borough issued \$2,425,000 in General Obligation Refunding Bonds having an interest rate of 5.00%. These Bonds were issued in order to currently refund certain principal maturities of General Improvement Bonds of the Borough. The total principal currently refunded was \$2,600,000. This current refunding resulted in the issuance of \$175,000 less in bonds and resulted in an increase of cash flows over the life of these bonds issues in the amount \$85,665; however, the economic gain (difference between the present value of the old and new debt service payments) was \$84,650. The current refunding was undertaken to reduce total debt service payments over the next 4 years by \$85,665.

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
General Capital Fund					
Bonds Payable	\$ 6,265,000	\$ 2,425,000	\$ 3,450,000	\$ 5,240,000	\$ 810,000
Intergovernmental Loans Payable	118,453	-	8,430	110,023	8,599
General Capital Fund Long-Term Liabilities	<u>\$ 6,383,453</u>	<u>\$ 2,425,000</u>	<u>\$ 3,458,430</u>	<u>\$ 5,350,023</u>	<u>\$ 818,599</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<b><u>2020</u></b>					
General Capital Fund					
Bonds Payable	\$ 7,090,000		\$ 825,000	\$ 6,265,000	\$ 850,000
Intergovernmental Loans Payable	<u>126,717</u>	<u>-</u>	<u>8,264</u>	<u>118,453</u>	<u>8,430</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,216,717</u>	<u>\$ -</u>	<u>\$ 833,264</u>	<u>\$ 6,383,453</u>	<u>\$ 858,430</u>

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>						
<b><u>General Capital Fund</u></b>						
Various Capital Improvements	2.00	4/20/2022	\$ 2,631,140	\$ 3,526,904	\$ 2,631,140	\$ 3,526,904
Sanitary Sewer Improvements- Neihaus & Williams	2.00	4/20/2022	227,354	126,902	227,354	126,902
Generators at Main St Pump Station and Willow Park	2.00	4/20/2022		157,500		157,500
Acquisition of Various Equipment & Vehicles	2.00	4/20/2022	247,355	219,507	247,355	219,507
Borough Hall Generator	2.00	4/20/2022	196,393	191,595	196,393	191,595
Various Road Improvements	2.00	4/20/2022	1,689,763	1,606,597	1,689,763	1,606,597
Various Park Improvements	2.00	4/20/2022	<u>200,995</u>	<u>200,995</u>	<u>200,995</u>	<u>200,995</u>
Total General Capital Fund			<u>\$ 5,193,000</u>	<u>\$ 6,030,000</u>	<u>\$ 5,193,000</u>	<u>\$ 6,030,000</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, December 31, 2019</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2020</u>
<b>2020</b>						
<u>General Capital Fund</u>						
Various Capital Improvements	2.05	4/21/2021	\$ 1,765,860	\$ 2,631,140	\$ 1,765,860	\$ 2,631,140
Sanitary Sewer Improvements- Neihaus & Williams	2.05	4/21/2021	203,972	227,354	203,972	227,354
Improvements to Lakeview Field	2.05	4/21/2021	163,198		163,198	-
Acq and Installation of a Gazebo & Improvements to Willow Lake Park	2.05	4/21/2021	40,964		40,964	-
Acquisition of Losen Slote Gate	2.05	4/21/2021	128,350		128,350	-
Acquisition of Various Equipment & Vehicles	2.05	4/21/2021	260,867	247,355	260,867	247,355
Borough Hall Generator	2.05	4/21/2021	196,393	196,393	196,393	196,393
Various Road Improvements	2.05	4/21/2021	1,895,401	1,689,763	1,895,401	1,689,763
Various Park Improvements	2.05	4/21/2021	<u>200,995</u>	<u>200,995</u>	<u>200,995</u>	<u>200,995</u>
Total General Capital Fund			<u>\$ 4,856,000</u>	<u>\$ 5,193,000</u>	<u>\$ 4,856,000</u>	<u>\$ 5,193,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

**BOROUGH OF LITTLE FERRY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2021</u></b>		
Improvements to Garden/Grand Streets	\$32,926	2022
Sabina Street Drainage Improvements	25,063	2022
<b><u>2020</u></b>		
Sabina Street Drainage Improvements	\$25,063	2021
Summit Circle Storm Drainage Improvements	141,061	2021

As of December 31, the Borough has other significant commitments as follows:

<u>Purpose</u>	<u>Remaining Commitment</u>
<b><u>2021</u></b>	
Acquisition of Police Equipment	\$203,468
Acquisition of DPW Vehicle	71,419
<b><u>2020</u></b>	
Acquisition of a DPW Truck	\$59,926

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,338,972 and \$1,320,630 at December 31, 2021 and 2020, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$197,727 and \$253,499, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**B. Deferred Pension Obligation**

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$353,780 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2021 and 2020 is \$6,598 and \$34,415, respectively.

During the years ended December 31, 2021, 2020 and 2019 the Borough was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>
2021	\$ 28,748
2020	28,719
2019	28,575

**Changes in Other Long-Term Liabilities**

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
Compensated Absences	\$ 1,320,630	\$ 74,114	\$ 55,772	\$ 1,338,972	
Deferred Pension Obligation	34,415	931	28,748	6,598	
Net Pension Liability - PERS (1)	3,933,004			3,933,004	
Net Pension Liability - PFRS (1)	11,278,066			11,278,066	
Net OPEB Liability (1)	14,467,662	-	-	14,467,662	-
 Total Other Long-Term Liabilities	 <u>\$ 31,033,777</u>	 <u>\$ 75,045</u>	 <u>\$ 84,520</u>	 <u>\$ 31,024,302</u>	 <u>\$ -</u>



**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities (Continued)**

	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<b><u>2020</u></b>					
Compensated Absences	\$ 1,316,450	\$ 124,625	\$ 120,445	\$ 1,320,630	
Deferred Pension Obligation	60,361	2,773	28,719	34,415	
Net Pension Liability - PERS	4,424,164		491,160	3,933,004	
Net Pension Liability - PFRS	11,061,837	216,229		11,278,066	
Net OPEB Liability	<u>10,295,962</u>	<u>4,171,700</u>	<u>-</u>	<u>14,467,662</u>	<u>-</u>
 Total Other Long-Term Liabilities	 <u>\$ 27,158,774</u>	 <u>\$ 4,515,327</u>	 <u>\$ 640,324</u>	 <u>\$ 31,033,777</u>	 <u>\$ -</u>

(1) GASB Statement numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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 multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](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, if applicable, vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon 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 age at which 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 a 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.

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 Borough 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 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 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds (Continued)**

Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS 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, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. 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).

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by 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).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

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

**Actuarial Methods and Assumptions**

In the July 1, 2019 PERS and PFRS actuarial valuations, 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.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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 various retirement systems require employee contributions for 2021 and 2020 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee’s annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2021, 2020 and 2019, were equal to the required contributions.

During the years ended December 31, 2020, 2019 and 2018, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$ 975,096	\$ 263,939	\$ 5,482
2020	913,045	238,834	6,119
2019	943,719	233,791	6,349

In addition for the years ended December 31, 2021, 2020 and 2019 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$788 and \$584, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS)**

At December 31, 2020, the Borough reported a liability of \$3,933,004 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough's proportionate share was .02412 percent, which was a decrease of .00043 percent from its proportionate share measured as of June 30, 2019 of .02455 percent.

For the years ended December 31, 2020, the pension system has determined the Borough's pension expense to be \$209,704, for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$238,834. At December 31, 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 71,614	\$ 13,909
Changes of Assumptions	127,591	1,646,786
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	134,433	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>363,370</u>	<u>79,055</u>
Total	<u>\$ 697,008</u>	<u>\$ 1,739,750</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (331,935)
2022	(347,504)
2023	(225,742)
2024	(111,952)
2025	(25,609)
Thereafter	<u>-</u>
	<u>\$ (1,042,742)</u>

**BOROUGH OF LITTLE FERRY  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

*Actuarial Assumptions*

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (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*

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 pension plans' target asset allocation as of June 30, 2020, as reported for the years ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

*Discount Rate*

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

*Discount Rate (Continued)*

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

	<u><b>2020</b></u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00%, as well as what the Borough’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% or 1-percentage-point higher 8.00% than the current rate:

<u><b>2020</b></u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 4,950,996</u>	<u>\$ 3,933,004</u>	<u>\$ 3,069,210</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.



**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

*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).

**Police and Firemen’s Retirement System (PFRS)**

At December 31, 2020, the Borough reported a liability of \$11,278,066, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough’s proportionate share was .08728 percent, which was a decrease of .00311 percent from its proportionate share measured as of June 30, 2019 of .09039 percent.

