

TOWNSHIP OF LITTLE FALLS

**Financial Statements With
Supplementary Information**

**December 31, 2021
(With Independent Auditors' Report Thereon)**

TOWNSHIP OF LITTLE FALLS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Township Council
Township of Little Falls
Little Falls, New Jersey

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Little Falls, as of December 31, 2021 and 2020, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. 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 Township of Little Falls, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



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As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Little Falls on the basis of the financial reporting provisions 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 requirements of New Jersey.

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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 14 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,894,949 and \$1,687,605 for 2021 and 2020, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2021 and 2020, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township of Little Falls’ 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.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, 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 Township'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township'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.



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Other Matters

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Little Falls' basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

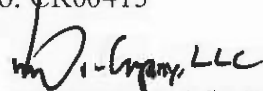
The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole. The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2022 on our consideration of the Township of Little Falls' 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 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 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 Township of Little Falls' internal control over financial reporting and compliance.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 13, 2022



TOWNSHIP OF LITTLE FALLS, N.J.
Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 7,598,832	6,826,037
Cash - Change Funds	A-5	500	500
		<u>7,599,332</u>	<u>6,826,537</u>
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	1,673	1,860
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	A-8	90,733	80,984
Taxes Receivable	A-9	786,458	768,265
Property Acquired for Taxes - Assessed Valuation	A-10	825,100	825,100
Revenue Accounts Receivable	A-11	8,348	8,225
Interfund Accounts Receivable	A-12	22,585	175,941
Interfund Receivable - Federal and State Grant Fund	A-24		366,469
		<u>1,733,224</u>	<u>2,224,984</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	1,395,870	1,425,870
Emergency Authorizations	A-14	150,000	11,750
		<u>1,545,870</u>	<u>1,437,620</u>
		<u>10,880,099</u>	<u>10,491,001</u>
Federal and State Grant Fund:			
Schedule of Interfunds	A-25	1,010,551	
Grants Receivable	A-26	136,937	806,736
		<u>1,147,488</u>	<u>806,736</u>
		<u>\$ 12,027,587</u>	<u>11,297,737</u>

TOWNSHIP OF LITTLE FALLS, N.J.
Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2021 and 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	\$ 1,228,523	943,934
Encumbrances Payable	A-3/A-16	124,206	298,220
Interfund Accounts Payable	A-12	258,777	107,040
Reserve for Other Expenditures	A-17	1,188,479	1,174,391
Tax Overpayments	A-18		6,612
Local District School Taxes Payable	A-19	2	1,257,939
Regional School Taxes Payable	A-20	1,334,034	1,183,685
County Taxes Payable	A-21	41,015	109,605
Prepaid Taxes	A-22	297,651	339,538
State Fees Payable	A-23	18,027	15,271
Interfund Payable - Federal and State Grant Fund	A-24	1,010,551	
		5,501,265	5,436,235
Reserve for Receivables	Contra	1,733,224	2,224,984
Fund Balance	A-1	3,645,610	2,829,782
		10,880,099	10,491,001
Federal and State Grant Fund:			
Schedule of Interfunds	A-25		366,469
Appropriated Reserve for Grants	A-27	286,502	365,956
Reserve for Grant Encumbrances	A-27	42,584	42,584
Unappropriated Reserve for Grants	A-28	818,402	31,727
		1,147,488	806,736
		\$ 12,027,587	11,297,737

See accompanying notes to financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Statement of Operations and Changes in
Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenues and Other Income:		
Fund Balance Utilized	1,405,400	1,950,000
Miscellaneous Revenue Anticipated	4,407,508	5,019,187
Receipts from Delinquent Taxes	480,823	366,879
Receipts from Current Taxes	49,022,208	46,965,036
Non-Budget Revenue	385,575	872,080
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	796,257	409,197
Interfunds Returned	68,590	1,937
COVID-19 Special Emergency		1,335,870
	<hr/>	<hr/>
Total Revenues and Other Income	56,566,361	56,920,186
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	7,861,334	7,623,423
Other Expenses	7,814,006	8,427,639
Capital Improvements	325,000	261,750
Municipal Debt Service	1,747,586	2,094,705
Deferred Charges and Statutory Expenditures-		
Municipal	1,777,826	1,694,128
Local District School Tax	15,600,865	15,332,069
Regional High School Taxes	7,795,207	7,550,636
County Taxes Including Added Taxes	11,287,974	11,238,198
County Open Space Taxes	162,349	167,010
Municipal Open Spaces Taxes Payable	76,997	76,152
Interfunds Advanced	29,150	400,788
Refund of Prior Year Revenue	16,839	103,615
	<hr/>	<hr/>
Total Expenditures	54,495,133	54,970,113
Excess (Deficit) Revenue Over Expenditures	<hr/>	<hr/>
	2,071,228	1,950,073

