

BOROUGH OF LITTLE FERRY
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2022

BOROUGH OF LITTLE FERRY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2022

**BOROUGH OF LITTLE FERRY
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
<u>PART I - Report on Audit of Financial Statements and Supplementary Schedules</u>		
	Independent Auditor's Report	1-3
Financial Statements		
A	Comparative Balance Sheets – Regulatory Basis - Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	6
A-2	Statement of Revenues – Regulatory Basis – Current Fund	7-8
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	9-14
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	15-16
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	17
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis - General Capital Fund	18
D	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group	19
	Notes to Financial Statements	20-64
Supplementary Schedules		
<u>Current Fund</u>		
A-4	Statement of Current Cash - Treasurer	65
A-5	Statement of Current Cash - Collector	65
A-6	Statement of Grants Receivable	66
A-7	Statement of Due From State of New Jersey Senior Citizens' and Veterans' Deductions	66
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy	67
A-9	Tax Title Liens Receivable	68
A-10	Statement of Property Acquired for Taxes (At Assessed Valuation)	68
A-11	Statement of Revenue Accounts Receivable	69
A-12	Statement of 2021 Appropriation Reserves	70-72
A-13	Statement of Reserve for Tax Map	73
A-14	Statement of Reserve for Rate Stabilization	73
A-15	Statement of Encumbrances Payable	74
A-16	Statement of County Taxes Payable	74
A-17	Statement of Local District School Taxes	75
A-18	Statement of Prepaid Taxes	76
A-19	Statement of Reserve for Tax Appeals	76
A-20	Statement of Reserve for Grants – Appropriated	77
A-21	Statement of Reserve for Grants - Unappropriated	77
A-22	Statement of Accounts Payable	78
A-23	Statement of Reserve for Municipal Relief Fund	78
A-24	Statement of Reserve for Library Expenses	78
A-25	Statement of Due to State of New Jersey – Marriage License Fees	79
A-26	Statement of Due to State of New Jersey – DCA Training Fees	79
A-27	Statement of Tax Overpayments	79

**BOROUGH OF LITTLE FERRY
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Trust Funds</u>		
B-1	Statement of Trust Cash	80
B-2	Statement of Due From Current Fund - Other Trust Fund	81
B-3	Statement of Escrow and Miscellaneous Deposits – Other Trust Fund	81
B-4	Statement of Reserve for Animal Control Trust Fund Expenditures	81
B-5	Statement of Due to State Department of Health – Animal Control Trust Fund	82
B-6	Statement of Due To Current Fund - Animal Control Trust Fund	82
B-7	Statement of Reserve for POAA Expenditures – Other Trust Fund	82
B-8	Statement of Reserve for Affordable Housing – Other Trust Fund	83
B-9	Statement of Reserve for Municipal Alliance Fund - Other Trust Fund	83
B-10	Statement of Due to Community Development Trust Fund – Other Trust Fund	83
B-11	Statement of Payroll Deductions Payable – Other Trust Fund	84
B-12	Statement of Due to General Capital Fund - Community Development Trust Fund	84
B-13	Statement of Reserve for Recreation Fees – Other Trust Fund	84
B-14	Statement of Reserve for Accumulated Leave Compensation – Other Trust Fund	85
B-15	Statement of Reserve for Unemployment Insurance Claims – Unemployment Compensation Insurance Trust Fund	85
B-16	Statement of Due to State of New Jersey – Unemployment Compensation Insurance Trust Fund	86
B-17	Statement of Due to Current Fund – Community Development Trust Fund	86
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash - Treasurer	87
C-3	Analysis of General Capital Cash	88
C-4	Statement of Due To/From Current Fund	89
C-5	Statement of Deferred Charges to Future Taxation - Funded	89
C-6	Statement of Deferred Charges to Future Taxation - Unfunded	90
C-7	Statement of Grants Receivable	91
C-8	Statement of Improvement Authorizations	92
C-9	Statement of Encumbrances/Contracts Payable	93
C-10	Statement of Capital Improvement Fund	93
C-11	Statement of Due from Community Development Trust Fund	94
C-12	Statement of Green Acres Loan Payable	94
C-13	Statement of Reserve for Payment of Debt	94
C-14	Statement of Reserve for Field Improvements	94
C-15	Statement of General Serial Bonds Payable	95
C-16	Statement of Bond Anticipation Notes Payable	96
C-17	Statement of Bonds and Notes Authorized But Not Issued	97

**BOROUGH OF LITTLE FERRY
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<u>PART II - Government Auditing Standards and Single Audit Section</u>	
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	98-99
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance - Independent Auditor’s Report	100-102
Schedule A	103
Schedule B	104
Schedule of Expenditures of Federal Awards	103
Schedule of Expenditures of State Financial Assistance	104
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	105-106
Schedule of Findings and Questioned Costs	107-110
<u>PART III - Supporting Data – Letter of Comments and Recommendations</u>	
Comparative Statement of Operations and Changes in Fund Balance - Current Fund	111
Comparative Schedule of Tax Rate Information	112
Comparison of Tax Levies and Collection Currently	112
Delinquent Taxes	112
Property Acquired by Tax Title Lien Liquidation	113
Comparative Schedule of Fund Balances	113
Officials in Office and Surety Bonds	114
General Comments	115-116
Recommendations	117



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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, 2022 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, 2022 and 2021, 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, 2022 and 2021. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 57 percent and 67 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2022 and 2021, 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance 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.

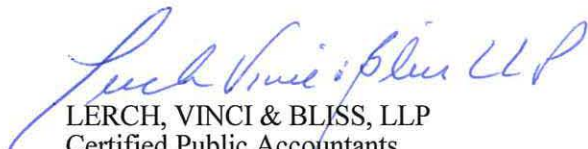
Other Information


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 June 27, 2023 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
 June 27, 2023

BOROUGH OF LITTLE FERRY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

ASSETS	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Cash	A-4	\$ 18,250,588	\$ 17,462,319
Grants Receivable	A-6	52,294	33,622
Due from State- Senior Citizens and Veterans Deductions	A-7	<u>12,374</u>	<u>10,374</u>
		<u>18,315,256</u>	<u>17,506,315</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-8	443,419	736,383
Tax Title Liens Receivable	A-9	57,934	37,614
Property Acquired for Taxes - Assessed Valuation	A-10	1,062,600	1,062,600
Revenue Accounts Receivable	A-11	7,488	8,743
Due from General Capital Fund	C-4	47,159	
Due from Community Development Block Grant Trust Fund	B-17	38	
Due from Animal Control Trust Fund	B-6	<u>8,586</u>	<u>5,276</u>
		<u>1,627,224</u>	<u>1,850,616</u>
Total Assets		<u>\$ 19,942,480</u>	<u>\$ 19,356,931</u>

BOROUGH OF LITTLE FERRY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 1,454,807	\$ 1,660,816
Encumbrances Payable	A-15	616,144	474,702
Accounts Payable	A-22	3,072	1,798
Local School District Taxes Payable	A-17	4,112,537	3,904,783
Prepaid Taxes	A-18	190,940	152,469
County Taxes Payable	A-16	4,744	
Reserve for Tax Appeals	A-19	311,577	295,822
Reserve for Grants Appropriated	A-20	200,565	167,468
Reserve for Grants - Unappropriated	A-21	418,801	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
Reserve for Municipal Relief Fund	A-23	48,948	
Reserve for Library Expenses	A-24	105,139	
Tax Overpayments	A-27	4,022	1,887
Due to General Capital Fund	C-4		1,638
Due to Length of Service Awards Program (LOSAP) Trust Fund	B	59,431	55,130
Due to Other Trust Fund	B-2	<u>388,661</u>	<u>197,706</u>
		10,400,726	9,957,575
Reserve for Receivables	A	1,627,224	1,850,616
Fund Balance	A-1	<u>7,914,530</u>	<u>7,548,740</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,942,480</u>	<u>\$ 19,356,931</u>

BOROUGH OF LITTLE FERRY
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,500,000	\$ 2,145,000
Miscellaneous Revenue Anticipated	A-2	3,311,740	2,220,983
Receipts from Delinquent Taxes	A-2	724,434	711,277
Receipts from Current Taxes	A-2	36,363,264	35,799,157
Non-Budget Revenue	A-2	660,180	265,302
Other Credits to Income			
Statutory Excess - Animal Control	B-6	3,310	1,863
Cancelled Accounts Payable	A-1		7,791
Liquidate Prior Year Reserve for Revenue Accounts Receivable	A-1		155,000
Cancelled Tax Overpayments	A-1		23,543
Unexpended Balance of Appropriation Reserves	A-12	1,234,016	3,304,315
		<u>44,796,944</u>	<u>44,634,231</u>
Total Revenues			
EXPENDITURES			
Operations			
Salaries and Wages	A-3	5,740,636	5,454,372
Other Expenses	A-3	7,633,989	7,421,622
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,408,412	1,503,512
Capital Improvements	A-3	1,319,761	500,000
Municipal Debt Service	A-3	1,404,384	1,322,116
Transferred to B.O.E. for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	A-3	77,881	76,729
County Taxes Payable	A-16	3,146,238	2,997,344
Due County for Added and Omitted Taxes	A-16	4,744	40,555
Local District School Taxes Payable	A-17	21,112,980	20,698,625
Other Debits to Income			
Establish Reserve for Interfunds - Net	A	50,507	1,863
Refund Prior Year Revenue	A-4	31,622	279
		<u>41,931,154</u>	<u>40,017,017</u>
Total Expenditures			
Statutory Excess to Fund Balance		2,865,790	4,617,214
Fund Balance, January 1	A	7,548,740	5,076,526
		10,414,530	9,693,740
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	2,500,000	2,145,000
Fund Balance, December 31	A	<u>\$ 7,914,530</u>	<u>\$ 7,548,740</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, 2022**

	<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>
FUND BALANCE ANTICIPATED	A-1	\$ 2,500,000	-	\$ 2,500,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-11	33,000		35,876	\$ 2,876
Other	A-2	48,000		66,029	18,029
Fees and Permits	A-2	23,000		28,418	5,418
Fines and Costs					
Municipal Court	A-11	86,000		104,852	18,852
Interest and Costs on Taxes	A-11	140,000		143,721	3,721
Energy Receipts Tax	A-11	938,349		938,349	-
Uniform Fire Safety Act	A-11	20,000		30,327	10,327
Uniform Construction Code Fees	A-11	260,000		507,655	247,655
State and Federal Revenues Offset with					
Appropriations					
Municipal Recycling Assistance	A-6	12,046		12,046	
Clean Communities Grant	A-6		\$ 18,292	18,292	
ARP - Firefighter Grant	A-6		41,000	41,000	
Alcohol Education & Rehabilitation Grant	A-6		158	158	
Body Armor Grant	A-6	1,408		1,408	
Municipal Alliance	A-6	9,014		9,014	
Other Special Items:					
Reserve for Payment of Debt	A-11	20,000		20,000	
Hotel Tax	A-11	52,000		70,529	18,529
Cell Tower Rents	A-11	52,000		54,208	2,208
Insurance Proceeds	A-11	104,009		104,009	
General Capital Surplus	C-1	43,400		43,400	
American Rescue Plan	A-21	675,500	40,252	715,752	
Summer Recreation	A-11	44,000		67,384	23,384
Shared Service Agreement - Bogota Court	A-11	86,275		86,275	
Shared Service Agreement - Tenafly-Registrar	A-11	22,082		7,361	(14,721)
Shared Service Agreement- School Resource Office	A-11	50,677		50,677	
Interlocal Agreement - BCUA	A-11	155,000	-	155,000	-
 Total Miscellaneous Revenues	 A-1	 <u>2,875,760</u>	 <u>99,702</u>	 <u>3,311,740</u>	 <u>336,278</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>721,000</u>	<u>-</u>	<u>724,434</u>	<u>3,434</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-2,A-8	12,049,185		12,755,052	705,867
Minimum Library Tax	A-2,A-8	444,250	-	444,250	-
 Total Amount to be Raised by Taxes for Support of Municipal Budget	 A-2	 <u>12,493,435</u>	 <u>-</u>	 <u>13,199,302</u>	 <u>705,867</u>
 Total General Revenues	 A-3	 <u>\$ 18,590,195</u>	 <u>\$ 99,702</u>	 19,735,476	 <u>\$ 1,045,579</u>
 Non-Budget Revenue	 A-1,A-2			 <u>660,180</u>	
				<u>\$ 20,395,656</u>	