For the years ended December 31, 2020, the pension system has determined the Borough pension expense to be \$648,049, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$913,045. At December 31, 2020, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<b>2020</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 113,702	\$ 40,476
Changes of Assumptions	28,381	3,023,581
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	661,286	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>467,785</u>	<u>855,144</u>
Total	<u>\$ 1,271,154</u>	<u>\$ 3,919,201</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen’s Retirement System (PFRS) (Continued)**

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (1,105,110)
2022	(787,836)
2023	(348,880)
2024	(252,087)
2025	(154,134)
Thereafter	<u>-</u>
	<u>\$ (2,648,047)</u>

***Actuarial Assumptions***

The Borough’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

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

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen’s Retirement System (PFRS) (Continued)**

*Long-Term Expected Rate of Return*

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 pension plans’ target asset allocation as of June 30, 2020, as reported for the years ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

*Discount Rate*

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen’s Retirement System (PFRS) (Continued)**

***Discount Rate (Continued)***

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

	<u>2020</u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

***Sensitivity of Net Pension Liability***

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,997,506</u>	<u>\$ 11,278,066</u>	<u>\$ 8,188,787</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Police and Firemen's Retirement System (PFRS) (Continued)**

***Special Funding Situation – PFRS***

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,750,304. For the year ended December 31, 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$198,362, which is more than the actual contributions the State made on behalf of the Borough of \$134,685. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was .08728 percent, which was an increase of .00311 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .09039 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

***Pension Plan Fiduciary Net Position***

Detailed information about the PFRS 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 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).

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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 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 assessed via, the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government 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 other postemployment 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.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2021 was not available and for 2020 is \$17.9 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.91% at June 30, 2020.

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

**Actuarial Methods and Assumptions**

In the July 1, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation 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 Contribution**

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$292.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$35.0 million for fiscal year 2020.

The State sets the employer 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 No. 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 Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2021, 2020 and 2019 were \$497,906, \$455,342 and \$398,253, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2021, 2020 and 2019 were \$24,253, \$21,663 and \$22,166, respectively.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 75 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2020, the Borough reported a liability of \$14,467,662, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. The Borough’s proportionate share of the net OPEB liability was based on the ratio of the Borough’s proportionate share of the OPEB liability attributable to the Borough at June 30, 2020 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2020. As of the measurement date of June 30, 2020 the Borough’s proportionate share was .08062 percent, which was an increase of .00461 percent from its proportionate share measured as of June 30, 2019 of .07601 percent.

For the year ended December 31, 2020, the Plan has determined the Borough’s OPEB expense to be \$693,123, based on the actuarial valuation which is more than the actual contributions reported in the Borough’s financial statements of \$263,939. At December 31, 2020, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 381,067	\$ 2,694,149
Changes of Assumptions	2,163,907	3,217,385
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	9,188	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	4,868,443	1,601,937
Contributions made Subsequent to the Measurement Date	-	-
<b>Total</b>	<u>\$ 7,422,605</u>	<u>\$ 7,513,471</u>



**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2022	\$ (175,399)
2023	(175,866)
2024	(177,196)
2025	(178,087)
2026	158,744
Thereafter	<u>456,938</u>
	<u>\$ (90,866)</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

*Actuarial Assumptions*

The Borough's total OPEB liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2020</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%
Rate Thereafter	Not Applicable
Mortality	
PERS	Pub-2010 General Classification Headcount- Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety Classification Headcount- Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

**Discount Rate**

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

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

The discount rate represents the municipal bond return rate as chosen by the State. 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.

***Sensitivity of Net OPEB Liability to Changes in the Discounts Rate***

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2020 calculated using the discount rate of 2.21%, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.21% or 1-percentage-point higher 3.21% than the current rate:

<u>2020</u>	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 17,103,833	\$ 14,467,662	\$ 12,380,893

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2020. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 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 Net OPEB Liability to Changes in the Healthcare Trend Rate*

The following presents the Borough’s proportionate share of the net OPEB liability as of December 31, 2020 calculated using the healthcare trend rates as disclosed above as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2020</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 11,972,005	\$ 14,467,662	\$ 17,735,759

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2020. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the pension system.

*Special Funding Situation*

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State’s proportionate share is 100% of OPEB under this legislation.

At December 31, 2020, the State’s proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$224,828. For the year ended December 31, 2020 the plan has determined the State’s proportionate share of the OPEB expense (benefit) attributable to the Borough for the OPEB special funding situation is \$(11,192). At December 31, 2020, (measurement date June 30, 2020), the State’s share of the OPEB liability attributable to the Borough was .00412 percent, which was an increase of .00077 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .00335 percent. The State’s proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

*OPEB Plan Fiduciary Net Position*

Detailed information about the OPEB 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 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).

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 14 RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Little Ferry is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The SBJIF and MEL coverage amounts are on file with the Borough.

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 7,917	\$ 227	\$ 37,738
2020	4,989	10,266	30,043
2019	7,442	14,861	35,225

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2021 and 2020, the Borough reserved \$295,822 and \$275,822, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Borough 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 Borough may be required to reimburse the grantor government. As of December 31, 2021 and 2020, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The Borough 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 December 31, 2021 and 2020, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Borough of Little Ferry Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 8, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Little Ferry approved the adoption of the Plan at the general election held on November 7, 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

The Borough of Little Ferry has contributed \$1,531 and \$1,450 and \$1,439 for 2021 and 2020, respectively, for each eligible volunteer fire department and first aid corp. member into the Plan. The total Borough contributions were \$55,130 and \$72,509 for 2021 and 2020, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

**Vesting and Benefits**

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

**NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022.

On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 18 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)**

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 (“Chapter 74”) on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year’s operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Little Ferry’s finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Little Ferry’s primary revenue source for supporting its budget. The Borough of Little Ferry cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$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 includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

The Borough will receive \$1,124,036 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$562,018. The Borough utilized this first installment in the 2022 budget to replace lost public sector revenue. The Borough has not yet determined how it will spend the second installment to be received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.



**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 19 WETLANDS MITIGATION PROJECT AT LOSEN SLOTE SITE AGREEMENT**

On September 24, 2019, the Borough executed an agreement with the Federal Aviation Administration (“FAA”) related to the Wetlands Mitigation Project at Losen Slote Site, Block 106.01, Lots 2 and 3, concerning the performance of wetlands mitigation requirements resulting from the relocation of the Teterboro Airport Air Traffic Control Tower.

The terms of the agreement stipulated the FAA paid the Borough a one-time fee of \$2,450,000 in connection with its use of the Mitigate Site for wetlands mitigation activities. These funds were received by the Borough in October 2019.

In addition, the agreement provides the FAA shall pay the Borough an additional one-time payment of \$250,000 for the long-term management and stewardship of the Mitigation Site by the Borough. This amount will be paid upon satisfaction of permit conditions and completion of short-term monitoring.

**NOTE 20 SUBSEQUENT EVENTS**

**Bond Anticipation Notes**

On April 19, 2022 the Borough issued bond anticipation notes in the amount of \$5,785,000 and \$959,000, respectively, to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to TD Securities and Township of Freehold at an interest rate of 2.00% and 1.85%, respectively. These notes dated April 19, 2022 will mature on August 19, 2022 and April 20, 2023.

**Debt Authorized**

On April 22, 2022 the Borough adopted a bond ordinance authorizing the issuance \$1,261,500 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**CURRENT FUND**

**BOROUGH OF LITTLE FERRY  
STATEMENT OF CURRENT CASH - TREASURER**

Balance, December 31, 2020		\$ 15,935,178
Increased by Receipts:		
Tax Collector	\$ 36,477,486	
Revenue Accounts Receivable	2,323,753	
Miscellaneous Revenue Not Anticipated	265,009	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	38,000	
Due to State of New Jersey - Marriage License Fees	1,400	
Due to State of New Jersey - DCA Training Fees	22,367	
Reserve for Grants Unappropriated	562,018	
Grant Receipts	52,186	
Receipts from Other Trust Fund	<u>62</u>	
		<u>39,742,281</u>
		55,677,459
Decreased by Disbursements:		
2021 Budget Appropriations	13,735,279	
2020 Appropriation Reserves	125,578	
County Taxes Payable	3,048,995	
Local District School Taxes Payable	20,349,335	
Encumbrances Payable	479,729	
Due to State of New Jersey - Marriage License Fees	1,400	
Due to State of New Jersey - DCA Training Fees	22,367	
Due to Length of Service Awards Program (LOSAP) Trust Fund	72,509	
Reserve for Grants Appropriated	29,482	
Other Trust Fund Expenditures Paid by Current Fund	55,772	
Payments to General Capital Fund	294,415	
Refund of Prior Year Revenue	<u>279</u>	
		<u>38,215,140</u>
Balance, December 31, 2021		<u>\$ 17,462,319</u>