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Statement of Operations and Changes in
Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Authorizations	<u>150,000</u>	<u>11,750</u>
	<u>150,000</u>	<u>11,750</u>
Statutory Excess to Surplus	2,221,228	1,961,823
Fund Balance, January 1,	<u>2,829,782</u>	<u>2,817,959</u>
	5,051,010	4,779,782
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>1,405,400</u>	<u>1,950,000</u>
Fund Balance, December 31,	<u>\$ 3,645,610</u>	<u>2,829,782</u>

See accompanying notes to the financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.
Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 1,405,400	1,405,400	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	31,000	31,790	790
Other	30,000	30,693	693
Fees and Permits			
Other	76,000	76,176	176
Fines and Costs:			
Municipal Court	151,000	95,118	(55,882)
Interest and Costs on Taxes	100,000	98,008	(1,992)
Interest on Investments and Deposits	40,000	11,788	(28,212)
Recreation Program Fees	45,000	184,227	139,227
Energy Receipts Tax	1,282,063	1,282,063	
Watershed Aid	1,457	1,457	
Reserve for Garden State Trust Fund	4,509	6,944	2,435
Uniform Construction Code Fees	375,000	573,334	198,334
Elmwood Park EMS Fees	92,000	76,100	(15,900)
EMS Fees - Little Falls	375,000	560,125	185,125
EMS Fees - Elmwood Park	271,560	69,115	(202,445)
Special Items of General Revenue			
Anticipated With Prior Written Consent of Director of the Division of Local Government Services State and Federal Revenues Offset with Appropriations			
Clean Communities	20,490	20,490	
Alcohol Education and Rehabilitation Fund	5,084	5,084	
Municipal Alliance on Alcoholism and Drug Abuse	6,207	6,207	
Body Worn Cameras	61,140	61,140	
Click It or Ticket	3,135	3,135	
Bullet Proof Vest Partnership	3,018	3,018	
Other Special Items:			
Uniform Fire Safety Act	22,000	21,356	(644)
Sewer Service Fees	100,000	112,030	12,030
Cable TV Franchise Fee	175,000	166,481	(8,519)
Reserve for Debt Service	152,147	152,147	
General Capital Fund Balance	37,250	37,250	
Montclair University Sewer Fees	232,640	178,542	(54,098)
Due from Federal and State Grant Fund	304,873	304,873	
Due from Animal Trust	1,131	1,131	
Due from Tax Title Lien Premium Trust	801	801	
Due from General Capital Fund	173,779	173,779	
IRS Contribution - Debt Service	30,640	58,306	27,666
Montclair University Fire Alarm Fees	7,360	4,800	(2,560)
Total Miscellaneous Revenues	4,211,284	4,407,508	196,224
Receipts from Delinquent Taxes	415,000	480,823	65,823
Subtotal General Revenues	6,031,684	6,293,731	262,047

TOWNSHIP OF LITTLE FALLS, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2021

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	13,728,310	14,346,027	617,717
Library Purposes	<u>566,172</u>	<u>566,172</u>	
	<u>14,294,482</u>	<u>14,912,199</u>	<u>617,717</u>
Budget Totals	20,326,166	21,205,930	879,764
Non-Budget Revenue		<u>385,575</u>	<u>385,575</u>
	<u>\$ 20,326,166</u>	<u>21,591,505</u>	<u>1,265,339</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 49,022,208
Allocated to County and Local and Regional School Taxes	<u>35,060,009</u>
Balance for Support of Municipal Budget Appropriations	13,962,199
Add : Appropriation - Reserve for Uncollected Taxes	<u>950,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 14,912,199</u>
Receipts from Delinquent Taxes:	
Taxes Receivable	<u>480,823</u>
Delinquent Taxes	<u>\$ 480,823</u>
Non-Budget Revenue:	
Insurance Reimbursements	\$ 9,677
Billboard Leases	57,813
PVSC Reimbursements	1,915
Library Reimbursements	309,580
Offsets not applied	<u>6,590</u>
	<u>\$ 385,575</u>