**BOROUGH OF LITTLE FERRY
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 36,363,264
Allocated to School and County Taxes	A-16,A-17	<u>24,263,962</u>
		12,099,302
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,100,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,199,302</u>
OTHER LICENSES		
Borough Clerk		\$ 49,255
Board of Health/Registrar		<u>16,774</u>
	A-2,A-11	<u>\$ 66,029</u>
FEES AND PERMITS		
Borough Clerk		\$ 24,986
Board of Health/Registrar		1,425
Police		162
Planning/Zoning		<u>1,845</u>
	A-2,A-11	<u>\$ 28,418</u>
ANALYSIS OF NON-BUDGET REVENUES		
Cable Franchise Fees		\$ 102,551
Library Reimbursements		15,000
Insurance Reimbursements		16,227
Sewer Charges		47,398
Miscellaneous/Refunds/Other		11,851
Bergen County SWAT Reimbursement		3,000
Interest on Deposits and Investments		224,029
Sokol Rent		16,200
FEMA Reimbursements		216,098
Senior Citizen 2% Administrative Payments		670
Sale of Municipal Assets		<u>7,156</u>
	A-2	<u>\$ 660,180</u>
Cash Collected	A-4	\$ 630,074
Due from Other Trust Fund	B-2	3,973
Due from Animal Control Trust Fund	B-6	160
Due from Community Development Block Grant Trust Fund	B-17	38
Due from General Capital Fund	C-4	<u>25,935</u>
		<u>\$ 660,180</u>

BOROUGH OF LITTLE FERRY
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022 Appropriations</u>		<u>2022 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 145,000	\$ 145,000	\$ 143,255	\$ 1,745	
Other Expenses - Postage	20,250	20,250	16,177	4,073	
Other Expenses - Miscellaneous	213,240	213,240	154,331	58,909	
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	4,872	4,028	
Municipal Clerk					
Salaries & Wages	88,818	90,693	90,693		
Other Expenses	21,675	19,800	6,676	13,124	
Other Expenses - Elections	8,250	8,250	7,779	471	
Financial Administration (Treasury)					
Salaries & Wages	142,963	142,963	134,697	8,266	
Other Expenses	46,000	46,000	33,899	12,101	
Audit Services					
Other Expenses	47,500	47,500	47,500		
Revenue Administration (Tax Collection)					
Salaries & Wages	51,212	51,213	51,212	1	
Other Expenses	14,250	14,249	8,484	5,765	
Assessment of Taxes					
Salaries & Wages	20,589	20,589	17,829	2,760	
Other Expenses	63,425	63,425	53,718	9,707	
Legal Services & Costs					
Other Expenses - Fees and Costs	136,000	136,000	136,000		
Other Expenses - Special Counsel	15,000	15,000	15,000		
Engineering Services & Costs					
Other Expenses	35,000	35,000	31,220	3,780	
Historic Society					
Other Expenses	100	100		100	
Planning Board/ Zoning Board					
Salaries & Wages	5,912	5,912	5,912		
Other Expenses	17,600	17,600	17,600		
Insurance					
General Liability	535,089	535,089	473,438	61,651	
Employee Group Health	1,986,750	1,930,721	1,666,240	264,481	
PUBLIC SAFETY					
Aid to Volunteer Ambulance First Aid Squad	20,000	20,000	20,000		
Fire					
Salaries & Wages	8,474	8,474	8,270	204	
Salaries & Wages - Uniform Fire Safety	30,005	30,005	25,072	4,933	
Other Expenses - Clothing Allowance	58,140	58,140	1,840	56,300	
Other Expenses - Miscellaneous	71,700	71,700	58,325	13,375	
Other Expenses - Uniform Fire Safety	23,300	23,300	13,411	9,889	
Other Expenses - Fire Hydrant Services	100,000	100,000	94,233	5,767	

**BOROUGH OF LITTLE FERRY
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriations</u>		<u>2022 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	\$ 3,600,825	\$ 3,535,807	\$ 3,535,806	\$ 1	
Other Expenses - Miscellaneous	149,650	139,650	129,860	9,790	
Office of Emergency Management					
Other Expenses	19,200	19,200	19,116	84	
PUBLIC WORKS					
Streets & Roads Maintenance					
Salaries & Wages	919,579	1,046,946	1,023,784	23,162	
Other Expenses	109,058	109,058	108,495	563	
Other Public Works Functions					
Other Expenses - Sewer System	52,600	52,600	52,584	16	
Other Expenses - Drainage	46,000	46,000	26,630	19,370	
Other Expenses - Beautification Comm.	5,000	5,000	4,995	5	
Solid Waste Collection					
Other Expenses	350,000	350,000	294,849	55,151	
Buildings and Grounds					
Salaries & Wages	31,795	31,795	27,728	4,067	
Other Expenses	101,950	101,950	73,491	28,459	
Other Expenses - Environmental Testing	3,000	3,000	3,000		
Vehicle Maintenance					
Other Expenses	84,500	84,500	84,059	441	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	12,750	12,750	12,466	284	
Other Expenses	58,125	58,125	56,523	1,602	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries & Wages	35,000	35,000	34,984	16	
Other Expenses	83,300	83,300	56,266	27,034	
Maintenance of Parks and Playgrounds					
Other Expenses	32,000	32,000	29,864	2,136	
OTHER COMMON OPERATING FUNCTIONS					
Salary & Wage Adjustment	40,000	28,116	12,673	15,443	
Senior Citizen Program					
Other Expenses	7,100	7,100	6,899	201	
Senior Citizen / Community Busing					
Salaries & Wages	2,500	2,500		2,500	
Municipal Court					
Salaries and Wages	48,084	48,594	48,594		
Other Expenses	24,850	24,850	18,901	5,949	

BOROUGH OF LITTLE FERRY
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022 Appropriations</u>		<u>2022 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)					
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	\$ 147,921	\$ 159,295	\$ 159,295		
Other Expenses	11,250	8,250	5,534	\$ 2,716	
Other Code Enforcement Functions					
Rent Leveling Board					
Other Expenses	50	50		50	
Unclassified:					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	215,000	215,000	145,451	69,549	
Street Lighting	125,000	125,000	94,802	30,198	
Telephone	30,000	30,000	27,071	2,929	
Water	18,350	18,350	18,350	-	
Gasoline	90,000	90,000	75,158	14,842	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Garbage - Tipping Fees	355,000	355,000	288,281	66,719	
Recycling - Leaf Disposal	65,000	65,000	46,140	18,860	-
Total Operations Within "CAPS"	<u>10,850,529</u>	<u>10,843,849</u>	<u>9,895,282</u>	<u>948,567</u>	<u>-</u>
Detail:					
Salaries & Wages	5,367,377	5,431,602	5,368,220	63,382	-
Other Expenses	5,483,152	5,412,247	4,527,062	885,185	-
DEFERRED CHARGES / REGULATORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Prior Year Bills					
Hackensack Meridian	165	165	165		
Morris County Public Safety Academy	125	125	125		
Statutory Charges					
Social Security System (O.A.S.I.)	215,000	221,680	221,680		
Public Employees Retirement System	285,642	285,642	285,642		
Consolidated Police & Fire Retirement System	100	100		100	
Police & Firemens' Retirement System	891,600	891,600	891,600		
Pension Adjustment Fund	100	100		100	
Defined Contribution Retirement Program	9,000	9,000	5,916	3,084	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>1,401,732</u>	<u>1,408,412</u>	<u>1,405,128</u>	<u>3,284</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>12,252,261</u>	<u>12,252,261</u>	<u>11,300,410</u>	<u>951,851</u>	<u>-</u>

BOROUGH OF LITTLE FERRY
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022 Appropriations</u>		<u>2022 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"					
Educational Functions					
Maintenance of Free Public Library (P.L.1985 C.82)	\$ 444,250	\$ 444,250	\$ 379,977	\$ 64,273	
Sewerage Processing and Disposal Costs					
Bergen County Utilities Authority - Operation and Maintenance	1,237,598	1,237,598	1,237,598		
Bergen County Utilities Authority - Debt Service	276,377	276,377	276,377		
South Hackensack Sewer Charges	28,518	28,518	28,517	1	
Recycling Tax	15,000	15,000	15,000		
Reserve for Tax Appeals	20,000	20,000	20,000		
Public Safety Functions					
LOSAP	<u>110,000</u>	<u>110,000</u>	<u>59,431</u>	<u>50,569</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>2,131,743</u>	<u>2,131,743</u>	<u>2,016,900</u>	<u>114,843</u>	<u>-</u>
Interlocal Municipal Services Agreement					
Bergen County Utilities Authority					
Salaries & Wages	155,000	155,000	25,818	129,182	
Tenaflly Registrar Shared Services					
Salaries & Wages	22,082	22,082	4,250	17,832	
Bogota Shared Services					
Salaries & Wages	81,275	81,275	81,275		
Other Expenses	4,700	4,700	4,700		
School Resource Officer	<u>50,677</u>	<u>50,677</u>	<u>50,677</u>	<u>-</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>313,734</u>	<u>313,734</u>	<u>166,720</u>	<u>147,014</u>	<u>-</u>
Public and Private Programs Offset by Revenues					
Body Armor Replacement Program	1,408	1,408	1,408		
ARP - Firefighters Grant		41,000	41,000		
EMAA - Emergency Management Grant					
Municipal Alliance	9,014	9,014	9,014		
Municipal Alliance- Local Match	3,381	3,381	3,381		
Clean Communities		18,292	18,292		
Alcohol Education and Rehabilitation		158	158		
Municipal Recycling Assistance	<u>12,046</u>	<u>12,046</u>	<u>12,046</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>25,849</u>	<u>85,299</u>	<u>85,299</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>2,471,326</u>	<u>2,530,776</u>	<u>2,268,919</u>	<u>261,857</u>	<u>-</u>
Detail:					
Salaries & Wages	309,034	309,034	162,020	147,014	-
Other Expenses	<u>2,162,292</u>	<u>2,221,742</u>	<u>2,106,899</u>	<u>114,843</u>	<u>-</u>

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, 2022**

	<u>2022 Appropriations</u>		<u>2022 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" (CONT'D.)					
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 500,000	\$ 500,000	\$ 500,000		
Acquisition of Fire Department Equipment	61,159	61,159	2,799	\$ 58,360	
Acquisition of Police Department Equipment	26,077	26,077	23,146	2,931	
Acquisition of OEM Equipment	523	523		523	
Furnace Repair at Sokol Building	16,250	16,250	16,250		
Imprvts to Recreational Facilities and Parks - ARPA	460,500	500,752	340,787	159,965	
Replacement of Main St Pump Station - ARPA	215,000	215,000	195,680	19,320	-
Total Capital Improvements Excluded from "CAPS"	<u>1,279,509</u>	<u>1,319,761</u>	<u>1,078,662</u>	<u>241,099</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	810,000	810,000	810,000		
Payment of Bond Anticipation Notes	245,000	245,000	245,000		
Interest on Bonds	179,461	179,461	179,460		\$ 1
Interest on Notes	164,000	164,000	159,167		4,833
Green Trust Loan Repayments - Princ. & Interest	10,757	10,757	10,757	-	-
Total Municipal Debt Service Excluded from "CAPS"	<u>1,409,218</u>	<u>1,409,218</u>	<u>1,404,384</u>	<u>-</u>	<u>4,834</u>
Transferred to B.O.E. for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	<u>77,881</u>	<u>77,881</u>	<u>77,881</u>	<u>-</u>	<u>-</u>
Total General Appropriations Excluded from "CAPS"	<u>5,237,934</u>	<u>5,337,636</u>	<u>4,829,846</u>	<u>\$ 502,956</u>	<u>4,834</u>
Subtotal General Appropriations	17,490,195	17,589,897	16,130,256	1,454,807	4,834
Reserve for Uncollected Taxes	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 18,590,195</u>	<u>\$ 18,689,897</u>	<u>\$ 17,230,256</u>	<u>\$ 1,454,807</u>	<u>\$ 4,834</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, 2022