**STATEMENT OF CURRENT CASH - COLLECTOR**

Increased by Receipts:		
Taxes Receivable	\$ 36,322,290	
Revenue Accounts Receivable	840	
Tax Overpayments	1,887	
2022 Prepaid Taxes	<u>152,469</u>	
		<u>\$ 36,477,486</u>
Decreased by Disbursements:		
Payments to Treasurer		<u>\$ 36,477,486</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2020</u>	Realized <u>2021</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2021</u>
Municipal Alliance	\$ 10,518	\$ 7,159	\$ 7,955	\$ 9,722
FEMA - CARES Act	23,840			23,840
Municipal Recycling Assistance		12,432	12,432	
EMAA -Emergency Management Grant		10,000	10,000	
Clean Communities Grant		18,174	18,174	
Alcohol Education and Rehabilitation Grant		1,590	1,590	
Assistance to Firefighters Grant	60			60
Body Armor	-	2,035	2,035	-
	<u>\$ 34,418</u>	<u>\$ 51,390</u>	<u>\$ 52,186</u>	<u>\$ 33,622</u>

EXHIBIT A-7

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2020	\$ 10,124
Increased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 9,250
Veterans' Deductions Per Tax Billings	28,250
Veterans' Deductions by Tax Collector	<u>750</u>
	<u>38,250</u>
	48,374
Decreased by:	
Cash Received from State	<u>38,000</u>
Balance, December 31, 2021	<u>\$ 10,374</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, December 31, 2020	Tax Levy	Added/ Omitted Taxes	Collected In		Senior Citizens' and Veterans' Deductions Allowed	Transfers to Tax Title Liens	Cancelled	Balance, December 31, 2021
				2020	2021				
2020	\$ 711,370	-	-	-	\$ 711,277	-	\$ 93	-	-
	711,370	-	-	-	711,277	-	93	-	-
2021	-	\$ 36,063,269	\$ 486,893	\$ 149,894	35,611,013	\$ 38,250	-	\$ 14,622	\$ 736,383
	\$ 711,370	\$ 36,063,269	\$ 486,893	\$ 149,894	\$ 36,322,290	\$ 38,250	\$ 93	\$ 14,622	\$ 736,383

Analysis of 2021 Property Tax Levy

Tax Yield

General Purpose Tax	\$ 36,063,269
Added Taxes (54:4-63.1 et seq.)	<u>486,893</u>
	<u>\$ 36,550,162</u>

Tax Levy

Local District School Tax (Abstract)	\$ 20,698,625
County Taxes	
County Taxes (Abstract)	\$ 2,878,211
County Open Space Preservation (Abstract)	119,133
Due County for Added Taxes (54:63.1 et seq.)	<u>40,555</u>
	3,037,899
Local Tax for Municipal Purposes	\$ 11,945,493
Minimum Library Tax	<u>417,396</u>
	12,362,889
Add Additional Tax Levied	<u>450,749</u>
	<u>12,813,638</u>
	<u>\$ 36,550,162</u>

**BOROUGH OF LITTLE FERRY  
TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2020		\$ 37,513
Increased by:		
Interest and Costs on Taxes	\$ 8	
Transfer from 2020 Taxes	<u>93</u>	
		<u>101</u>
Balance, December 31, 2021		<u>\$ 37,614</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

Balance, December 31, 2020	<u>\$ 1,062,600</u>
Balance, December 31, 2021	<u>\$ 1,062,600</u>

<u>Block</u>	<u>Analysis</u> <u>Lot</u>	<u>Assessed</u> <u>Valuation</u>
41	53	\$ 11,700
41	62	57,600
42	5	2,000
46	8	691,000
67.02	3	22,400
71.01	14	55,500
72	40	700
102	18	8,000
106.01	2	53,500
106.01	3	60,100
106.01	12	49,300
106.01	13.05	41,200
106.01	13.08	<u>9,600</u>
		<u>\$ 1,062,600</u>

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2021</u>	Accrued in <u>2021</u>	<u>Collected By</u>		Balance, December 31, <u>2021</u>
			Tax <u>Collector</u>	<u>Treasurer</u>	
Licenses					
Alcoholic Beverages		\$ 35,376		\$ 35,376	
Other					
Borough Clerk		39,870		39,870	
Board of Health/Registrar		13,461		13,461	
Fees and Permits					
Borough Clerk		16,785		16,785	
Board of Health/Registrar		1,440		1,440	
Police		200		200	
Planning/Zoning		4,295		4,295	
Tax Collector		840	\$ 840		
Summer Recreation		44,441		44,441	
Construction Code Fees		357,360		357,360	
Municipal Court					
Fines and Costs	\$ 3,338	91,572		86,167	\$ 8,743
Uniform Fire Safety Act		22,038		22,038	
Interest and Costs on Taxes		172,935		172,935	
Interlocal Service Agreement - BCUA	155,000	155,000		310,000	
Cell Tower Rents		52,123		52,123	
Hotel Tax		52,997		52,997	
Reserve for Payment of Debt		20,000		20,000	
Shared Service Agreement - Bogota Court		84,584		84,584	
Shared Service Agreement - Tenafly -Registrar		21,649		21,649	
Shared Service Agreement- School Resource Officer		49,683		49,683	
Energy Receipts Tax	-	938,349	-	938,349	-
	<u>\$ 158,338</u>	<u>\$ 2,174,998</u>	<u>\$ 840</u>	<u>\$ 2,323,753</u>	<u>\$ 8,743</u>
			Cash Receipts	<u>\$ 2,323,753</u>	

**BOROUGH OF LITTLE FERRY  
STATEMENT OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries & Wages	\$ 414	\$ 1	\$ 415		\$ 415
Other Expenses-Postage	12,676		12,676	\$ 3,300	9,376
Other Expenses-Miscellaneous	64,731		64,731	33	64,698
Other Expenses- CDL Drug Testing	5,000		5,000		5,000
Mayor & Council					
Other Expenses	5,674	1	5,675		5,675
Municipal Clerk					
Salaries & Wages	1		1		1
Other Expenses	16,002		16,002	165	15,837
Other Expenses - Elections	2,363		2,363	2,362	1
Financial Administration					
Salaries & Wages	28,048		28,048		28,048
Other Expenses	12,458		12,458	1,425	11,033
Revenue Administration (Collection of Taxes)					
Salaries & Wages	204		204		204
Other Expenses	5,576		5,576	960	4,616
Assessment of Taxes					
Salaries & Wages	2,706		2,706		2,706
Other Expenses	30,728		30,728		30,728
Legal Services & Costs					
Other Expenses - Fees and Costs	39,821		39,821		39,821
Other Expenses- Special Counsel	8,787		8,787		8,787
Engineering Services & Costs					
Other Expenses	26,640	975	27,615	975	26,640
Historic Society					
Other Expenses	100		100		100
Planning Board					
Salaries & Wages	1		1		1
Other Expenses	23	699	722		722
Insurance					
General Liability	14,128	1,301	15,429		15,429
Employee Group Health	583,512	130,208	713,720		713,720
<b>PUBLIC SAFETY</b>					
Fire					
Salaries & Wages- Uniform Fire Safety	54		54		54
Other Expenses - Clothing Allowance	53,190		53,190	38,640	14,550
Other Expenses - Miscellaneous	10,568		10,568	1,144	9,424
Other Expenses - Uniform Fire Safety	10,756		10,756		10,756
Other Expenses - Fire Hydrant Services	6,512		6,512		6,512
Police					
Salaries & Wages	1,532,272		1,532,272		1,532,272
Other Expenses - Miscellaneous	29,500		29,500	7,264	22,236
Office of Emergency Management					
Other Expenses	35,000	540	35,540		35,540



**BOROUGH OF LITTLE FERRY  
STATEMENT OF 2020 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
<b>PUBLIC WORKS</b>					
Streets & Roads Maintenance					
Salaries & Wages	\$ 71,108		\$ 71,108		\$ 71,108
Other Expenses	34,207	\$ 3,962	38,169		38,169
Other Public Works Functions					
Other Expenses - Sewer System	29,065		29,065		29,065
Other Expenses - Drainage	35,426		35,426		35,426
Other Expenses- Beautification Comm.	1,548		1,548	\$ 64	1,484
Waste Collection					
Other Expenses	55,760		55,760		55,760
Buildings and Grounds					
Other Expenses	39,301	5,833	45,134		45,134
Vehicle Maintenance					
Other Expenses	11,055	4,438	15,493		15,493
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries & Wages	1		1		1
Other Expenses	3,045		3,045	41	3,004
<b>PARK AND RECREATION FUNCTIONS</b>					
Recreation Services and Programs					
Salaries & Wages	34,306	1	34,307		34,307
Other Expenses	53,567		53,567	110	53,457
Maintenance of Parks and Playgrounds					
Other Expenses	25,158		25,158	3,831	21,327
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Salary & Wage Adjustment	40,000		40,000		40,000
Senior Citizen Program					
Other Expenses	5,433		5,433		5,433
Senior Citizen / Community Busing					
Salaries & Wages	2,500		2,500		2,500
Salaries & Wages	81		81		81
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries & Wages	30		30		30
Other Expenses	6,392		6,392		6,392
Other Code Enforcement Functions					
Rent Leveling Board					
Other Expenses	50		50		50
Property Maintenance Code					
Other Expenses	100		100		100