See accompanying notes to the financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 64,371	84,371	77,083	7,288	
Other Expenses	58,800	58,800	49,944	8,856	
Mayor and Council:					
Salaries and Wages	17,500	17,500	16,700	800	
Other Expenses	2,000	2,000	851	1,149	
Municipal Clerk:					
Salaries and Wages	248,806	248,806	238,349	10,457	
Other Expenses	85,000	85,000	70,068	14,932	
Financial Administration:					
Salaries and Wages	151,069	136,069	124,864	11,205	
Other Expenses	65,000	65,000	57,081	7,919	
Audit Services	50,000	50,000	38,875	11,125	
Assessment of Taxes:					
Salaries and Wages	58,218	63,218	58,819	4,399	
Other Expenses	30,900	30,900	30,525	375	
Collection of Taxes:					
Salaries and Wages	102,034	102,034	97,038	4,996	
Other Expenses	39,500	34,500	16,418	18,082	
Legal Services and Cost:					
Other Expenses	175,000	175,000	120,745	54,255	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Engineering Services and Costs:					
Other Expenses	100,000	120,000	111,340	8,660	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	5,077	6,077	5,090	987	
Other Expenses	13,500	13,500	13,336	164	
Insurance:					
Liability	32,850	32,850	26,228	6,622	
Liability - NJIF	262,400	262,400	262,400		
Workers Compensation	241,500	241,500	241,500		
Employee Group Insurance	1,415,000	1,340,000	1,324,613	15,387	
Employee Group Insurance-Delta Dental	80,000	80,000	78,826	1,174	
Unemployment Insurance	15,000	15,000	15,000		
Public Safety:					
Police:					
Salaries and Wages - Regular	3,789,784	3,789,784	3,579,776	210,008	
Salaries and Wages - Dispatchers/911	449,304	464,304	443,964	20,340	
Salaries and Wages - Police Civilian	195,101	170,101	162,370	7,731	
Other Expenses	221,650	221,650	182,622	39,028	
Acquisition of Police Vehicles	106,000	106,000	62,164	43,836	
Fire Department					
Other Expenses - Miscellaneous	166,865	155,565	121,027	34,538	
Other Expenses - Flood					
Fire Prevention					
Salaries and Wages	122,410	102,410	95,995	6,415	
Other Expenses	5,000	5,300	5,177	123	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
EMS/Ambulance	50,000	30,000	22,005	7,995	
Other Expenses					
Fire Hydrant Service	182,000	167,000	161,199	5,801	
Other Expenses					
Emergency Management:					
Salaries and Wages	15,000	15,000	14,500	500	
Other Expenses	20,000	20,000	10,675	9,325	
Municipal Prosecutor:					
Salaries and Wages	20,537	20,537	19,538	999	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	1,081,046	1,151,046	1,101,806	49,240	
Other Expenses	213,300	203,300	172,584	30,716	
Shade Tree					
Salaries and Wages	1,200	1,200		1,200	
Other Expenses	28,870	13,870	3,870	10,000	
Solid Waste Collection					
Salaries and Wages	70,000	70,000	41,368	28,632	
Other Expenses	555,000	555,000	526,802	28,198	
Sanitation:					
Landfill & Solid Waste Disposal Costs:					
Other Expenses					
Public Building and Grounds					
Salaries and Wages	120,000	120,000	107,259	12,741	
Other Expenses					
Vehicle Maintenance:					
Salaries and Wages	90,000	90,000	86,108	3,892	
Other Expenses	93,500	113,500	111,958	1,542	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Community Services Act:					
Other Expenses	15,000	15,000	1,117	13,883	
Health and Welfare:					
Public Health Services:					
Other Expenses	12,525	12,525	6,753	5,772	
Flood Board					
Other Expenses	500	500		500	
Administration of Public Assistance					
Salaries and Wages	14,482	14,482	13,832	650	
Other Expenses	550	550		550	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	213,084	203,084	193,931	9,153	
Other Expenses	156,350	146,350	135,142	11,208	
Senior Citizen Transportation					
Other Expenses	2,900	2,900		2,900	
Senior Citizen Activities					
Salaries and Wages	25,744	25,744	7,963	17,781	
Other Expenses	6,000	6,000	2,431	3,569	
PEOSHA Mandated Costs					
Other Expenses	10,000	10,000		10,000	
Municipal Court					
Salaries and Wages	168,467	168,467	116,592	51,875	
Other Expenses	33,000	33,000	5,503	27,497	
Public Defender:					
Other Expenses	7,500	7,500	3,300	4,200	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	211,627	241,627	231,006	10,621	
Other Expenses	37,800	40,800	38,326	2,474	
Sub-Code Official:					
Plumbing Inspector	23,484	25,484	24,334	1,150	
Salaries and Wages					
Electrical Inspector					
Salaries and Wages	27,528	27,528	26,028	1,500	
Other Expenses					
Utility Expenses and Bulk Purchases					
Street Lighting	80,000	85,000	81,534	3,466	
Telephone	138,000	173,000	171,481	1,519	
Gas (Natural or Propane)	250,000	260,000	258,321	1,679	
Water	35,000	30,000	24,930	5,070	
Fuel Oil	30,000	28,500	28,439	61	