	<u>Reference</u>	Appropriations Budget After <u>Modification</u>	Expended Paid or <u>Charged</u>
Budget as Adopted	A-2	\$ 18,590,195	
Added by 40A:4-87	A-2	<u>99,702</u>	
	A-3	<u>\$ 18,689,897</u>	
Cash Disbursed	A-4		\$ 15,108,633
Encumbrances Payable	A-15		611,893
Transfer to Appropriated Grant Reserves	A-20		85,299
Current Fund Expenditures Paid by General Capital Fund	C-4		245,000
Due to Length of Service Awards Program (LOSAP) Trust Fund	B		59,431
Transfer to Reserve for Tax Appeals	A-19		20,000
Reserve for Uncollected Taxes	A-2		<u>1,100,000</u>
			<u>\$ 17,230,256</u>

BOROUGH OF LITTLE FERRY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	\$ 12,730	\$ 10,107
		<u>12,730</u>	<u>10,107</u>
OTHER TRUST FUND			
Cash	B-1	1,156,227	1,116,106
Due from Current Fund	B-2	<u>388,661</u>	<u>197,706</u>
		<u>1,544,888</u>	<u>1,313,812</u>
COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND			
Cash	B-1	138	100
Due from Other Trust Fund	B-10	<u>100</u>	<u>100</u>
		<u>238</u>	<u>200</u>
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND			
Cash	B-1	<u>40,104</u>	<u>37,738</u>
		<u>40,104</u>	<u>37,738</u>
LENGTH OF SERVICE AWARDS PROGRAM			
TRUST FUND-(LOSAP)-(UNAUDITED)			
Investments	B	2,058,131	2,719,568
Due from Current Fund	A-3,B	<u>59,431</u>	<u>55,130</u>
		<u>2,117,562</u>	<u>2,774,698</u>
Total Assets		<u>\$ 3,715,522</u>	<u>\$ 4,136,555</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF LITTLE FERRY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Reserve for Animal Control Trust Fund Expenditures	B-4	\$ 4,142	\$ 4,829
Due to State of New Jersey	B-5	2	2
Due to Current Fund	B-6	<u>8,586</u>	<u>5,276</u>
		<u>12,730</u>	<u>10,107</u>
OTHER TRUST FUND			
Escrow and Miscellaneous Deposits	B-3	871,806	680,610
Payroll Deductions Payable	B-11	15,451	80,111
Reserve for POAA	B-7	10,800	9,678
Reserve for Municipal Alliance Fund	B-9	70	70
Reserve for Recreation Fees	B-13	85,865	82,253
Reserve for Accumulated Leave Compensation	B-14	289,175	197,727
Reserve for Affordable Housing	B-8	271,621	263,263
Due to Community Development Trust Fund	B-10	<u>100</u>	<u>100</u>
		<u>1,544,888</u>	<u>1,313,812</u>
COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND			
Due to Current Fund	B-17	38	
Due to General Capital Fund	B-12	<u>200</u>	<u>200</u>
		<u>238</u>	<u>200</u>
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND			
Due to State of New Jersey	B-16	1,320	
Reserve for Expenditures	B-15	<u>38,784</u>	<u>37,738</u>
		<u>40,104</u>	<u>37,738</u>
LENGTH OF SERVICE AWARDS PROGRAM			
TRUST FUND (LOSAP) (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>2,117,562</u>	<u>2,774,698</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,715,522</u>	<u>\$ 4,136,555</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, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	C-2,C-3	\$ 1,561,302	\$ 1,289,004
Grants Receivable	C-7	787,152	952,325
Deferred Charges to Future Taxation			
Funded	C-5	10,056,424	5,350,023
Unfunded	C-6	4,317,542	8,322,498
Due from Current Fund	C-4		1,638
Due from Community Development Trust Fund	C-11	<u>200</u>	<u>200</u>
 Total Assets		 <u>\$ 16,722,620</u>	 <u>\$ 15,915,688</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-15	\$ 9,955,000	\$ 5,240,000
Bond Anticipation Notes Payable	C-16	959,000	6,030,000
Green Acres Loan Payable	C-12	101,424	110,023
Improvement Authorizations			
Funded	C-8	593,270	365,528
Unfunded	C-8	1,929,022	2,063,766
Encumbrances/Contracts Payable	C-9	1,177,589	559,274
Due to Current Fund	C-4	47,159	
Reserve for Grants Receivable	C-7	787,152	952,325
Reserve for Payment of Debt	C-13	156,796	20,000
Reserve for Field Improvements	C-14	15,310	15,310
Capital Improvement Fund	C-10	783,070	319,242
Fund Balance	C-1	<u>217,828</u>	<u>240,220</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 16,722,620</u>	 <u>\$ 15,915,688</u>

There were bonds and notes authorized but not issued at December 31, 2022 and 2021 amounting to \$3,358,542 and \$2,345,873, 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, 2022 AND 2021

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1	C	\$ 240,220	\$ 136,623
Increased by:			
Premium on Sale of Bonds and Notes	C-2	11,118	103,597
Grant Receipts for Improvement Authorizations Funded by Fund Balance	C	<u>9,890</u>	<u>-</u>
		261,228	240,220
Decreased by:			
Anticipated Revenue in Current Fund	C	<u>43,400</u>	<u>-</u>
Balance, December 31	C	<u>\$ 217,828</u>	<u>\$ 240,220</u>

**BOROUGH OF LITTLE FERRY
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
Land and Land Improvements	\$ 8,509,786	\$ 8,509,786
Buildings and Building Improvements	17,565,563	17,174,334
Machinery and Equipment	<u>8,153,336</u>	<u>7,676,895</u>
 Total Assets	 <u>\$ 34,228,685</u>	 <u>\$ 33,361,015</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 34,228,685</u>	<u>\$ 33,361,015</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 AND 2021**

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, 2022 AND 2021**

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, 2021 balances to conform to the December 31, 2022 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, 2022 AND 2021**

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 11th 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, 2022 AND 2021**

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, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements it’s share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements it’s actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

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 2022 and 2021 the Borough Council increased the original budget by \$99,702 and \$29,764. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2022 and 2021.

**BOROUGH OF LITTLE FERRY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

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 deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2022 and 2021, the book value of the Borough's deposits were \$21,021,089 and \$19,915,374, and bank and brokerage firm balances of the Borough's deposits amounted to \$21,894,080 and \$20,676,734, 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>2022</u>	<u>2021</u>
Insured	\$ 21,160,632	\$ 19,933,729
Uninsured and Collateralized	<u>733,448</u>	<u>743,005</u>
	<u>\$ 21,894,080</u>	<u>\$ 20,676,734</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, 2022 and 2021, none of the bank balances were exposed to custodial credit risk.

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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

As of December 31, 2022 and 2021, the Borough had the following investments:

	<u>Fair Value</u>	
	<u>2022</u>	<u>2021</u>
Investment:		
Lincoln Financial Group LOSAP Investment Fund (Unaudited)	\$ 2,058,131	\$ 2,719,568

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, 2022 and 2021, \$2,058,131 and \$2,719,568 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value (LOSAP - Unaudited)</u>	
	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 2,058,131	\$ 2,719,568

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, 2022 and 2021, the Borough’s investment in Lincoln Financial Group was rated A1 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:

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

- *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, 2022 and 2021 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, 2022 and 2021 consisted of the following:

<u>Current</u>	<u>2022</u>	<u>2021</u>
Property Taxes	\$ 443,419	\$ 736,383
Tax Title Liens	<u>57,934</u>	<u>37,614</u>
	<u>\$ 501,353</u>	<u>\$ 773,997</u>

In 2022 and 2021, the Borough collected \$724,434 and \$711,277 from delinquent taxes, which represented 94% and 95%, respectively, of the prior year delinquent taxes receivable balance.

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>2022</u>		<u>2021</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	\$ 55,783	\$ 448,092	\$ 5,276	\$ 254,474
Trust Funds:				
Animal Control		8,586		5,276
Other Trust	388,661	100	197,706	100
Community Development Block Grant	100	238	100	200
Length of Service Awards Program (LOSAP)	59,431		55,130	
General Capital Fund	<u>200</u>	<u>47,159</u>	<u>1,838</u>	<u>-</u>
Total	<u>\$ 504,175</u>	<u>\$ 504,175</u>	<u>\$ 260,050</u>	<u>\$ 260,050</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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021 are as follows:

	<u>Local District School</u>	
	<u>2022</u>	<u>2021</u>
Balance of Tax	\$10,517,781	\$10,310,027
Deferred Liability	<u>6,405,244</u>	<u>6,405,244</u>
Taxes Payable	<u>\$4,112,537</u>	<u>\$3,904,783</u>

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:

	<u>2022</u>		<u>2021</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 7,849,862	\$ 2,700,000	\$ 7,504,744	\$ 2,500,000
Non-Cash Surplus	<u>64,668</u>	<u>-</u>	<u>43,996</u>	<u>-</u>
	<u>\$ 7,914,530</u>	<u>\$ 2,700,000</u>	<u>\$ 7,548,740</u>	<u>\$ 2,500,000</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021.

	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land and Land Improvements	\$ 8,509,786			\$ 8,509,786
Buildings and Building Improvements	17,174,334	\$ 391,229		17,565,563
Machinery and Equipment	<u>7,676,895</u>	<u>476,441</u>	<u>\$ -</u>	<u>8,153,336</u>
	<u>\$ 33,361,015</u>	<u>\$ 867,670</u>	<u>\$ -</u>	<u>\$ 34,228,685</u>
	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land and Land Improvements	\$ 8,509,786			\$ 8,509,786
Buildings and Building Improvements	17,174,334			17,174,334
Machinery and Equipment	<u>7,283,279</u>	<u>\$ 453,696</u>	<u>\$ 60,080</u>	<u>7,676,895</u>
	<u>\$ 32,967,399</u>	<u>\$ 453,696</u>	<u>\$ 60,080</u>	<u>\$ 33,361,015</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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>2022</u>	<u>2021</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,015,424	\$ 11,380,023
Less Funds Temporarily Held to Pay Bonds and Notes	<u>156,796</u>	<u>73,375</u>
Net Debt Issued	10,858,628	11,306,648
Authorized But Not Issued		
General		
Bonds and Notes	<u>3,358,542</u>	<u>2,345,873</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 14,217,170</u>	<u>\$ 13,652,521</u>

BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of 1.037% and 1.091% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 14,373,966	\$ 156,796	\$ 14,217,170
School Debt	-	-	-
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 14,373,966</u>	<u>\$ 156,796</u>	<u>\$ 14,217,170</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
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>

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>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 47,974,720	\$ 43,801,909
Less: Net Debt	<u>14,217,170</u>	<u>13,652,521</u>
Remaining Borrowing Power	<u>\$ 33,757,550</u>	<u>\$ 30,149,388</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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>2022</u>	<u>2021</u>
\$3,727,000, 2017 Bonds, due in annual installments of \$200,000 to \$365,000 through April, 2030, interest at 3.00%	\$ 2,615,000	\$ 2,815,000
\$2,425,000, 2021 Refunding Bonds, due in annual installments of \$595,000 to \$615,000 through September, 2025, interest at 5.00%	1,815,000	2,425,000
\$5,525,000, 2022 Bonds, due in annual installments of \$275,000 to \$545,000 through September, 2025, interest at 5.00%	<u>5,525,000</u>	<u>-</u>
Total	<u>\$ 9,955,000</u>	<u>\$ 5,240,000</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>2022</u>	<u>2021</u>
\$172,988, 2013 Loan, due in semi- annual installments of \$5,325 to \$10,493 through February, 2033, interest at 2.00%	<u>\$ 101,424</u>	<u>\$ 110,023</u>
	<u>\$ 101,424</u>	<u>\$ 110,023</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 is as follows:

Calendar Year	General Bonds		General Green Acres Loans		Total
	Principal	Interest	Principal	Interest	
2023	\$ 1,165,000	\$ 355,521	\$ 8,772	\$ 1,985	\$ 1,531,278
2024	1,180,000	315,300	8,948	1,808	1,506,056
2025	1,210,000	264,900	9,128	1,629	1,485,657
2026	715,000	213,300	9,312	1,445	939,057
2027	740,000	187,750	9,499	1,258	938,507
2028-2032	3,360,000	544,650	50,440	3,348	3,958,438
2033-2035	1,585,000	96,150	5,325	53	1,686,528
Total	\$ 9,955,000	\$ 1,977,571	\$ 101,424	\$ 11,526	\$ 12,045,521

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<u>2022</u>					
General Capital Fund					
Bonds Payable	\$ 5,240,000	\$ 5,525,000	\$ 810,000	\$ 9,955,000	\$ 1,165,000
Intergovernmental Loans Payable	110,023	-	8,599	101,424	8,772
General Capital Fund Long-Term Liabilities	<u>\$ 5,350,023</u>	<u>\$ 5,525,000</u>	<u>\$ 818,599</u>	<u>\$ 10,056,424</u>	<u>\$ 1,173,772</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
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>