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF 2020 APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Balance December 31, <u>2020</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	\$ 17,789	\$ 17,423	\$ 35,212		\$ 35,212
Street Lighting	19,196	5,580	24,776		24,776
Telephone	438	1,310	1,748		1,748
Water	-	90	90		90
Gasoline	59,347	836	60,183		60,183
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>					
Garbage - Tipping Fees	6,997	8,218	15,215		15,215
<b>Statutory Charges</b>					
Social Security System (O.A.S.I.)	14,991		14,991		14,991
Public Employees Retirement System					
Consolidated Police & Firemen's Retirement	100		100		100
Pension Adjustment Fund	100		100		100
Defined Contribution Retirement Prog (DCRP)	2,881		2,881		2,881
<b>Educational Functions</b>					
Maintenance of Free Public Library (P.L. 1985 C.82)	66,239		66,239	\$ 66,239	
<b>Sewerage Processing and Disposal Costs</b>					
Bergen County Utilities Authority- Operation & Maintenance	1,809		1,809		1,809
Bergen County Utilities Authority- Debt Service	1		1		1
South Hackensack Sewer Charges	2,939		2,939		2,939
Recycling Tax	1	1,707	1,708		1,708
<b>Public Safety Functions</b>					
LOSAP	37,491		37,491		37,491
<b>Tenafly Registrar Shared Services</b>					
Salaries & Wages	11,024		11,024		11,024
<b>Bogota Shared Services</b>					
Salaries & Wages	4,489		4,489		4,489
Other Expenses (Building & Grounds)	2,455	-	2,455	-	2,455
	<u>\$ 3,248,568</u>	<u>\$ 183,123</u>	<u>\$ 3,431,691</u>	<u>\$ 127,376</u>	<u>\$ 3,304,315</u>
Appropriation Reserves, December 31, 2020			\$ 3,248,568		
Encumbrances Restored			<u>183,123</u>		
			<u>\$ 3,431,691</u>		
Cash Disbursements				\$ 125,578	
Transfer to Accounts Payable				<u>1,798</u>	
				<u>\$ 127,376</u>	

**BOROUGH OF LITTLE FERRY  
STATEMENT OF RESERVE FOR TAX MAP**

	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
Tax Map	\$ <u>31,338</u>	\$ <u>31,338</u>

**STATEMENT OF RESERVE FOR RATE STABILIZATION**

	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
Reserve for Tax Stabilization	\$ <u>2,450,000</u>	\$ <u>2,450,000</u>
	\$ <u>2,450,000</u>	\$ <u>2,450,000</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2020		\$ 662,852
Increased by:		
Charges to 2021 Budget Appropriations		<u>474,702</u>
		1,137,554
Decreased by:		
Cash Disbursements	\$ 479,729	
Restored to Appropriation Reserves	<u>183,123</u>	
		<u>662,852</u>
Balance, December 31, 2021		<u>\$ 474,702</u>

EXHIBIT A-16

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2020		\$ 11,096
Increased by:		
2021 Tax Levy		
County Tax (Abstract)	\$ 2,878,211	
County Open Space Preservation	119,133	
County Tax for Added Taxes (54:4-63.1)	<u>40,555</u>	
		<u>3,037,899</u>
		3,048,995
Decreased by:		
Payments		<u>3,048,995</u>
Balance, December 31, 2021		<u>\$ -</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES**

Balance, December 31, 2021		
School Tax Deferred	\$ 6,405,244	
School Tax Payable	<u>3,555,493</u>	
		\$ 9,960,737
Increased by:		
Levy - School Year July 1, 2021 to June 30, 2022		
Raised by Taxation (Abstract)	20,698,625	
Raised by Budget Appropriation	<u>76,729</u>	
		<u>20,775,354</u>
		30,736,091
Decreased by:		
Payments	20,349,335	
Paid by Budget Appropriation - Business Personal Property Tax Adjustment	<u>76,729</u>	
		<u>20,426,064</u>
Balance, December 31, 2021		
School Tax Deferred	6,405,244	
School Tax Payable	<u>3,904,783</u>	
		<u>\$ 10,310,027</u>
2021 Liability for Local School Tax		
Tax Paid		\$ 20,349,335
Tax Payable December 31, 2021		<u>3,904,783</u>
		24,254,118
Less Tax Payable December 31, 2020		<u>3,555,493</u>
Amount Charged to 2021 Operations		<u>\$ 20,698,625</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2020	\$ 149,894
Increased by:	
Collection of 2022 Taxes	<u>152,469</u>
	302,363
Decreased by:	
Applied to 2021 Taxes Receivable	<u>149,894</u>
Balance, December 31, 2021	<u>\$ 152,469</u>

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2020	\$ 275,822
Increased by:	
2021 Budget Appropriation	<u>20,000</u>
Balance, December 31, 2021	<u>\$ 295,822</u>

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF RESERVE FOR GRANTS - APPROPRIATED**

	Balance, December 31, <u>2020</u>	Transfer from 2021 <u>Appropriations</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2021</u>
Drunk Driving Enforcement Fund	\$ 6,130		\$ 191	\$ 5,939
Recycling Grant	52,153	\$ 12,432		64,585
Clean Communities Grant	31,177	18,174	9,474	39,877
Alcohol Education and Rehab	447	1,590		2,037
Body Armor Replacement	9,583	2,035	5,057	6,561
Municipal Alliance (including local match)	18,966	10,159	14,760	14,365
EMAA - Emergency Management Grant	-	10,000		10,000
FEMA - CARES Act	23,840			23,840
Assistance to Firefighters Grant	60			60
Post Sandy- Losen Slote Storm water	<u>204</u>	<u>-</u>	<u>-</u>	<u>204</u>
	<u>\$ 142,560</u>	<u>\$ 54,390</u>	<u>\$ 29,482</u>	<u>\$ 167,468</u>

EXHIBIT A-21

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	Balance, December 31, <u>2020</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2021</u>
American Rescue Plan Act	\$ -	\$ 562,018	\$ 562,018
	<u>\$ -</u>	<u>\$ 562,018</u>	<u>\$ 562,018</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, December 31, 2020	\$ 7,791
Increased by:	
Transfer from Appropriation Reserves	<u>1,798</u>
	9,589
Decreased by:	
Cancelled to Operations	<u>7,791</u>
Balance, December 31, 2021	<u><u>\$ 1,798</u></u>



**BOROUGH OF LITTLE FERRY  
STATEMENT OF DUE TO STATE OF NEW JERSEY -  
MARRIAGE LICENSE FEES**

Increased by:		
Cash Receipts	\$	1,400
Decreased by:		
Cash Disbursements		<u>1,400</u>
Balance, December 31, 2021	\$	<u>-</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY -  
DCA TRAINING FEES**

Increased by:		
Cash Receipts	\$	22,367
Decreased by:		
Cash Disbursements		<u>22,367</u>
Balance, December 31, 2021	\$	<u>-</u>

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2020	\$	23,543
Increased by:		
Cash Receipts		<u>1,887</u>
		25,430
Decreased by:		
Cancelled to Operations		<u>23,543</u>
Balance, December 31, 2021	\$	<u>1,887</u>

**TRUST FUND**

**BOROUGH OF LITTLE FERRY  
STATEMENT OF TRUST CASH**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Community Development Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
Balance, December 31, 2020	\$ 8,976	\$ 636,761	\$ 100	\$ 32,489
Increased by Receipts:				
Animal Control Licenses	\$ 1,945			
State Registration Fees	336			
Contributions - Unemployment				\$ 7,917
Escrow and Miscellaneous Trust Deposits		\$ 737,754		
Recreation Fees		89,689		
Interest on Deposits		58		5
POAA Fees		396		
Reserve for Affordable Housing		141,959		
Net Payroll Deposits		3,588,659		
Payroll Deductions Deposits	-	<u>3,712,730</u>	-	-
	<u>2,281</u>	<u>8,271,245</u>	<u>-</u>	<u>7,922</u>
	11,257	8,908,006	100	40,411
Decreased by Disbursements:				
Escrow and Miscellaneous Trust Deposits		436,671		
Recreation Expenditures		85,697		
State Registration Fees	338			
Expenditures Under R.S. 4:19-15.1	812			
Unemployment Claims				2,673
Net Payroll Disbursements		3,593,961		
Payroll Deductions Expenditures		3,675,509		
Payments to Current Fund	-	<u>62</u>	-	-
	<u>1,150</u>	<u>7,791,900</u>	<u>-</u>	<u>2,673</u>
Balance, December 31, 2021	<u>\$ 10,107</u>	<u>\$ 1,116,106</u>	<u>\$ 100</u>	<u>\$ 37,738</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF DUE FROM CURRENT FUND  
OTHER TRUST FUND**

Balance, December 31, 2020		\$ 253,474
Increased by:		
Cash Disbursements		62
		253,536
Decreased by:		
Trust Expenditures Paid by Current Fund	\$ 55,772	
Interest Earned	58	
		55,830
Balance, December 31, 2021		\$ 197,706

EXHIBIT B-3

**STATEMENT OF ESCROW AND MISCELLANEOUS DEPOSITS - OTHER TRUST FUND**

	Balance, December 31, <u>2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2021</u>
Tax Sale Premiums	\$ 186,999	\$ 422,100	\$ 169,900	\$ 439,199
Escrow Deposits	119,361	146,177	90,112	175,426
General Trust	66,869	168,677	176,659	58,887
Police Private Detail	1,218			1,218
Fire Prevention/Department Penalties	2,500	800		3,300
Snow Removal (Storm Recovery)	2,580	-	-	2,580
	\$ 379,527	\$ 737,754	\$ 436,671	\$ 680,610

EXHIBIT B-4

**STATEMENT OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES**

Balance, December 31, 2020		\$ 5,559
Increased by:		
Animal Control Fees Collected		1,945
		7,504
Decreased by:		
Expenditures Under R.S. 4:19-15.1	\$ 812	
Statutory Excess	1,863	
		2,675
Balance, December 31, 2021		\$ 4,829

**BOROUGH OF LITTLE FERRY  
STATEMENT OF DUE TO STATE DEPARTMENT OF HEALTH  
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2020	\$	4
Increased by:		
State Fees Collected		<u>336</u>
		340
Decreased by:		
Payments to State		<u>338</u>
Balance, December 31, 2021	\$	<u>2</u>

EXHIBIT B-6

**STATEMENT OF DUE TO CURRENT FUND - ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2020	\$	3,413
Increased by:		
Statutory Excess		<u>1,863</u>
Balance, December 31, 2021	\$	<u>5,276</u>

EXHIBIT B-7

**STATEMENT OF RESERVE FOR POAA EXPENDITURES  
OTHER TRUST FUND**

Balance, December 31, 2020	\$	9,282
Increased by:		
Cash Receipts		<u>396</u>
Balance, December 31, 2021	\$	<u>9,678</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF RESERVE FOR AFFORDABLE HOUSING  
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 121,304
Increased by:	
Cash Receipts	<u>141,959</u>
Balance, December 31, 2021	<u>\$ 263,263</u>

EXHIBIT B-9

**STATEMENT OF RESERVE FOR MUNICIPAL ALLIANCE FUND  
OTHER TRUST FUND**

Balance, December 31, 2020	\$ <u>70</u>
Balance, December 31, 2021	<u>\$ 70</u>

EXHIBIT B-10

**STATEMENT OF DUE TO COMMUNITY DEVELOPMENT TRUST FUND  
OTHER TRUST FUND**

Balance, December 31, 2020	\$ <u>100</u>
Balance, December 31, 2021	<u>\$ 100</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

Balance, December 31, 2020		\$ 48,192
Increased by:		
Payroll Deduction Deposits	\$ 3,712,730	
Net Payroll Deposits	<u>3,588,659</u>	
		<u>7,301,389</u>
		7,349,581
Decreased by:		
Payroll Deduction Expenditures	3,675,509	
Net Payroll Disbursements	<u>3,593,961</u>	
		<u>7,269,470</u>
Balance, December 31, 2021		<u>\$ 80,111</u>

EXHIBIT B-12

**STATEMENT OF DUE TO GENERAL CAPITAL FUND  
COMMUNITY DEVELOPMENT TRUST FUND**

Balance, December 31, 2020		<u>\$ 200</u>
Balance, December 31, 2021		<u>\$ 200</u>

EXHIBIT B-13

**STATEMENT OF RESERVE FOR RECREATION FEES  
OTHER TRUST FUND**

Balance, December 31, 2020		\$ 78,261
Increased by:		
Cash Receipts	<u>89,689</u>	
		167,950
Decreased by:		
Cash Disbursements	<u>85,697</u>	
Balance, December 31, 2021		<u>\$ 82,253</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF RESERVE FOR ACCUMULATED LEAVE COMPENSATION  
OTHER TRUST FUND**

Balance, December 31, 2020		\$ 253,499
Decreased by:		
Expenditures Paid by Current Fund		<u>55,772</u>
Balance, December 31, 2021		<u>\$ 197,727</u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS  
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND**

Balance, December 31, 2020		\$ 30,043
Increased by:		
Employee Payroll Deductions	\$ 7,917	
Interest Earned	<u>5</u>	
		<u>7,922</u>
		37,965
Decreased by:		
Unemployment Insurance Claims		<u>227</u>
Balance, December 31, 2021		<u>\$ 37,738</u>



**BOROUGH OF LITTLE FERRY  
STATEMENT OF DUE TO STATE OF NEW JERSEY  
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND**

Balance, December 31, 2020	\$ 2,446
Increased by:	
Unemployment Claims	<u>227</u>
	2,673
Decreased by:	
Payments	<u>2,673</u>
Balance, December 31, 2021	<u>\$ -</u>

**GENERAL CAPITAL FUND**

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF GENERAL CAPITAL CASH - TREASURER**

Balance, December 31, 2020		\$ 1,395,977
Increased by Receipts:		
Interest on Investments and Deposits	\$ 235	
Capital Improvement Fund - Budget Appropriation	500,000	
Bond Anticipation Notes	1,108,290	
Premium on Bond Anticipation Notes Issued	103,597	
Grant Receipts	302,108	
Grant Receipts- Deferred Charges Unfunded	53,375	
Receipts from Current Fund	294,415	
Receipts for Reserve for Payment of Debt	<u>20,000</u>	
		<u>2,382,020</u>
		3,777,997
Decreased by Disbursements:		
Improvement Authorizations	1,612,234	
Encumbrances/Contracts Payable	479,308	
Disbursements for Current Fund	106,161	
Reserve for Payment of Debt - Anticipated as Current Fund Revenue	20,000	
Bond Anticipation Notes	<u>271,290</u>	
		<u>2,488,993</u>
Balance, December 31, 2021		<u>\$ 1,289,004</u>

**BOROUGH OF LITTLE FERRY  
ANALYSIS OF GENERAL CAPITAL CASH**

		Balance, December 31, <u>2021</u>
Fund Balance		\$ 240,220
Due from Current Fund		(1,638)
Due from Community Development Fund		(200)
Reserve for Payment of Debt		20,000
Reserve for Field Improvements		15,310
Encumbrance/Contracts Payable		559,274
Capital Improvement Fund		319,242
Excess Note Proceeds		53,375
Ord.	<u>Improvement Authorizations</u>	
<u>No.</u>		
1273	Rental Rehabilitation Program	17,134
1360	Acquisition of Various Equipment	2,623
1393	Acquisition and Installation of Generators	166,305
1395	Acquisition of Various OEM Equipment	4,596
1429	Acquisition of Various Capital Items	11,823
1436	Improvements to Lakeview Field	47,499
1441/1462	Acquisition of Losen Slote Grate	(15,253)
1443/1481	Acquisition and Installation of Playground Equipment, Fencing and other materials at Various Playgrounds	20,411
1450	Acquisition of Furniture for Various Departments	7,324
1458/1464/1473/1529	Various Capital Improvements	35,054
1472/1479/1490/1497	Various Road Improvements	(114,000)
1474	Acquisition of Various Equipment	10,800
1488/1492	Sanitary Sewer- Public Improvements	28,343
1498/1504	Acquisition of Equipment, DPW Tank Clean Up & Park Imprv'ts	39,544
1501	Various Road Improvements	8,337
1505	Various Park Improvements	(38,801)
1511/1519	Storm water Improvements	95,248
1516/1543	Acq of Various Equipment and Storm Water Mgmt Imprvts	109,227
1530	Acq of Radio Communication System and Equipment	2,286
1535	Various Capital Improvements	227,001
1536	Acq of Various Vehicles, Equipment and Purchase of Sokol Building	49,249
1539	Acquisition of Various IT Equipment	5,446
1547	Acquisition of Various Vehicles, Equipment and Improvements	28,761
1548	Various Road Improvements	<u>(665,536)</u>
		 <u>\$ 1,289,004</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2020		\$ 18,254
Increased by:		
Current Fund Budget Appropriation:		
Payment of Bond Anticipation Notes	\$ 171,873	
Current Fund Expenditures Paid by General Capital Fund	<u>106,161</u>	
		<u>278,034</u>
		296,288
Decreased by:		
Cash Receipts from Current Fund	294,415	
Interest on Investments	<u>235</u>	
		<u>294,650</u>
Balance, December 31, 2021		<u>\$ 1,638</u>