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	Rate (%)	Maturity Date	Balance, December 31, <u>2021</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2022</u>
<u>2022</u>						
General Capital Fund						
Various Capital Improvements			\$ 3,526,904	\$ 3,434,267	\$ 6,961,171	
Sanitary Sewer Improvements- Neihaus & Williams			126,902	121,406	248,308	
Generators at Main St Pump Station and Willow Park			157,500	157,500	315,000	
Acquisition of Various Equipment & Vehicles			219,507	187,530	407,037	
Borough Hall Generator			191,595	186,408	378,003	
Various Road Improvements	1.85	4/19/2023	1,606,597	2,462,825	3,110,422	\$ 959,000
Various Park Improvements			<u>200,995</u>	<u>194,064</u>	<u>395,059</u>	-
Total General Capital Fund			<u>\$ 6,030,000</u>	<u>\$ 6,744,000</u>	<u>\$ 11,815,000</u>	<u>\$ 959,000</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2020</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2021</u>
<u>2021</u>						
<u>General Capital Fund</u>						
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>

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, 2022 AND 2021**

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>
<u>2022</u>		
2022 Road Improvements	\$207,647	2023
Main Street Stormwater Pump Station Emergency Generator	721,435	2023
<u>2021</u>		
Improvements to Garden/Grand Streets	\$32,926	2022
Sabina Street Drainage Improvements	25,063	2022

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

<u>Purpose</u>	<u>Remaining Commitment</u>
<u>2022</u>	
Acquisition of a Fire Dept. Vehicle	\$79,940
<u>2021</u>	
Acquisition of Police Equipment	\$203,468
Acquisition of DPW Vehicle	71,419

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 \$1,388,726 and \$1,338,972 at December 31, 2022 and 2021, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2022 and 2021, the Borough has reserved in the Other Trust Fund \$289,175 and \$197,727, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021 is \$140,147 and \$169,433, respectively.

During the years ended December 31, 2022, 2021 and 2020 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>
2022	\$ 29,286
2021	28,748
2020	28,719

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, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 1,338,972	\$ 58,306	\$ 8,552	\$ 1,388,726	
Deferred Pension Obligation	169,433		29,286	140,147	\$ 28,180
Net Pension Liability - PERS (1)	2,889,429			2,889,429	
Net Pension Liability - PFRS (1)	5,407,960			5,407,960	
Net OPEB Liability (1)	<u>14,666,042</u>	<u>-</u>	<u>-</u>	<u>14,666,042</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 24,471,836</u>	<u>\$ 58,306</u>	<u>\$ 37,838</u>	<u>\$ 24,492,304</u>	<u>\$ 28,180</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 1,320,630	\$ 74,114	\$ 55,772	\$ 1,338,972	
Deferred Pension Obligation	198,181	-	28,748	169,433	\$ 29,286
Net Pension Liability - PERS	3,933,004		1,043,575	2,889,429	
Net Pension Liability - PFRS	11,278,066		5,870,106	5,407,960	
Net OPEB Liability	<u>14,467,662</u>	<u>198,380</u>	<u>-</u>	<u>14,666,042</u>	<u>-</u>
 Total Other Long-Term Liabilities	 <u>\$ 31,197,543</u>	 <u>\$ 272,494</u>	 <u>\$ 6,998,201</u>	 <u>\$ 24,471,836</u>	 <u>\$ 29,286</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) Annual Comprehensive Financial Report (ACFR) which can be found at 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, 2022 AND 2021**

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) Annual Comprehensive Financial Report (ACFR) which can be found at 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.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 1/55th 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 1/60th 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 PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment 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, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

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.

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.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

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

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and 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, 2022 AND 2021**

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 2022 and 2021 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 2022, 2021 and 2020, were equal to the required contributions.

During the years ended December 31, 2022, 2021 and 2020, 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>
2022	\$ 862,314	\$ 285,642	\$ 5,916
2021	975,096	263,939	5,482
2020	913,045	238,834	6,119

In addition for the years ended December 31, 2022, 2021 and 2020 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$0 and \$788, respectively for PERS. No Borough contributions for long-term disability insurance premiums (LTDI) for PFRS.

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, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2023-10 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, 2022 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, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2021, the Borough reported a liability of \$2,889,429 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the Borough's proportionate share was .02439 percent, which was an increase of .00027 percent from its proportionate share measured as of June 30, 2020 of .02412 percent.

For the years ended December 31, 2021, the pension system has determined the Borough's pension expense (benefit) to be \$(239,138), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$263,939. At December 31, 2021, 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>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 45,570	\$ 20,685
Changes of Assumptions	15,048	1,028,656
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		761,152
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>249,378</u>	<u>60,051</u>
Total	<u>\$ 309,996</u>	<u>\$ 1,870,544</u>

At December 31, 2021 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>
2022	\$ (560,320)
2023	(438,558)
2024	(324,763)
2025	(238,425)
2026	1,518
Thereafter	<u>-</u>
	<u>\$ (1,560,548)</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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

Mortality Rates

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

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

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real 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, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2021 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>2021</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,934,816</u>	<u>\$ 2,889,429</u>	<u>\$ 2,002,270</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. 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, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2021, the Borough reported a liability of \$5,407,960 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021, the Borough’s proportionate share was .07399 percent, which was a decrease of .01329 percent from its proportionate share measured as of June 30, 2020 of .08728 percent.

For the year ended December 31, 2021, the pension system has determined the Borough pension expense (benefit) to be \$(1,088,615) for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$975,096. At December 31, 2021, 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:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 61,698	\$ 647,818
Changes of Assumptions	28,776	1,620,741
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,304,508
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>261,279</u>	<u>2,345,698</u>
Total	<u>\$ 351,753</u>	<u>\$ 6,918,765</u>

**BOROUGH OF LITTLE FERRY
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

At December 31, 2021 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>
2022	\$ (1,927,823)
2023	(1,488,867)
2024	(1,392,074)
2025	(1,294,122)
2026	(396,687)
Thereafter	<u>(67,439)</u>
	<u>\$ (6,567,012)</u>

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 and 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	2021	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2021 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>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 8,211,818	\$ 5,407,960	\$ 3,074,051

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2021. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

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, 2021, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,520,988. For the year ended December 31, 2021, 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 \$169,394, which is more than the actual contribution the State made on behalf of the Borough of \$132,127. At December 31, 2021 (measurement date June 30, 2021) the State’s share of the PFRS net pension liability attributable to the Borough was .07399 percent, which was a decrease of .01329 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .08728 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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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.

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) Annual Comprehensive Financial Report (ACFR), 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 participating 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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>32,624</u>
Total	<u>96,867</u>
Contributing Employers	585
Contributing Nonemployers	1

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, 2022 was not available and for 2021 is \$18.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 30, 2021.

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

Actuarial Methods and Assumptions

In the July 1, 2020 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 \$325.1 million and the State of New Jersey, as the non-employer contributing entity, contributed \$37.8 million for fiscal year 2021.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

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, 2022, 2021 and 2020 were \$640,637, \$497,606 and \$455,342, 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, 2022, 2021 and 2020 were \$44,739, \$24,253 and \$21,663, respectively.

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, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 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, 2022 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, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2021, the Borough reported a liability of \$14,666,042, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2021. As of the measurement date of June 30, 2021 the Borough's proportionate share was .08148 percent, which was an increase of .00086 percent from its proportionate share measured as of June 30, 2020 of .08062 percent.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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)

For the year ended December 31, 2021, the Plan has determined the Borough's OPEB expense to be \$763,615, based on the actuarial valuation which is more or less than the actual contributions reported in the Borough's financial statements of \$640,637. At December 31, 2021, 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>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 329,088	\$ 3,068,352
Changes of Assumptions	2,109,754	2,592,395
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	7,012	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>4,131,827</u>	<u>1,277,368</u>
Total	<u>\$ 6,577,681</u>	<u>\$ 6,938,115</u>

At December 31, 2021 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (240,970)
2023	(242,300)
2024	(243,191)
2025	93,639
2026	16,889
Thereafter	<u>255,499</u>
	<u>\$ (360,434)</u>

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2021</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%

*Salary increases are based on years of service within the respective pension plan.

Mortality Rates

Pre-retirement and healthy post-retirement mortality rates were based on the Pub-2010 Healthy “Safety” for PFRS and Healthy “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled “Safety” for PFRS and Disabled “General” for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 5.65 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. Future years PPO and HMO trend rates differ for each retirement plan. PPO trend is initially 7.56% in fiscal year 2024, increasing to 14.43% in fiscal year 2025 and decreasing to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term after 7 years.

The actuarial assumptions used in the July 1, 2020 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 for June 30, 2021 measurement date was 2.16%. This 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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2021 calculated using the discount rate of 2.16%, 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 1.16% or 1-percentage-point higher 3.16% than the current rate:

<u>2021</u>	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>17,259,118</u>	\$ <u>14,666,042</u>	\$ <u>12,610,973</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2021. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

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, 2021 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>2021</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>12,236,418</u>	\$ <u>14,666,042</u>	\$ <u>17,836,400</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2021. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$237,628. For the year ended December 31, 2021 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 \$(32,425). At December 31, 2021, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the Borough was .00615 percent, which was an increase of .00203 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .00412 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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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>
2022	\$ 8,471	\$ 7,963	\$ 38,784
2021	7,917	227	37,738
2020	4,989	10,266	30,043

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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, 2022 and 2021. 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, 2022 and 2021, the Borough reserved \$311,577 and \$295,822, 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, 2022 and 2021, 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, 2022 and 2021, 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, 2022 AND 2021**

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

The Borough of Little Ferry has contributed \$1,651 and \$1,531 for 2022 and 2021, respectively, for each eligible volunteer fire department and first aid corp. member into the Plan. The total Borough contributions were \$59,431 and \$55,130 for 2022 and 2021, 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 on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated 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. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 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, 2022 AND 2021**

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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

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

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$1,124,036 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$715,752 of the funds in the 2022 budget for capital improvements. The Borough will utilize the remaining funds in the amount of \$408,284 on additional capital improvements in future budgets. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

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.

**BOROUGH OF LITTLE FERRY
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 20 SUBSEQUENT EVENTS

Bond Anticipation Notes

On April 28, 2023 the Borough issued bond anticipation notes in the amount of \$959,000 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to the County of Bergen at an interest rate of 3.85%. These notes dated April 28, 2023 will mature on June 6, 2023.

On June 1, 2023 the Borough issued bond anticipation notes in the amount of \$3,287,787 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Bergen County Improvement Authority at an interest rate of 4.5%. These notes dated June 1, 2023 will mature on May 31, 2024.

Debt Authorized

On June 13, 2023 the Borough adopted a bond ordinance authorizing the issuance of \$1,600,000 in Bonds or bond anticipation notes to fund the 2023 Road Improvement Project. 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, 2021		\$ 17,462,319
Increased by Receipts:		
Tax Collector	\$ 37,253,020	
Revenue Accounts Receivable	2,326,949	
Miscellaneous Revenue Not Anticipated	630,074	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	33,500	
Due to State of New Jersey - Marriage License Fees	975	
Due to State of New Jersey - DCA Training Fees	17,212	
Reserve for Grants Unappropriated	572,535	
Reserve for Municipal Relief Fund	48,948	
Grant Receipts	39,346	
Receipts from Other Trust Fund	3,480	
Receipts from Animal Control Fund	160	
Receipts from General Capital Fund	<u>20,538</u>	
		<u>40,946,737</u>
		58,409,056
Decreased by Disbursements:		
2022 Budget Appropriations	15,108,633	
2021 Appropriation Reserves	142,777	
County Taxes Payable	3,146,238	
Local District School Taxes Payable	20,905,226	
Encumbrances Payable	450,514	
Accounts Payable	1,798	
Due to State of New Jersey - Marriage License Fees	975	
Due to State of New Jersey - DCA Training Fees	17,212	
Due to Length of Service Awards Program (LOSAP) Trust Fund	55,130	
Tax Overpayments	16,495	
Reserve for Tax Appeals	4,245	
Reserve for Grants Appropriated	24,051	
Other Trust Fund Expenditures Paid by Current Fund	8,552	
Payments to General Capital Fund	245,000	
Refund of Prior Year Revenue	<u>31,622</u>	
		<u>40,158,468</u>
Balance, December 31, 2022		<u>\$ 18,250,588</u>

STATEMENT OF CURRENT CASH - COLLECTOR

Increased by Receipts:		
Taxes Receivable	\$ 36,899,729	
Revenue Accounts Receivable	143,721	
Tax Overpayments	18,630	
2023 Prepaid Taxes	<u>190,940</u>	
		<u>\$ 37,253,020</u>
Decreased by Disbursements:		
Payments to Treasurer		<u>\$ 37,253,020</u>

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

	Balance, December 31, <u>2021</u>	Realized <u>2022</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Municipal Alliance	\$ 9,722	\$ 9,014	\$ 7,442	\$ 11,294
FEMA - CARES Act	23,840		23,840	
Municipal Recycling Assistance		12,046	12,046	
American Rescue Plan		715,752	715,752	
Clean Communities Grant		18,292	18,292	
Alcohol Education and Rehabilitation Grant		158	158	
ARP - Firefighter Grant		41,000		41,000
Assistance to Firefighters Grant	60		60	
Body Armor	-	1,408	1,408	-
	<u>\$ 33,622</u>	<u>\$ 797,670</u>	<u>\$ 778,998</u>	<u>\$ 52,294</u>

Cash Receipts	39,346
Reserve for Grants - Unappropriated	715,752
Canceled to Reserve for Grants - Appropriated	<u>23,900</u>
	<u>\$ 778,998</u>

EXHIBIT A-7

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

Balance, December 31, 2021	\$ 10,374
Increased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 8,500
Veterans' Deductions Per Tax Billings	26,250
Veterans' Deductions by Tax Collector	<u>750</u>
	<u>35,500</u>
	45,874
Decreased by:	
Cash Received from State	<u>33,500</u>
Balance, December 31, 2022	<u>\$ 12,374</u>

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

Year	Balance,	Tax Levy	Added/ Omitted Taxes	Collected In		Senior Citizens' and Veterans' Deductions Allowed	Transfers to Tax Title Liens	Cancelled	Balance,
	December 31, 2021			2021	2022				December 31, 2022
2021	\$ 736,383	-	-	-	\$ 724,434	-	\$ 10,456	-	\$ 1,493
	736,383	-	-	-	724,434	-	10,456	-	1,493
2022	-	\$ 36,763,669	\$ 55,442	\$ 152,469	36,175,295	\$ 35,500	9,965	\$ 3,956	\$ 441,926
	\$ 736,383	\$ 36,763,669	\$ 55,442	\$ 152,469	\$ 36,899,729	\$ 35,500	\$ 20,421	\$ 3,956	\$ 443,419

Analysis of 2022 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 36,763,669
Added Taxes (54:4-63.1 et seq.)	55,442
	<u>\$ 36,819,111</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 21,112,980
County Taxes	
County Taxes (Abstract)	\$ 3,021,461
County Open Space Preservation (Abstract)	124,777
Due County for Added Taxes (54:63.1 et seq.)	<u>4,744</u>
	3,150,982
Local Tax for Municipal Purposes	\$ 12,049,185
Minimum Library Tax	<u>444,250</u>
	12,493,435
Add Additional Tax Levied	<u>61,714</u>
	<u>12,555,149</u>
	<u>\$ 36,819,111</u>

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

Balance, December 31, 2021		\$ 37,614
Increased by:		
Transfer from 2022 Taxes	\$ 9,965	
Transfer from 2021 Taxes	<u>10,456</u>	
		<u>20,421</u>
		58,035
Decreased by:		
Cancellation		<u>101</u>
Balance, December 31, 2022		<u>\$ 57,934</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2021	\$ <u>1,062,600</u>
Balance, December 31, 2022	\$ <u>1,062,600</u>

Analysis

<u>Block</u>	<u>Lot</u>	<u>Assessed 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>2022</u>	Accrued in <u>2022</u>	<u>Collected By</u>		Balance, December 31, <u>2022</u>
			Tax <u>Collector</u>	<u>Treasurer</u>	
Licenses					
Alcoholic Beverages		\$ 35,876		\$ 35,876	
Other					
Borough Clerk		49,255		49,255	
Board of Health/Registrar		16,774		16,774	
Fees and Permits					
Borough Clerk		24,986		24,986	
Board of Health/Registrar		1,425		1,425	
Police		162		162	
Planning/Zoning		1,845		1,845	
Summer Recreation		67,384		67,384	
Construction Code Fees		507,655		507,655	
Municipal Court					
Fines and Costs	\$ 8,743	103,597		104,852	\$ 7,488
Uniform Fire Safety Act		30,327		30,327	
Interest and Costs on Taxes		143,721	\$ 143,721		
Interlocal Service Agreement - BCUA		155,000		155,000	
Insurance Proceeds		104,009		104,009	
Cell Tower Rents		54,208		54,208	
Hotel Tax		70,529		70,529	
Reserve for Payment of Debt		20,000		20,000	
Shared Service Agreement - Bogota Court		86,275		86,275	
Shared Service Agreement - Tenafly -Registrar		7,361		7,361	
Shared Service Agreement- School Resource Officer		50,677		50,677	
Energy Receipts Tax	-	938,349	-	938,349	-
	<u>\$ 8,743</u>	<u>\$ 2,469,415</u>	<u>\$ 143,721</u>	<u>\$ 2,326,949</u>	<u>\$ 7,488</u>
			Cash Receipts	<u>\$ 2,326,949</u>	

**BOROUGH OF LITTLE FERRY
STATEMENT OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 3,208		\$ 3,208		\$ 3,208
Other Expenses-Postage	4,836	\$ 2,000	6,836		6,836
Other Expenses-Miscellaneous	56,916		56,916	\$ 2,887	54,029
Other Expenses- CDL Drug Testing	5,000		5,000		5,000
Mayor & Council					
Other Expenses	2,893		2,893	43	2,850
Municipal Clerk					
Other Expenses	10,453		10,453	61	10,392
Other Expenses - Elections	381		381		381
Financial Administration					
Salaries & Wages	11,267		11,267		11,267
Other Expenses	17,282	1	17,283		17,283
Other Expenses	900		900		900
Revenue Administration (Collection of Taxes)					
Salaries & Wages	204		204		204
Other Expenses	4,626		4,626		4,626
Assessment of Taxes					
Salaries & Wages	2,706		2,706		2,706
Other Expenses	24,420		24,420		24,420
Legal Services & Costs					
Other Expenses - Fees and Costs	28,288	1,755	30,043		30,043
Other Expenses- Special Counsel	9,320		9,320		9,320
Engineering Services & Costs					
Other Expenses	45	37	82		82
Historic Society					
Other Expenses	100		100		100
Planning Board					
Salaries & Wages	114		114		114
Other Expenses	11,065		11,065	524	10,541
Insurance					
General Liability	16,134		16,134	14,893	1,241
Employee Group Health	538,701		538,701	117,182	421,519
PUBLIC SAFETY					
Aid to Volunteer Ambulance First Aid Squad	8,657		8,657	8,657	
Fire					
Salaries & Wages- Uniform Fire Safety	4,800		4,800	874	3,926
Other Expenses - Clothing Allowance	58,140		58,140	37,620	20,520
Other Expenses - Miscellaneous	55	2,543	2,598		2,598
Other Expenses - Uniform Fire Safety	10,949		10,949	302	10,647
Other Expenses - Fire Hydrant Services	6,512		6,512		6,512
Police					
Salaries & Wages	279,261		279,261	101,280	177,981
Other Expenses - Miscellaneous	19,896		19,896	397	19,499
Office of Emergency Management					
Other Expenses	2,970		2,970	2,970	-

**BOROUGH OF LITTLE FERRY
STATEMENT OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
PUBLIC WORKS					
Streets & Roads Maintenance					
Salaries & Wages	\$ 59,782		\$ 59,782		\$ 59,782
Other Expenses		\$ 712	712		712
Other Public Works Functions					
Other Expenses - Sewer System	43,415		43,415	\$ 650	42,765
Other Expenses - Drainage	21,968		21,968	1,937	20,031
Other Expenses- Beautification Comm.	727		727		727
Waste Collection					
Other Expenses	48,768	623	49,391		49,391
Buildings and Grounds					
Salaries & Wages	1		1		1
Other Expenses	2,761		2,761	1,334	1,427
Vehicle Maintenance					
Other Expenses	6,828		6,828	5,419	1,409
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	1		1		1
Other Expenses	3,462		3,462	31	3,431
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries & Wages	4,463	1	4,464		4,464
Other Expenses	32,448	3,008	35,456		35,456
Maintenance of Parks and Playgrounds					
Other Expenses	1,484	667	2,151		2,151
OTHER COMMON OPERATING FUNCTIONS					
Senior Citizen Program					
Other Expenses	1,975	865	2,840		2,840
Senior Citizen / Community Busing					
Salaries & Wages	2,500		2,500		2,500
Municipal Court					
Salaries & Wages	1		1		1
Other Expenses	3,593		3,593		3,593
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries & Wages	1,789		1,789		1,789
Other Expenses	3,894		3,894		3,894
Other Code Enforcement Functions					
Rent Leveling Board					
Other Expenses	50		50		50

**BOROUGH OF LITTLE FERRY
STATEMENT OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	\$ 4,004		\$ 4,004	\$ 1,591	\$ 2,413
Street Lighting	11,896		11,896	4,176	7,720
Telephone	1,287		1,287	516	771
Water	14	\$ 1,130	1,144		1,144
Gasoline	7,056	7,042	14,098		14,098
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Garbage - Tipping Fees	44,342		44,342	39,131	5,211
Recycling- Leaf Disposal	1,563	2,340	3,903	2,140	1,763
DEFERRED CHARGES / STATUTORY EXPENDITURES					
Statutory Charges					
Social Security System (O.A.S.I.)	6,660		6,660		6,660
Public Employees Retirement System	1		1		1
Consolidated Police & Firemens' Retirement	100		100		100
Police & Firemens' Retirement System	1		1		1
Pension Adjustment Fund	100		100		100
Defined Contribution Retirement Prog (DCRP)	3,518		3,518		3,518
Educational Functions					
Maintenance of Free Public Library (P.L. 1985 C.82)	103,678	1,461	105,139	105,139	
Sewerage Processing and Disposal Costs					
Bergen County Utilities Authority- Operation & Maintenance		3	3	3	
South Hackensack Sewer Charges	267		267		267
Public Safety Functions					
LOSAP	54,870		54,870		54,870
Interlocal Municipal Services Agreement					
Bergen County Utilities Authority	25,000		25,000		25,000
Tenafly Registrar Shared Services					
Salaries & Wages	11,449		11,449		11,449
Bogota Shared Services					
Salaries & Wages	5,001	-	5,001	1,231	3,770
	<u>\$ 1,660,816</u>	<u>\$ 24,188</u>	<u>\$ 1,685,004</u>	<u>\$ 450,988</u>	<u>\$ 1,234,016</u>
Appropriation Reserves, December 31, 2021			\$ 1,660,816		
Encumbrances Restored			<u>24,188</u>		
			<u>\$ 1,685,004</u>		
Cash Disbursements				\$ 142,777	
Due to Other Trust Fund-					
Storm Recovery				100,000	
Accumulated Leave Compensation				100,000	
Reserve for Library Expenses				105,139	
Transfer to Accounts Payable				<u>3,072</u>	
				<u>\$ 450,988</u>	

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

	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
Tax Map	\$ 31,338	\$ 31,338

STATEMENT OF RESERVE FOR RATE STABILIZATION

	Balance, December 31, <u>2021</u>	Balance, December 31, <u>2022</u>
Reserve for Tax Stabilization	\$ 2,450,000	\$ 2,450,000
	<u>\$ 2,450,000</u>	<u>\$ 2,450,000</u>

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

Balance, December 31, 2021		\$ 474,702
Increased by:		
Charges to 2022 Budget Appropriations	\$ 611,893	
Charges to Appropriated Grant Reserves	<u>4,251</u>	
		<u>616,144</u>
		1,090,846
Decreased by:		
Cash Disbursements	450,514	
Restored to Appropriation Reserves	<u>24,188</u>	
		<u>474,702</u>
Balance, December 31, 2022		<u>\$ 616,144</u>