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance, December 31, 2020		\$ 6,383,453
Increased by:		
Refunding Bonds Issued		<u>2,425,000</u>
		8,808,453
Decreased by:		
2010 General Bonds Refunded	\$ 2,600,000	
Budget Appropriation to Pay Bond Principal	850,000	
Budget Appropriation to Pay Loan Principal	<u>8,430</u>	
		<u>3,458,430</u>
Balance, December 31, 2021		<u>\$ 5,350,023</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance,	2021	Grant	Budgeted	Balance,	Analysis of Balance, December 31, 2021		
		December 31, 2020	Authorizations	Receipts	Pay down	December 31, 2021	Bond Anticipation Notes	Expenditures	Improvement Authorization
1273	Rental Rehab Program	\$ 380,000				\$ 380,000			\$ 380,000
1393	Acquisition and Installation of Generators	157,500				157,500	\$ 157,500		
1426/1442	Various Capital Improvements	844,827			\$ 37,887	806,940	806,940		
1433	Acquisition of Vehicle & Equipment	139,913			14,336	125,577	125,577		
1435	Installation of Generator at Borough Hall	196,782			5,187	191,595	191,595		
1436	Improvements to Lakeview Field	1,756				1,756			1,756
1441/1462	Acquisition of a Losen Slote Grate	33,335				33,335		\$ 15,253	18,082
1337/1444	Sanitary Sewer Public Improvements	28,965			1,035	27,930	27,930		
1458/1464/1473/1529	Various Capital Improvements	856,939			54,750	802,189	802,189		
1461	Acquisition of Various Vehicles	107,442			13,512	93,930	93,930		
1472/1480/1490/1497/1528	Various Road Improvements	1,176,023			45,166	1,130,857	1,016,857	114,000	
1488/1492	Sanitary Sewer Public Improvements	198,389		\$ 63,299		135,090	98,972		36,118
1495	Various Road Improvements	369,475				369,475	369,475		
1501	Various Road Improvements	220,265		53,375		166,890	166,890		
1505	Various Park Improvements	302,100				302,100	200,995	38,801	62,304
1511/1519	Storm water Improvements	1,017,607				1,017,607	967,374		50,233
1535	Various Capital Improvements	1,557,036		238,809		1,318,227	950,401		367,826
1548	Various Capital Improvements	-	\$ 1,261,500	-	-	1,261,500	-	665,536	595,964
		<u>\$ 7,588,354</u>	<u>\$ 1,261,500</u>	<u>\$ 355,483</u>	<u>\$ 171,873</u>	<u>\$ 8,322,498</u>	<u>\$ 5,976,625</u>	<u>\$ 833,590</u>	<u>\$ 1,512,283</u>

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**BOROUGH OF LITTLE FERRY  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

	<u>Analysis of Balance, December 31, 2021</u>	
	<u>Financed by</u> <u>Bond Anticipation Notes</u>	<u>Improvement</u> <u>Authorization</u>
Bond Anticipation Notes	\$ 6,030,000	
Less : Excess Note Proceeds		
Ord. 1436	<u>53,375</u>	
	<u>\$ 5,976,625</u>	
Improvement Authorizations - Unfunded		\$ 2,063,766
Less: Unexpended Proceeds of Bond		
Anticipation Notes Issued:		
Ord 1393	\$ 157,500	
Ord 1458/1473/1529	35,054	
Ord 1488/1492	28,343	
Ord 1501	8,337	
Ord 1511/1519	95,248	
Ord 1535	<u>227,001</u>	
		<u>551,483</u>
		<u>\$ 1,512,283</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF GRANTS RECEIVABLE**

	<u>Total</u>	Dept. of Transportation Imprvts. To Woodland Ave <u>Ord. 1418</u>	NJDEP Acquisition of Losen Slope Grate <u>Ord. 1441</u>	CDBG- Rehab Sanitary Sewers <u>Ord. 1488/1492</u>	BC Open Space- Park Imprvts. <u>Ord. 1505</u>	State of NJ OEM Main St. Pump Station <u>Ord. 1535</u>	DOT Garden Street <u>Ord. 1535</u>	DOT Grand Street <u>Ord. 1535</u>	CDBG- Imprvts to Niehaus Stormwater <u>Ord. 1548</u>	CDBG- Imprvts to Niehaus Roadway <u>Ord. 1548</u>	DOT Paroubek Street <u>Ord. 1548</u>
Balance, December 31, 2019	\$ 891,338	\$ 52,520	\$ 33,335	\$ 99,417	\$ 101,105	\$ 272,661	\$ 215,000	\$ 117,300			
Increased by: Grants Awarded	448,950	-	-	-	-	-	-	-	\$ 92,900	\$ 146,050	\$ 210,000
	1,340,288	52,520	33,335	99,417	101,105	272,661	215,000	117,300	92,900	146,050	210,000
Decreased by:											
Cancelled by Resolution	85,855	52,520	33,335								
Grants Received	302,108	-	-	63,299	-	-	121,509	117,300	-	-	-
	387,963	52,520	33,335	63,299	-	-	121,509	117,300	-	-	-
Balance, December 31, 2020	\$ 952,325	\$ -	\$ -	\$ 36,118	\$ 101,105	\$ 272,661	\$ 93,491	\$ -	\$ 92,900	\$ 146,050	\$ 210,000
<u>Analysis of Balance</u>											
Reserve for Receivable											
Ord. 1418	\$ 36,118										
Ord. 1505	101,105										
Ord. 1535	366,152										
Ord. 1548	448,950										
	\$ 952,325										



**BOROUGH OF LITTLE FERRY  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvements	2021 Authorizations							Balance,	
		December 31, 2020		Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded	Contracts Payable Restored	Paid or Charged	December 31, 2021		
		Funded	Unfunded					Funded	Unfunded	
1273	Rental Rehabilitation Program	\$ 17,134	\$ 380,000					\$ 17,134	\$ 380,000	
1360	Acquisition of Various Equipment	2,623						2,623		
1393	Acquisition and Installation of Generators	8,805	157,500					8,805	157,500	
1395	Acquisition of Various OEM Equipment	4,596						4,596		
1429	Acquisition of Various Capital Items	11,823						11,823		
1436	Improvements to Lakeview Field	34,311	14,954				\$ 10	47,499	1,756	
1441	Acquisition of a Losen Slote Grate		18,082						18,082	
1443/1481	Acquisition and Installation of Playground Equipment, Fencing and other materials at Various Playgrounds	20,411						20,411		
1450	Acquisition of Furniture for Various Departments	7,324						7,324		
1458/1464/1473/1529	Various Capital Improvements		44,071				9,017		35,054	
1474	Acquisition of Various Equipment	10,800						10,800		
1488/1492	Sanitary Sewer Public Improvements		64,406			\$ 55			64,461	
1498/1504	Acquisition of Equipment, DPW Tank Clean Up and Park Improvements	30,398				9,146		39,544		
1501	Various Road Improvements		105,787				97,450		8,337	
1505	Various Park Improvements		67,100				4,796		62,304	
1511	Various Capital Improvements		145,481						145,481	
1516/1543	Acq of Various Equipment and Storm Water Mgmt Imprvts	139,369		\$ 50,000			80,142	109,227		
1530	Acq of Radio Communication System and Equipment	2,286						2,286		
1535	Various Capital Improvements		872,807				277,980		594,827	
1536	Acq of Various Vehicles, Equipment and Purchase of Sokol Building	411,412					362,163	49,249		
1539	Acquisition of Various IT Equipment	27,621					22,175	5,446		
1547	Acquisition of Various Vehicles, Equipment and Improvements			621,300			592,539	28,761		
1548	Various Road Improvements	-	-	50,500	\$ 1,261,500	-	716,036	-	595,964	
		<u>\$ 728,913</u>	<u>\$ 1,870,188</u>	<u>\$ 721,800</u>	<u>\$ 1,261,500</u>	<u>\$ 9,201</u>	<u>\$ 2,162,308</u>	<u>\$ 365,528</u>	<u>\$ 2,063,766</u>	
							Cash Disbursements \$ 1,612,234			
							Contracts Payable 550,074			
							<u>\$ 2,162,308</u>			

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF ENCUMBRANCES/CONTRACTS PAYABLE**

Balance, December 31, 2020		\$ 497,709
Increased by:		
Charges to Improvement Authorizations		<u>550,074</u>
		1,047,783
Decreased by:		
Restored to Improvement Authorizations	\$ 9,201	
Cash Disbursements	<u>479,308</u>	
		<u>488,509</u>
Balance, December 31, 2021		<u>\$ 559,274</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2020		\$ 541,042
Increased by:		
2021 Budget Appropriation		<u>500,000</u>
		1,041,042
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>721,800</u>
Balance, December 31, 2021		<u>\$ 319,242</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF DUE FROM COMMUNITY DEVELOPMENT TRUST FUND**

Balance, December 31, 2020	<u>\$ 200</u>
Balance, December 31, 2021	<u>\$ 200</u>