STATEMENT OF COUNTY TAXES PAYABLE

Increased by:		
2022 Tax Levy		
County Tax (Abstract)	\$ 3,021,461	
County Open Space Preservation	124,777	
County Tax for Added Taxes (54:4-63.1)	<u>4,744</u>	
		<u>3,150,982</u>
		3,150,982
Decreased by:		
Payments		<u>3,146,238</u>
Balance, December 31, 2022		<u>\$ 4,744</u>

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

Balance, December 31, 2022		
School Tax Deferred	\$ 6,405,244	
School Tax Payable	<u>3,904,783</u>	
		\$ 10,310,027
Increased by:		
Levy - School Year July 1, 2022 to June 30, 2023		
Raised by Taxation (Abstract)	21,112,980	
Raised by Budget Appropriation	<u>77,881</u>	
		<u>21,190,861</u>
		31,500,888
Decreased by:		
Payments	20,905,226	
Paid by Budget Appropriation - Business Personal Property Tax Adjustment	<u>77,881</u>	
		<u>20,983,107</u>
Balance, December 31, 2022		
School Tax Deferred	6,405,244	
School Tax Payable	<u>4,112,537</u>	
		<u>\$ 10,517,781</u>
2022 Liability for Local School Tax		
Tax Paid		\$ 20,905,226
Tax Payable December 31, 2022		<u>4,112,537</u>
		25,017,763
Less Tax Payable December 31, 2021		<u>3,904,783</u>
Amount Charged to 2022 Operations		<u>\$ 21,112,980</u>

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

Balance, December 31, 2021	\$ 152,469
Increased by:	
Collection of 2023 Taxes	190,940
	343,409
Decreased by:	
Applied to 2022 Taxes Receivable	152,469
Balance, December 31, 2022	\$ 190,940

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2021	\$ 295,822
Increased by:	
2022 Budget Appropriation	20,000
	315,822
Decreased by:	
Cash Disbursements	4,245
Balance, December 31, 2022	\$ 311,577

BOROUGH OF LITTLE FERRY
STATEMENT OF RESERVE FOR GRANTS - APPROPRIATED

	Balance, December 31, <u>2021</u>	Transfer from 2022 <u>Appropriations</u>	<u>Cancelled</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2022</u>
Drunk Driving Enforcement Fund	\$ 5,939			\$ 2,542	\$ 3,397
Recycling Grant	64,585	\$ 12,046			76,631
Clean Communities Grant	39,877	18,292		20,149	38,020
Alcohol Education and Rehab	2,037	158			2,195
Body Armor Replacement	6,561	1,408			7,969
Municipal Alliance (including local match)	14,365	12,395		5,611	21,149
EMAA - Emergency Management Grant	10,000				10,000
ARP - Firefighter Grant		41,000			41,000
FEMA - CARES Act	23,840		\$ 23,840		
Assistance to Firefighters Grant	60		60		
Post Sandy- Losen Slote Storm water	204	-	-	-	204
	<u>\$ 167,468</u>	<u>\$ 85,299</u>	<u>\$ 23,900</u>	<u>\$ 28,302</u>	<u>\$ 200,565</u>

Grants Receivable \$ 23,900

Cash Disbursements \$ 24,051
Encumbrances Payable 4,251
\$ 28,302

EXHIBIT A-21

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, December 31, <u>2021</u>	Cash <u>Receipts</u>	Anticipated as Revenue <u>in 2022</u>	Balance, December 31, <u>2022</u>
American Rescue Plan Act	\$ 562,018	\$ 562,018	\$ 715,752	\$ 408,284
Body Armor Replacement		1,950		1,950
Opioid Settlement Aid	-	8,567	-	8,567
	<u>\$ 562,018</u>	<u>\$ 572,535</u>	<u>\$ 715,752</u>	<u>\$ 418,801</u>

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

Balance, December 31, 2021	\$ 1,798
Increased by:	
Transfer from 2021 Appropriation Reserves	3,072
	4,870
Decreased by:	
Cash Disbursements	1,798
Balance, December 31, 2022	\$ 3,072

STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND

Increased by:	
Cash Receipts	\$ 48,948
Balance, December 31, 2022	\$ 48,948

STATEMENT OF RESERVE FOR LIBRARY EXPENSES

Increased by:	
Transfer from 2021 Appropriation Reserves	\$ 105,139
Balance, December 31, 2022	\$ 105,139

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

Increased by:		
Cash Receipts	\$	975
Decreased by:		
Cash Disbursements		<u>975</u>
Balance, December 31, 2022	\$	<u><u>-</u></u>

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

Increased by:		
Cash Receipts	\$	17,212
Decreased by:		
Cash Disbursements		<u>17,212</u>
Balance, December 31, 2022	\$	<u><u>-</u></u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2021	\$	1,887
Increased by:		
Cash Receipts		<u>18,630</u>
		20,517
Decreased by:		
Cash Disbursements		<u>16,495</u>
Balance, December 31, 2022	\$	<u><u>4,022</u></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, 2021	\$ 10,107	\$ 1,116,106	\$ 100	\$ 37,738
Increased by Receipts:				
Animal Control Licenses	\$ 3,477			
State Registration Fees	260			
Contributions - Unemployment				\$ 8,471
Escrow and Miscellaneous Trust Deposits		\$ 749,464		
Recreation Fees		65,120		
Interest on Deposits	160	3,973	\$ 38	538
POAA Fees		1,122		
Reserve for Affordable Housing		26,581		
Net Payroll Deposits		3,648,340		
Payroll Deductions Deposits	-	3,849,464	-	-
	<u>3,897</u>	<u>8,344,064</u>	<u>38</u>	<u>9,009</u>
	14,004	9,460,170	138	46,747
Decreased by Disbursements:				
Escrow and Miscellaneous Trust Deposits		658,268		
Recreation Expenditures		61,508		
State Registration Fees	260			
Expenditures Under R.S. 4:19-15.1	854			
Reserve for Affordable Housing		18,223		
Unemployment Claims				6,643
Net Payroll Disbursements		3,713,078		
Payroll Deductions Expenditures		3,849,386		
Payments to Current Fund	160	3,480	-	-
	<u>1,274</u>	<u>8,303,943</u>	<u>-</u>	<u>6,643</u>
Balance, December 31, 2022	<u>\$ 12,730</u>	<u>\$ 1,156,227</u>	<u>\$ 138</u>	<u>\$ 40,104</u>

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

Balance, December 31, 2021		\$ 197,706
Increased by:		
Transfer from Current Fund - 2021 Appropriation Reserves	\$ 200,000	
Cash Disbursements	<u>3,480</u>	
		<u>203,480</u>
		401,186
Decreased by:		
Trust Expenditures Paid by Current Fund	\$ 8,552	
Interest Earned	<u>3,973</u>	
		<u>12,525</u>
Balance, December 31, 2022		<u>\$ 388,661</u>

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

	Balance, December 31, <u>2021</u>	<u>Increases</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2022</u>
Tax Sale Premiums	\$ 439,199	\$ 503,300	\$ 420,000	\$ 522,499
Escrow Deposits	175,426	73,900	62,638	186,688
General Trust	58,887	172,014	175,105	55,796
Police Private Detail	1,218	250		1,468
Fire Prevention/Department Penalties	3,300		525	2,775
Snow Removal (Storm Recovery)	<u>2,580</u>	<u>100,000</u>	<u>-</u>	<u>102,580</u>
	<u>\$ 680,610</u>	<u>\$ 849,464</u>	<u>\$ 658,268</u>	<u>\$ 871,806</u>
		Cash Receipts \$ 749,464		
		Due from Current Fund <u>100,000</u>		
		<u>\$ 849,464</u>		

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

Balance, December 31, 2021		\$ 4,829
Increased by:		
Animal Control Fees Collected		<u>3,477</u>
		8,306
Decreased by:		
Expenditures Under R.S. 4:19-15.1	\$ 854	
Statutory Excess	<u>3,310</u>	
		<u>4,164</u>
Balance, December 31, 2022		<u>\$ 4,142</u>

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

Balance, December 31, 2021	\$	2
Increased by:		
State Fees Collected		260
		262
Decreased by:		
Payments to State		260
Balance, December 31, 2022	\$	2

EXHIBIT B-6

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

Balance, December 31, 2021	\$	5,276
Increased by:		
Statutory Excess	\$	3,310
Interest Earned		160
		3,470
		8,746
Decreased by:		
Payments to Current Fund		160
Balance, December 31, 2022	\$	8,586

EXHIBIT B-7

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

Balance, December 31, 2021	\$	9,678
Increased by:		
Cash Receipts		1,122
Balance, December 31, 2022	\$	10,800

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

Balance, December 31, 2021		\$ 263,263
Increased by:		
Cash Receipts		<u>26,581</u>
		289,844
Decreased by:		
Cash Disbursements		<u>18,223</u>
Balance, December 31, 2022		<u>\$ 271,621</u>

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

Balance, December 31, 2021		<u>\$ 70</u>
Balance, December 31, 2022		<u>\$ 70</u>

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

Balance, December 31, 2021		<u>\$ 100</u>
Balance, December 31, 2022		<u>\$ 100</u>

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

Balance, December 31, 2021		\$ 80,111
Increased by:		
Payroll Deduction Deposits	\$ 3,849,464	
Net Payroll Deposits	<u>3,648,340</u>	
		<u>7,497,804</u>
		7,577,915
Decreased by:		
Payroll Deduction Expenditures	3,849,386	
Net Payroll Disbursements	<u>3,713,078</u>	
		<u>7,562,464</u>
Balance, December 31, 2022		<u>\$ 15,451</u>

EXHIBIT B-12

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

Balance, December 31, 2021	<u>\$ 200</u>
Balance, December 31, 2022	<u>\$ 200</u>

EXHIBIT B-13

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

Balance, December 31, 2021	\$ 82,253
Increased by:	
Cash Receipts	<u>65,120</u>
	147,373
Decreased by:	
Cash Disbursements	<u>61,508</u>
Balance, December 31, 2022	<u>\$ 85,865</u>

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

Balance, December 31, 2021		\$ 197,727
Increased by:		
Due from Current Fund - 2021 Appropriation Reserves		100,000
		297,727
Decreased by:		
Expenditures Paid by Current Fund		8,552
Balance, December 31, 2022		\$ 289,175

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

Balance, December 31, 2021		\$ 37,738
Increased by:		
Employee Payroll Deductions	\$ 8,471	
Interest Earned	538	
		9,009
		46,747
Decreased by:		
Unemployment Insurance Claims	6,643	
Due to State of Njewe Jersey	1,320	
		7,963
Balance, December 31, 2022		\$ 38,784

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

Increased by:		
Unemployment Claims	\$	7,963
Decreased by:		
Payments		<u>6,643</u>
Balance, December 31, 2022	\$	<u>1,320</u>

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

Increased by:		
Interest Earned	\$	38
Balance, December 31, 2022	\$	<u>38</u>

GENERAL CAPITAL FUND

BOROUGH OF LITTLE FERRY
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2021		\$ 1,289,004
Increased by Receipts:		
Interest on Investments and Deposits	\$ 25,935	
Capital Improvement Fund - Budget Appropriation	500,000	
Serial Bonds	5,525,000	
Bond Anticipation Notes	959,000	
Premium on Serial Bonds and Bond Anticipation Notes	271,118	
Grant Receipts	287,450	
Grant Receipts - Deferred Charges Unfunded	69,668	
Grant Receipts - Capital Improvement Fund	87,478	
Grant Receipts - Fund Balance	9,890	
Receipts from Current Fund	245,000	
Receipts for Reserve for Payment of Debt	<u>103,421</u>	
		<u>8,083,960</u>
		9,372,964
Decreased by Disbursements:		
Improvement Authorizations	1,332,375	
Encumbrances/Contracts Payable	408,749	
Payments to Current Fund	20,538	
Payments for Current Fund	245,000	
Reserve for Payment of Debt - Anticipated as Current Fund Revenue	20,000	
Bond Anticipation Notes	<u>5,785,000</u>	
		<u>7,811,662</u>
Balance, December 31, 2022		<u><u>\$ 1,561,302</u></u>