**STATEMENT OF GREEN ACRES LOAN PAYABLE**

Balance, December 31, 2020	\$ 118,453
Decreased by:	
Loan Principal Paid by Budget Appropriation	<u>8,430</u>
Balance, December 31, 2021	<u>\$ 110,023</u>

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2020	\$ 20,000
Increased by:	
Cash Receipts	<u>20,000</u>
	40,000
Decreased by:	
Anticipated as Current Fund Revenue	<u>20,000</u>
Balance, December 31, 20220	<u>\$ 20,000</u>

**STATEMENT OF RESERVE FOR FIELD IMPROVEMENTS**

Balance, December 31, 2020	<u>\$ 15,310</u>
Balance, December 31, 2021	<u>\$ 15,310</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF GENERAL SERIAL BONDS PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds of 2010	9/1/2010	\$ 6,300,000			2.00% - 3.00%	\$ 3,250,000		\$ 3,250,000	
General Improvement Bonds of 2017	4/27/2017	3,727,000	4/15/2022	\$ 200,000					
			4/15/2023	295,000					
			4/15/2024	300,000					
			4/15/2025	310,000					
			4/15/2026	320,000					
			4/15/2027	330,000					
			4/15/2028	340,000					
			4/15/2029	355,000					
			4/15/2030	365,000	3.00%	3,015,000		200,000	\$ 2,815,000
2021 Refunding Bonds	11/10/2021	2,425,000	9/1/2022	610,000					
			9/1/2023	595,000					
			9/1/2024	605,000					
			9/1/2025	615,000	5.00%	-	\$ 2,425,000	-	2,425,000
						\$ 6,265,000	\$ 2,425,000	\$ 3,450,000	\$ 5,240,000
					Paid by Budget Appropriation		\$ 850,000		
					Refunded		<u>2,600,000</u>		
							<u>\$ 3,450,000</u>		

**BOROUGH OF LITTLE FERRY  
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE**

Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2020	Increased	Decreased	Balance, December 31, 2021
1393	Generators at Main St Pump Station & Willow Lake	4/20/2021	4/20/2021	4/20/2022	2.00	\$ 157,500			\$ 157,500
1433	Acquisition of Vehicles & Equipment	4/25/2018	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	% \$ 139,913	\$ 125,577	\$ 139,913	125,577
1435	Borough Hall Generator	4/25/2018	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	196,393	191,595	196,393	191,595
1426/1442	Various Capital Improvements	4/25/2018	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	844,827	806,940	844,827	806,940
1337/1444	Sanitary Sewer Improvements- Neihaus & Williams	4/27/2017	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	28,965	27,930	28,965	27,930
1458/1464 1473/1529	Various Capital Projects	4/27/2017	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	818,939	802,189	818,939	802,189
1461	Acquisition of Various Equipment	4/27/2017	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	107,442	93,930	107,442	93,930
1472/1480/1490/ 1497/1528	Various Road Improvements	4/25/2018	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	1,062,023	1,016,857	1,062,023	1,016,857
1488/1492	Sanitary Sewer Improvements- Neihaus & Williams	4/23/2019	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	198,389	98,972	198,389	98,972
1495	Various Road Improvements	4/23/2019	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	369,475	369,475	369,475	369,475
1501	Various Road Improvements	4/23/2019	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	220,265	220,265	220,265	220,265
1505	Various Road Improvements	4/23/2019	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	200,995	200,995	200,995	200,995
1511/1519	Road and Stormwater Improvements	4/22/2020	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	967,374	967,374	967,374	967,374
1529	Improvements to Summit Circle	4/22/2020	4/22/2020 4/20/2021	4/21/2021 4/20/2022	2.05 2.00	38,000		38,000	
1535	Various Capital Improvements	4/20/2021	4/20/2021	4/20/2022	2.00	-	950,401	-	950,401
						<u>\$ 5,193,000</u>	<u>\$ 6,030,000</u>	<u>\$ 5,193,000</u>	<u>\$ 6,030,000</u>
							\$ 4,921,710	\$ 4,921,710	
							1,108,290		
								99,417	
							-	171,873	
						<u>\$ 6,030,000</u>	<u>\$ 5,193,000</u>		

Renewals  
Issued for Cash  
Paid by General Capital Cash  
Paid by Budget Appropriation

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	2021 <u>Authorizations</u>	Grants <u>Received</u>	Notes Paid by <u>Capital Cash</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2021</u>
1273	Rental Rehabilitation Program	\$ 380,000					\$ 380,000
1393	Acquisition and Installation of Generators	157,500				\$ 157,500	-
1435	Installation of Generator at Borough Hall	389				389	-
1436	Improvements to Lakeview Field	1,756					1,756
1441	Acquisition of a Losen Slote Grate	33,335					33,335
1472/1480/1490/1497	Various Road Improvements	114,000					114,000
1488	Sanitary Sewer Public Improvements	-		\$ 63,299	\$ 99,417		36,118
1505	Various Park Improvements	101,105					101,105
1511/1519	Stormwater Improvements on Sabina Street	50,233					50,233
1535	Various Capital Improvements	1,557,036		238,809		950,401	367,826
1548	Various Capital Improvements	-	\$ 1,261,500	-	-	-	1,261,500
		<u>\$ 2,395,354</u>	<u>\$ 1,261,500</u>	<u>\$ 302,108</u>	<u>\$ 99,417</u>	<u>\$ 1,108,290</u>	<u>\$ 2,345,873</u>

**BOROUGH OF LITTLE FERRY**

**COUNTY OF BERGEN**



**PART II**

**GOVERNMENT AUDITING STANDARDS**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## 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 Mayor and Members  
of the Borough Council  
Borough of Little Ferry  
Little Ferry, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Little Ferry as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2022. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of Little Ferry'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Little Ferry's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Little Ferry'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 Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Little Ferry’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 Division of Local Government Services, Department of Community Affairs, 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 Borough of Little Ferry’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 Borough of Little Ferry’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398

Fair Lawn, New Jersey  
July 18, 2022

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Federal Funding Department</u>	<u>Grant or State Project Number</u>	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>2021 Grant Receipts</u>	<u>Grant/Loan Award Amount</u>	<u>Balance, January 1, 2021</u>	<u>Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2021</u>	<u>Memo Cumulative Total Expenditures</u>
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development) Community Development Block Grants	Not Applicable									
Improvements to Niehaus Stormwater (Ord. 1548)		2021	14.218		\$ 92,900		\$ 92,900	\$ 92,900		\$ 92,900
Improvements to Niehaus Roadway (Ord. 1548)		2021	14.218		146,050		146,050	146,050		146,050
Post Sandy- Losen Slote Stormwater		2015	14.269		49,090	\$ 204			\$ 204	48,886
U.S. Department of Homeland Security - FEMA										
Assistance to Firefighters		2020	97.044		180,000	60			60	179,940
COVID-19 Coronavirus Aid Relief & Economic Security Act		2020	21.019		35,000	23,840			23,840	11,160
Severe Winter Storm and Snow Storm Quinn		2021	97.036	\$ 4,941	4,941		4,941	4,941		4,941
Tropical Storm Isaias		2021	97.036	6,749	6,749		6,749	6,749		6,749
EMAA - Emergency Management Grant		2021	97.042	10,000	10,000		10,000		10,000	
American Rescue Plan Act		2021	21.027	562,018	1,124,036	-	-	-	-	
						<u>\$ 24,104</u>	<u>\$ 260,640</u>	<u>\$ 250,640</u>	<u>\$ 34,104</u>	

Note: This schedule is not subject to Single Audit Requirements of U.S. Uniform Guidance

**BOROUGH OF LITTLE FERRY**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2021 Grant Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenue</u>	<u>Expended</u>	<u>Cancellation of Prior Year Encumbrances</u>	<u>Balance, December 31, 2021</u>	<u>Memo Cumulative Total Expenditures</u>
Alcohol Education and Rehabilitation Pgm.	098-9735-760-001	2021	\$ 1,590	\$ 1,590		\$ 1,590			\$ 1,590	\$ -
		2013	950		\$ 211				211	739
		2015	236		236				236	-
Clean Communities Grant	042-4900-765-004	2021	18,174	18,174		18,174			18,174	-
		2020	17,068		17,068				17,068	-
		2019	18,928		14,109		\$ 9,474		4,635	14,293
Drunk Driving Enforcement Fund	N/A	2010	1,847		994		191		803	1,044
		2013	6,250		5,136				5,136	1,114
Body Armor Replacement Program	066-1020-718-001	2017	6,024		2,206		2,206		-	6,024
		2018	3,098		3,098		2,851		247	2,851
		2019	2,866		1,681				1,681	1,185
		2020	2,598		2,598				2,598	-
		2021	2,035	2,035		2,035			2,035	-
NJ Office of Emergency Management Main Street Pump Station - (Ord. 1535)	N/A	2020	272,661		272,661				272,661	-
NJ Department of Transportation Improvements to Garden Street (Ord. 1535)	N/A	2020	215,000	121,509	215,000		121,509		93,491	121,509
Improvements to Grand Street (Ord. 1535)		2020	117,300	117,300	117,300		117,300		-	117,300
Improvements to Paroubek Street (Ord. 1548)		2021	210,000			210,000			210,000	-
Recycling Grant	042-4910-100-224	2021	12,432	12,432		12,432			12,432	-
		2020	11,835		11,835				11,835	-
		2019	11,835		11,835				11,835	-
		2017	21,633		21,633				21,633	-
		2016	10,727		6,850				6,850	3,877
Municipal Alliance Program	N/A	2021	7,159			7,159			7,159	
		2020	9,876	7,955	9,876		2,670		7,206	2,670
		2019	9,876		3,090		3,090		-	3,090
					-		-		-	-
					\$ 717,417	\$ 251,390	\$ 259,291	\$ -	\$ 709,516	

N/A - Not Available

Note: This schedule is not subject to Single Audit Requirements of NJ OMB 15-08.