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

		Balance, December 31, <u>2022</u>
Fund Balance		\$ 217,828
Due to Current Fund		47,159
Due from Community Development Fund		(200)
Reserve for Payment of Debt		156,796
Reserve for Field Improvements		15,310
Encumbrance/Contracts Payable		1,177,589
Capital Improvement Fund		783,070
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
1273	Rental Rehabilitation Program	17,134
1360	Acquisition of Various Equipment	2,623
1361/1469	Various Capital Improvements	409
1374	Various Road Improvements	1,397
1393	Acquisition and Installation of Generators	11,982
1395	Acquisition of Various OEM Equipment	1,925
1426/1442	Various Capital Improvements	2,407
1429	Acquisition of Various Capital Items	11,823
1435	Installation of Generator at Borough Hall	1,477
1436	Improvements to Lakeview Field	47,875
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	35,060
1468/1475/1476	Main Street Tree Pit Improvements	294
1471/1482/1483	Street Sign Beautification	6,365
1472/1479/1490/1497	Various Road Improvements	(114,000)
1474	Acquisition of Various Equipment	10,800
1488/1492	Sanitary Sewer- Public Improvements	25,418
1498/1504	Acquisition of Equipment, DPW Tank Clean Up & Park Imprv'ts	50,643
1501	Various Road Improvements	2,326
1505	Various Park Improvements	9,699
1511/1519	Storm water Improvements	133,060
1516/1543	Acq of Various Equipment and Storm Water Mgmt Imprvts	112,603
1530	Acq of Radio Communication System and Equipment	15,365
1535	Various Capital Improvements	(160,044)
1536	Acq of Various Vehicles, Equipment and Purchase of Sokol Building	49,630
1539	Acquisition of Various IT Equipment	4,732
1547	Acquisition of Various Vehicles, Equipment and Improvements	18,455
1548	Various Road Improvements	235,830
1565	Various Capital Improvements	(1,385,752)
1568	Acquisition of Equipment	1,732
		<u>\$ 1,561,302</u>

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

Balance, December 31, 2021 (Due From)		\$	1,638
Increased by:			
Current Fund Budget Appropriation:			
Bond Anticipation Notes Principal Paid by General Capital Fund		\$	245,000
Payments to Current Fund			<u>20,538</u>
			<u>265,538</u>
			267,176
Decreased by:			
Cash Receipts from Current Fund			245,000
Interest on Investments			25,935
Anticipated Revenue in Current Fund - General Capital Surplus			<u>43,400</u>
			<u>314,335</u>
Balance, December 31, 2022 (Due To)		\$	<u>47,159</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021		\$	5,350,023
Increased by:			
Serial Bonds Issued			<u>5,525,000</u>
			10,875,023
Decreased by:			
Budget Appropriation to Pay Bond Principal		\$	810,000
Budget Appropriation to Pay Loan Principal			<u>8,599</u>
			<u>818,599</u>
Balance, December 31, 2022		\$	<u>10,056,424</u>

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

Ord. No.	Improvement Description	Balance,	2022		Serial	Budgeted	Balance,	Analysis of Balance, December 31, 2022		
		December 31, 2021	Authorizations	Grant Receipts	Bonds Issued	Pay down	December 31, 2022	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					
1426/1442	Various Capital Improvements	806,940			769,053	\$ 37,887				
1433	Acquisition of Vehicle & Equipment	125,577			111,241	14,336				
1435	Installation of Generator at Borough Hall	191,595			186,408	5,187				
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	27,930			26,895	1,035				
1458/1464/1473/1529	Various Capital Improvements	802,189			747,439	54,750				
1461	Acquisition of Various Vehicles	93,930			76,289	17,641				
1472/1480/1490/1497/1528	Various Road Improvements	1,130,857			955,010	61,847	114,000		114,000	
1488/1492	Sanitary Sewer Public Improvements	135,090			94,511	4,461	36,118			36,118
1495	Various Road Improvements	369,475			340,143	29,332				
1501	Various Road Improvements	166,890			155,297	11,593				
1505	Various Park Improvements	302,100		\$ 48,500	194,064	6,931	52,605			52,605
1511/1519	Storm water Improvements	1,017,607			967,374		50,233			50,233
1535	Various Capital Improvements	1,318,227		69,668	950,401		298,158		160,044	138,114
1548	Various Capital Improvements	1,261,500		238,950			1,022,550	\$ 959,000		63,550
1565	Various Capital Improvements	-	\$ 2,328,787	-	-	-	2,328,787	-	1,385,752	943,035
		<u>\$ 8,322,498</u>	<u>\$ 2,328,787</u>	<u>\$ 357,118</u>	<u>\$ 5,731,625</u>	<u>\$ 245,000</u>	<u>\$ 4,317,542</u>	<u>\$ 959,000</u>	<u>\$ 1,675,049</u>	<u>\$ 1,683,493</u>
	Serial Bonds Issued				\$ 5,525,000					
	Premium on Sale of Serial Bonds				260,000					
	Less: Excess Bond Proceeds - Ord 1501				<u>53,375</u>					
					<u>\$ 5,731,625</u>					
	Reserve for Grants Receivable			\$ 287,450						
	County Open Space - Merhoff Turf			<u>69,668</u>						
				<u>\$ 357,118</u>						<u>\$ 1,683,493</u>
									Improvement Authorizations - Unfunded	\$ 1,929,022
									Less: Unexpended Proceeds	
									Ord 1505	9,699
									Ord 1548	<u>235,830</u>

06

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

	<u>Total</u>	<u>CDBG- Rehab Sanitary Sewers Ord. 1488/1492</u>	<u>BC Open Space- Park Impvts. Ord. 1505</u>	<u>State of NJ OEM Main St. Pump Station Ord. 1535</u>	<u>DOT Garden Street Ord. 1535</u>	<u>CDBG- Imprvts to Niehaus Stormwater Ord. 1548</u>	<u>CDBG- Imprvts to Niehaus Roadway Ord. 1548</u>	<u>DOT Paroubek Street Ord. 1548</u>	<u>DOT Wilson Street Ord. 1565</u>
Balance, December 31, 2021	\$ 952,325	\$ 36,118	\$ 101,105	\$ 272,661	\$ 93,491	\$ 92,900	\$ 146,050	\$ 210,000	
Increased by:									
Grants Awarded	<u>211,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 211,000</u>
	1,163,325	36,118	101,105	272,661	93,491	92,900	146,050	210,000	211,000
Decreased by:									
Cancelled by Resolution	88,723	36,118	52,605						
Grants Received	<u>287,450</u>	<u>-</u>	<u>48,500</u>	<u>-</u>	<u>-</u>	<u>92,900</u>	<u>146,050</u>	<u>-</u>	<u>-</u>
	<u>376,173</u>	<u>36,118</u>	<u>101,105</u>	<u>-</u>	<u>-</u>	<u>92,900</u>	<u>146,050</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2022	<u>\$ 787,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,661</u>	<u>\$ 93,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ 211,000</u>
<u>Analysis of Balance</u>									
Reserve for Receivable									
Ord. 1535	\$ 366,152								
Ord. 1548	210,000								
Ord. 1565	<u>211,000</u>								
	<u>\$ 787,152</u>								

16

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

Ord. No.	Improvements	2022 Authorizations							
		Balance, December 31, 2021		Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded	Contracts Payable Restored	Paid or Charged	Balance, December 31, 2022	
		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	
1361/1469	Various Capital Improvements					\$ 409		409	
1374	Various Road Improvements					1,397		1,397	
1393	Acquisition and Installation of Generators	8,805	157,500				\$ 154,323	11,982	
1395	Acquisition of Various OEM Equipment	4,596					2,671	1,925	
1429	Acquisition of Various Capital Items	11,823						11,823	
1435	Installation of Generator at Borough Hall					1,477		1,477	
1436	Improvements to Lakeview Field	47,499	1,756			376		47,875	1,756
1441	Acquisition of a Losen Slote Grate		18,082						18,082
1426/1442	Various Capital Improvements					2,407		2,407	
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		35,054			6		35,060	
92 1471/1482/1483	Street Sign Beautification					6,365		6,365	
1474	Acquisition of Various Equipment	10,800						10,800	
1468/1475/1476	Main Street Tree Pit Improvements					294		294	
1488/1492	Sanitary Sewer Public Improvements		64,461				2,925	25,418	36,118
1498/1504	Acquisition of Equipment, DPW Tank Clean Up and Park Improvements	39,544				11,099		50,643	
1501	Various Road Improvements		8,337				6,011	2,326	
1505	Various Park Improvements		62,304						62,304
1511	Various Capital Improvements		145,481			37,812		133,060	50,233
1516/1543	Acq of Various Equipment and Storm Water Mgmt Imprvts	109,227				3,376		112,603	
1530	Acq of Radio Communication System and Equipment	2,286				13,079		15,365	
1535	Various Capital Improvements		594,827				456,713		138,114
1536	Acq of Various Vehicles, Equipment and Purchase of Sokol Building	49,249				381		49,630	
1539	Acquisition of Various IT Equipment	5,446					714	4,732	
1547	Acquisition of Various Vehicles, Equipment and Improvements	28,761					10,306	18,455	
1548	Various Road Improvements		595,964				296,584		299,380
1565	Various Capital Improvements			\$ 93,650	\$ 2,328,787		1,479,402		943,035
1568	Acquisition of Equipment	-	-	30,000	-	-	28,268	1,732	-
		<u>\$ 365,528</u>	<u>\$ 2,063,766</u>	<u>\$ 123,650</u>	<u>\$ 2,328,787</u>	<u>\$ 78,478</u>	<u>\$ 2,437,917</u>	<u>\$ 593,270</u>	<u>\$ 1,929,022</u>
							Cash Disbursements	\$ 1,332,375	
							Contracts Payable	<u>1,105,542</u>	
								<u>\$ 2,437,917</u>	

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

Balance, December 31, 2021		\$ 559,274
Increased by:		
Charges to Improvement Authorizations		<u>1,105,542</u>
		1,664,816
Decreased by:		
Restored to Improvement Authorizations	\$ 78,478	
Cash Disbursements	<u>408,749</u>	
		<u>487,227</u>
Balance, December 31, 2022		<u>\$ 1,177,589</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2021		\$ 319,242
Increased by:		
2022 Budget Appropriation	\$ 500,000	
Grant Proceeds Received for Projects Funded by Capital Improvement Fund	<u>87,478</u>	
		<u>587,478</u>
		906,720
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>123,650</u>
Balance, December 31, 2022		<u>\$ 783,070</u>

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

Balance, December 31, 2021		\$ <u>200</u>
Balance, December 31, 2022		\$ <u>200</u>

STATEMENT OF GREEN ACRES LOAN PAYABLE

Balance, December 31, 2021		\$ 110,023
Decreased by:		
Loan Principal Paid by Budget Appropriation		<u>8,599</u>
Balance, December 31, 2022		\$ <u>101,424</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2021		\$ 20,000
Increased by:		
Excess Serial Bond Proceeds - Ord 1501	\$ 53,375	
Cash Receipts	<u>103,421</u>	
		<u>156,796</u>
		176,796
Decreased by:		
Anticipated as Current Fund Revenue		<u>20,000</u>
Balance, December 31, 2022		\$ <u>156,796</u>

STATEMENT OF RESERVE FOR FIELD IMPROVEMENTS

Balance, December 31, 2021		\$ <u>15,310</u>
Balance, December 31, 2022		\$ <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</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds of 2017	4/27/2017	\$ 3,727,000	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%	\$ 2,815,000		\$ 200,000	\$ 2,615,000
2021 Refunding Bonds	11/10/2021	2,425,000	9/1/2023	595,000					
			9/1/2024	605,000					
			9/1/2025	615,000	5.00%	2,425,000		610,000	1,815,000
General Improvement Bonds of 2022	8/18/2022	5,525,000	8/1/2023	275,000	4.00%				
			8/1/2024	275,000	4.00%				
			8/1/2025	285,000	4.00%				
			8/1/2026	395,000	4.00%				
			8/1/2027	410,000	4.00%				
			8/1/2028	425,000	4.00%				
			8/1/2029	440,000	4.00%				
			8/1/2030	460,000	4.00%				
			8/1/2031	480,000	4.00%				
			8/1/2032	495,000	3.00%				
			8/1/2033	510,000	3.00%				
			8/1/2034	530,000	3.00%				
			8/1/2035	545,000	3.00%				
						-	\$ 5,525,000	-	5,525,000
						\$ 5,240,000	\$ 5,525,000	\$ 810,000	\$ 9,955,000
							\$ 5,525,000		
								\$ 810,000	

**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,		Balance, December 31,	
						2021	2022		
1393	Generators at Main St Pump Station & Willow Lake	4/22/2021	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	% \$ 157,500	\$ 157,500	\$ 157,500	
1433	Acquisition of Vehicles & Equipment	4/25/2018	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	125,577	111,241	125,577 111,241	
1435	Borough Hall Generator	4/25/2018	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	191,595	186,408	191,595 186,408	
1426/1442	Various Capital Improvements	4/25/2018	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	806,940	769,053	806,940 769,053	
1337/1444	Sanitary Sewer Improvements- Neihaus & Williams	4/27/2017	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	27,930	26,895	27,930 26,895	
1458/1464	Various Capital Projects	4/27/2017	4/20/2021	4/20/2022	2.00	802,189		802,189	
1473/1529			4/19/2022	8/19/2022	2.00		747,439	747,439	
1461	Acquisition of Various Equipment	4/27/2017	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	93,930	76,289	93,930 76,289	
1472/1480/1490/ 1497/1528	Various Road Improvements	4/25/2018	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	1,016,857	955,010	1,016,857 955,010	
1488/1492	Sanitary Sewer Improvements- Neihaus & Williams	4/23/2019	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	98,972	94,511	98,972 94,511	
1495	Various Road Improvements	4/23/2019	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	369,475	340,143	369,475 340,143	
1501	Various Road Improvements	4/23/2019	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	220,265	208,672	220,265 208,672	
1505	Various Park Improvements	4/23/2019	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	200,995	194,064	200,995 194,064	
1511/1519	Road and Stormwater Improvements	4/22/2020	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	967,374	967,374	967,374 967,374	
1535	Various Capital Improvements	4/20/2021	4/20/2021 4/19/2022	4/20/2022 8/19/2022	2.00 2.00	950,401	950,401	950,401 950,401	
1548	Various Road Improvements	4/19/2022	4/19/2022	4/19/2023	1.85		959,000	\$ 959,000	
						-	-	-	
						\$ 6,030,000	\$ 6,744,000	\$ 11,815,000	\$ 959,000
							\$ 5,785,000	\$ 5,785,000	
							959,000		
								5,785,000	
								245,000	
							\$ 6,744,000	\$ 11,815,000	

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Grants <u>Received</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2022</u>
1273	Rental Rehabilitation Program	\$ 380,000				\$ 380,000
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	36,118				36,118
1505	Various Park Improvements	101,105		\$ 48,500		52,605
1511/1519	Stormwater Improvements on Sabina Street	50,233				50,233
1535	Various Capital Improvements	367,826		69,668		298,158
1548	Various Capital Improvements	1,261,500		238,950	\$ 959,000	63,550
1565	Various Capital Improvements	-	\$ 2,328,787	-	-	2,328,787
		<u>\$ 2,345,873</u>	<u>\$ 2,328,787</u>	<u>\$ 357,118</u>	<u>\$ 959,000</u>	<u>\$ 3,358,542</u>

BOROUGH OF LITTLE FERRY

COUNTY OF BERGEN



PART II

**GOVERNMENT AUDITING STANDARDS
AND SINGLE AUDIT**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable 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, 2022, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2023. 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.

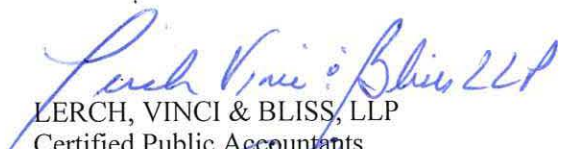
Report on Compliance and Other Matters

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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

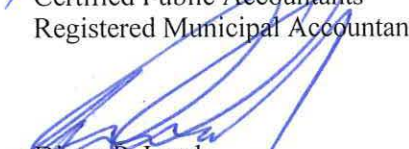
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Little Ferry in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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
June 27, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Little Ferry's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Borough of Little Ferry's major federal programs for the year ended December 31, 2022. The Borough of Little Ferry's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Little Ferry complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and U.S. Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and U.S. Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

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


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


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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance

We have audited the financial statements - regulatory basis of the Borough of Little Ferry as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated June 27, 2023, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


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


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
June 27, 2023

**BOROUGH OF LITTLE FERRY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Federal Funding Department</u>	<u>Grant Year</u>	<u>Federal AL Number</u>	<u>2022 Grant Receipts</u>	<u>Grant/Loan Award Amount</u>	<u>Balance, January 1, 2022</u>	<u>Realized</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance, December 31, 2022</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 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
ARP - Assistance to Firefighters Grant	2022	97.044		41,000		\$ 41,000			41,000	-
COVID-19 Coronavirus Aid Relief & Economic Security Act	2020	21.019		35,000	23,840			23,840		11,160
Tropical Storm Ida	2022	97.036	\$ 95,759	95,759		95,759	\$ 95,759			95,759
Tropical Storm Isaias	2022	97.036	120,339	120,339		120,339	120,339			120,339
EMAA - Emergency Management Grant	2021	97.042		10,000	10,000				10,000	
U.S. Department of Treasury										
COVID-19 American Rescue Plan Act - State and Local Fiscal Recovery Funding - Non-Entitlement Units (Passed through State DLGS)	2022	21.027	562,018	1,124,036	-	715,752	536,467	-	179,285	587,569
					<u>\$ 34,104</u>	<u>\$ 972,850</u>	<u>\$ 752,565</u>	<u>\$ 23,900</u>	<u>\$ 230,489</u>	

Note: This schedule is 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, 2022

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2022 Grant Receipts</u>	<u>Balance, January 1, 2022</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2022</u>	<u>Memo Cumulative Total Expenditures</u>
Alcohol Education and Rehabilitation Pgm.	098-9735-760-001	2022	\$ 158	\$ 158		\$ 158		\$ 158	\$ -
		2021	1,590		1,590		1,590	-	
		2015	236		236		236	-	
		2013	950		211		211	739	
Clean Communities Grant	042-4900-765-004	2022	18,292	18,292		18,292		18,292	-
		2021	18,174		18,174		18,174	-	
		2020	17,068		17,068	\$ 15,514	1,554	15,514	
		2019	18,928		4,635	4,635	-	18,928	
Drunk Driving Enforcement Fund	N/A	2010	1,847		803		803	-	1,847
		2013	6,250		5,136		1,739	3,397	2,853
Body Armor Replacement Program	066-1020-718-001	2018	3,098		247			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	-
		2022	1,408		1,408	1,408		1,408	-
		2023	1,950		1,950				-
Opiod Settlement Grant	N/A	2022	8,567	8,567					
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) Improvements to Paroubek Street (Ord. 1548) Improvements to Wilson Street (Ord. 1565)	N/A	2020	215,000		93,491			93,491	121,509
		2021	210,000		210,000			210,000	-
		2022	211,000			211,000		211,000	-
							211,000		-
Recycling Grant	042-4910-100-224	2022	12,046	12,046		12,046		12,046	-
		2021	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	2022	9,014			9,014		9,014	
		2021	7,159		7,159			7,159	-
		2020	9,876		7,206	-	2,230	4,976	2,230
				<u>\$ 709,516</u>	<u>\$ 251,918</u>	<u>\$ 24,921</u>	<u>\$ 936,513</u>		

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, 2022**

NOTE 1 REPORTING ENTITY

The Borough of Little Ferry (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 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	\$ 972,850	\$ 40,918	\$ 1,013,768
General Capital Fund	<u>-</u>	<u>211,000</u>	<u>211,000</u>
Total Financial Awards	<u>\$ 972,850</u>	<u>\$ 251,918</u>	<u>\$ 1,224,768</u>

**BOROUGH OF LITTLE FERRY
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 STATE LOANS OUTSTANDING

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough's state loans outstanding at December 31, 2022, which are not required to be reported on the schedules 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>101,424</u>
		\$ <u>101,424</u>

NOTE 7 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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on financial statements	Modified - Presentation of Unaudited LOSAP Trust Fund
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

Dollar threshold used to determine Type A programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no
Type of auditors' report on compliance for major programs:	Unmodified
Internal Control over compliance:	
1) Material weaknesses identified?	_____ yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ yes <u> X </u> no

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	American Rescue Plan Act

State Awards Section

NOT APPLICABLE

**BOROUGH OF LITTLE FERRY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF LITTLE FERRY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

**BOROUGH OF LITTLE FERRY
SUPPORTING DATA**

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

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 2,500,000	5.58 %	\$ 2,145,000	4.81 %
Miscellaneous - From Other Than Local				
Property Tax Levies	3,971,920	8.87	2,486,285	5.57
Collection of Current and Delinquent Taxes	37,087,698	82.79	36,510,434	81.80
Other Credits to Income	<u>1,237,326</u>	<u>2.76</u>	<u>3,492,512</u>	<u>7.82</u>
Total Revenues	<u>44,796,944</u>	<u>100.00</u> %	<u>44,634,231</u>	<u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	17,585,063	41.94 %	16,278,351	40.68 %
County Taxes	3,150,982	7.51	3,037,899	7.59
Local School Taxes	21,112,980	50.35	20,698,625	51.72
Other Expenditures	<u>82,129</u>	<u>0.20</u>	<u>2,142</u>	<u>0.01</u>
Total Expenditures	<u>41,931,154</u>	<u>100.00</u> %	<u>40,017,017</u>	<u>100.00</u> %
Excess in Revenue	2,865,790		4,617,214	
Fund Balance, January 1	<u>7,548,740</u>		<u>5,076,526</u>	
	10,414,530		9,693,740	
Less Utilization as Anticipated Revenue	<u>2,500,000</u>		<u>2,145,000</u>	
Fund Balance, December 31	<u>\$ 7,914,530</u>		<u>\$ 7,548,740</u>	

**BOROUGH OF LITTLE FERRY
SUPPORTING DATA**

Comparative Schedule Of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$2.943</u>	<u>\$3.234</u>	<u>\$3.244</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.964	1.071	1.116
County (Includes Open Space)	.252	.270	.258
Local School	1.691	1.856	1.835
Library	.036	.037	.035

Assessed Valuation

2022	<u>\$1,249,190,200</u>
2021	<u>\$1,115,128,900</u>
2020	<u>\$1,090,294,300</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>
2022	\$ 36,819,111	\$ 36,363,264	98.76%
2021	36,550,162	35,799,157	97.94%
2020	35,508,663	34,679,413	97.66%

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>
2022	\$ 443,419	\$ 57,934	\$ 501,353	1.36%
2021	736,383	37,614	773,997	2.12%
2020	711,370	37,513	748,883	2.11%

**BOROUGH OF LITTLE FERRY
SUPPORTING DATA**

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2022 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>
2022	\$1,062,600
2021	1,062,600
2020	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>
	2022	\$7,914,530	\$2,700,000
	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

**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		
Lisette Duffy	Borough Administrator/Treasurer		
Guisepppe 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

Finding – Our audit of the Municipal Court revealed the following:

- Several months where fines and costs were not remitted to respective agencies by the 15th of the month following collection.
- Monthly fines and bail account bank reconciliations revealed certain miscellaneous invalid adjustments were made to reconcile respective accounts.

Recommendation – With respect to the Municipal Court:

- Fines and costs received by the Municipal Court be remitted to the respective agencies by the 15th day of the month following collection.
- Monthly fines and bail account bank reconciliations be accurately completed and in a timely manner.

Finding – Our audit of payroll indicated the employee health benefit contributions were incorrectly calculated since the health benefit premiums were not updated for 2022.

Recommendation – Employee health benefit contributions be calculated in accordance with New Jersey Chapter 78, P.L. 2011.

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 not approved a QPA for calendar year 2022, therefore the bid threshold is \$17,500.

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:

Main Street Stormwater Pump Station Emergency Generator	Roof Project at Little Ferry Boys Club
New Public Restrooms at Mehrhof Park	2022 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 7, 2022 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, 2022.

There were no Borough owned tax title liens receivable as of December 31, 2022.

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>
2022	1
2021	2
2020	1

**BOROUGH OF LITTLE FERRY
SUPPORTING DATA**

RECOMMENDATIONS

It is recommended that:

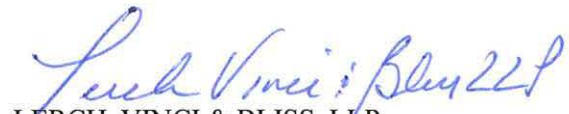
1. With respect to the Municipal Court
 - Fines and costs received by the Municipal Court be remitted to the respective agencies by the 15th day of the month following collection.
 - Monthly fines and bail account bank reconciliations be accurately completed and in a timely manner.
2. Employee health benefit contributions be calculated in accordance with New Jersey Chapter 78, P.L. 2011.


Status of Prior Year's Audit Findings/Recommendations

There were no 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