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

**BOROUGH OF LITTLE FERRY  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Little Ferry. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 21,690	\$ 41,390	\$ 63,080
General Capital Fund	<u>238,950</u>	<u>210,000</u>	<u>448,950</u>
Total Financial Awards	<u>\$ 260,640</u>	<u>\$ 251,390</u>	<u>\$ 512,030</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**BOROUGH OF LITTLE FERRY  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2021**

**NOTE 5 STATE LOANS OUTSTANDING**

The Borough's state loans outstanding at December 31, 2021, which are not required to be reported on the schedule of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
Green Trust Program	0230-010-028	\$ <u>110,023</u>
		\$ <u>110,023</u>

**NOTE 6 DE MINIMIS INDIRECT COST RATE**

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued on financial statements	<u>Modified - Presentation of</u> <u>Unaudited LOSAP Trust Fund</u>
Internal control over financial reporting:	
1) Material weakness(es) identified	_____ yes <u>  X  </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes <u>  X  </u> no
Noncompliance material to the financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Part II – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.



**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

Not Applicable.

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**BOROUGH OF LITTLE FERRY**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
CURRENT FUND**

	<u>Year 2021</u>			<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>					
Fund Balance Utilized	\$ 2,145,000	4.81 %	\$	1,700,000	3.99 %
Miscellaneous - From Other Than Local					
Property Tax Levies	2,486,285	5.57		3,750,459	8.78
Collection of Current and Delinquent Taxes	36,510,434	81.80		35,392,575	82.93
Other Credits to Income	<u>3,492,512</u>	<u>7.82</u>		<u>1,834,067</u>	<u>4.30</u>
Total Revenues	<u>44,634,231</u>	<u>100.00 %</u>		<u>42,677,101</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>					
Budget Expenditures					
Municipal Purposes	16,278,351	40.68 %		17,283,745	42.93 %
County Taxes	3,037,899	7.59		2,819,528	7.00
Local School Taxes	20,698,625	51.72		20,000,476	49.68
Other Expenditures	<u>2,142</u>	<u>0.01</u>		<u>157,430</u>	<u>0.39</u>
Total Expenditures	<u>40,017,017</u>	<u>100.00 %</u>		<u>40,261,179</u>	<u>100.00 %</u>
Excess in Revenue	4,617,214			2,415,922	
Fund Balance, January 1	<u>5,076,526</u>			<u>4,360,604</u>	
	9,693,740			6,776,526	
Less Utilization as Anticipated Revenue	<u>2,145,000</u>			<u>1,700,000</u>	
Fund Balance, December 31	<u>\$ 7,548,740</u>			<u>\$ 5,076,526</u>	

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**Comparative Schedule Of Tax Rate Information**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$3.234</u>	<u>\$3.244</u>	<u>\$3.260</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.071	1.116	1.142
County (Includes Open Space)	.270	.258	.250
Local School	1.856	1.835	1.834
Library	.037	.035	.034

Assessed Valuation

2021	<u>\$1,115,128,900</u>
2020	<u>\$1,090,294,300</u>
2019	<u>\$1,056,347,300</u>

**Comparison Of Tax Levies And Collection Currently**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 36,550,162	\$ 35,799,157	97.94%
2020	35,508,663	34,679,413	97.66%
2019	34,520,767	33,767,012	97.81%

**Delinquent Taxes**

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2021	\$ 736,383	\$ 37,614	\$ 773,997	2.12%
2020	711,370	37,513	748,883	2.11%
2019	728,269	26,740	755,009	2.19%

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**Property Acquired By Tax Title Lien Liquidation**

No properties have been acquired in 2021 by foreclosure or deed, as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2021	\$1,062,600
2020	1,062,600
2019	1,062,600

**Comparative Schedule Of Fund Balances**

<u>Current Fund</u>	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
	2021	\$7,548,740	\$2,500,000
	2020	5,076,526	2,145,000
	2019	4,360,604	1,700,000
	2018	3,660,872	1,700,000
	2017	3,069,954	1,700,000

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Mauro Raguseo	Mayor		
Jenifer Lange	Council President		
Ronald Anzalone	Councilman		
George Muller	Councilman		
Thomas Sarlo	Councilman		
Stephen Lanum	Councilman		
Peggy Steinhilber	Councilwoman		
Paula Cozzarelli	Borough Administrator/Treasurer (1/1/21-8/17/21)		
Matthew Watkins	Interim Borough Administrator (8/25/21-12/31/21)		
Guisepe Randazzo	Magistrate		(1)
Brigite Goncalves	Chief Financial Officer		(1)
Barbara Maldonado	Borough Clerk		
Frank Berardo	Tax Collector		(1)
Anthony Bocchi	Borough Attorney		
Kenneth Job	Borough Engineer		
Stephen Turro	Librarian		(1)
Michael Hofmann	Fire Sub-Code Official		(1)
Richard Bolan	Construction Code Official		(1)
Manuel Fernandez	Plumbing Sub-Code Official		(1)
Debbie Brothers	Court Clerk		(1)
Amy Way	Deputy Court Clerk		
Kellie Reyes	Alt. Borough Prosecutor		
Thomas Quirico	Alt. Borough Prosecutor		
Michael Purvin	Borough Prosecutor		
James Walters	Chief of Police		
Matthew Rinaldi	Tax Assessor		(1)
Carl M. Losito	Public Defender		(1)
Vacancy	Alternate Public Defender		(1)

- (1) Municipal Excess Liability Joint Insurance Fund  
Blanket Bond. Limit is \$1,000,000 per occurrence

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**GENERAL COMMENTS**

**Current Year**

There are none.

**Contracts and Agreements Required to be Advertised For N.J.S. 40A:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement." If the municipality has a qualifying purchasing agent ("QPA"), the bid threshold can be increased to \$40,000 or \$44,000 effective July 1, 2020. The Borough Council has approved a QPA for calendar year 2021 at the bid threshold of \$44,000.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where a question arises as to whether any contract agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Collection and Disposal of Grass Clippings, Vegetative Waste and Leaves	Improvements to Garden/Grand Streets
Improvements to Main St. and ADA Curbs	Niehaus Ave. Road Improvements
	2021 Road Improvement Program

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal instances where individual payments exceeded of \$40,000 or \$44,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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



**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**Collection Of Interest On Delinquent Taxes And Assessments**

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 6, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Mayor and Council of the Borough of Little Ferry, New Jersey, County of Bergen, that the rate of interest on all taxes delinquent is set at eight (8) percent for the first (\$1,500) fifteen hundred dollars, and eighteen (18) percent on any amount in excess of (\$1,500) fifteen hundred dollars, and

BE IT FURTHER RESOLVED, that a 6% penalty for a delinquency over \$10,000 if not paid prior to the end of the calendar year, and

"BE IT FURTHER RESOLVED, that no interest shall be charged if payment of any installment is made within ten (10) days after the date upon which the same is payable, and

"BE IT RESOLVED, that in any case where the tax is not paid within those extended days the full penalty from this date due attaches."

It appears from our examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

**Delinquent Taxes and Tax Title Liens**

There was a tax sale held on September 29, 2021.

There were no Borough owned tax title liens receivable as of December 31, 2021.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years.

<u>Year</u>	<u>Number of Liens</u>
2021	2
2020	1
2019	1

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**RECOMMENDATIONS**

There are none.

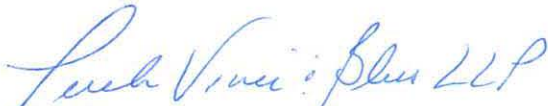
Status of Prior Year's Audit Findings/Recommendations


A review was performed on all prior year's recommendations. Corrective action was taken on the prior year recommendations.

\*\*\*\*\*

The recommendation noted in our review was not of such magnitude that it would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

  
LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR00398