Gasoline	75,000	75,000	68,497	6,503	
Landfill/Solid Waste Disposal Costs	400,000	401,500	400,147	1,353	
Celebration of Events					
Other Expenses	7,500	7,500		7,500	
Municipal Alliance					
Salaries and Wages	7,500	7,500		7,500	
Emergency Appropriation-Hurricane Ida					
Other Expenses		150,000	139,859	10,141	
Total Operations within "CAPS"	12,899,633	13,049,633	12,087,926	961,707	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
B. Contingent					
Total Operations Including Contingent-within "CAPS"	12,899,633	13,049,633	12,087,926	961,707	
Detail:					
Salaries & Wages	7,173,373	7,246,373	6,777,054	469,319	
Other Expenses (Including Contingent)	5,726,260	5,803,260	5,310,872	492,388	
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	337,629	337,629	337,629		
Social Security System (O.A.S.I.)	325,000	325,000	308,254	16,746	
Police and Firemen's Retirement System of NJ	1,048,447	1,048,447	1,048,447		
Pension of Widow Volunteer Firemen	5,000	5,000	5,000		
Defined Contribution Pension Plan	20,000	20,000	11,000	9,000	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,736,076	1,736,076	1,710,330	25,746	
Total General Appropriations for Municipal Purposes within "CAPS"	14,635,709	14,785,709	13,798,256	987,453	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations - Excluded from "CAPS":					
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission	995,000	995,000	994,687	313	
Operating and Maintenance Costs	5,000	5,000	5,000		
Second River Joint	2,500	2,500	2,500		
Third River Joint	25,000	25,000		25,000	
Township of Montclair	7,500	7,500	7,500		
City of Clifton	115,000	115,000	114,497	503	
City of Clifton-Health Officer	566,172	566,172	566,172		
Maintenance of Free Public Library	105,000	105,000		105,000	
LOSAP Program	15,500	15,500	14,167	1,333	
Recycling Tax					
Total Other Operations - Excluded from "CAPS"	1,836,672	1,836,672	1,704,523	132,149	
Interlocal Municipal Service Agreements					
Borough of Elmwood Park - EMS Services	271,560	271,560	250,000	21,560	
Salaries and Wages	75,000	75,000	64,022	10,978	
Other Expenses					
Emergency Medical Services	343,401	343,401	319,701	23,700	
Salaries and Wages					
Total Interlocal Municipal Service Agreements	689,961.00	689,961.00	633,723.00	56,238	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public and Private Programs Offset by Revenues					
Municipal Alliance	6,207	6,207	6,207		
NJ Alcohol Education Rehabilitation	5,084	5,084	5,084		
Clean Communities	20,490	20,490	20,490		
Body Worn Cameras	61,140	61,140	61,140		
Bullet Proof Vest Partnership	3,018	3,018	3,018		
Click-It-or-Ticket	3,135	3,135	3,135		
Total Public and Private Programs Offset by Revenues	<u>99,074</u>	<u>99,074</u>	<u>99,074</u>		
Total Operations-Excluded from "CAPS"	<u>2,625,707</u>	<u>2,625,707</u>	<u>2,437,320</u>	<u>188,387</u>	
Detail:					
Salaries and Wages	614,961	614,961	569,701	45,260	
Other Expenses	2,010,746	2,010,746	1,867,619	143,127	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	250,000	250,000	250,000		
Down Payments on Improvements					
Acquisition of Computers	75,000	75,000	22,317	52,683	
Total Capital Improvements Excluded from "CAPS"	<u>325,000</u>	<u>325,000</u>	<u>272,317</u>	<u>52,683</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	951,000	951,000	951,000		
Payment of BANs and Capital Notes	265,000	265,000	265,000		414
Interest on Bonds	446,000	446,000	445,586		
Interest on Notes	86,000	86,000	86,000		
Total Municipal Debt Service-Excluded from "CAPS"	1,748,000	1,748,000	1,747,586		414
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
Emergency Authorization	11,750	11,750	11,750		
Special Emergency - 5 Year (N.J.S. 40A:4-55)	30,000	30,000	30,000		
Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"	41,750	41,750	41,750		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,740,457	4,740,457	4,498,973	241,070	414
Subtotal General Appropriations	19,376,166	19,526,166	18,297,229	1,228,523	414

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Reserve for Uncollected Taxes	950,000	950,000	950,000		
Total General Appropriations	<u>\$ 20,326,166</u>	<u>20,476,166</u>	<u>19,247,229</u>	<u>1,228,523</u>	<u>414</u>
Appropriation by 40A:4-87 \$		61,140			
Emergency Authorization		150,000			
Adopted Budget		<u>20,265,026</u>			
		<u>\$ 20,476,166</u>			
Reserve for Uncollected Taxes \$			950,000		
Federal and State Grants			99,074		
Deferred Charges			41,750		
Interfunds-Unemployment Trust Fund			15,000		
Encumbrances			124,206		
Cash			<u>18,017,199</u>		
				<u>\$ 19,247,229</u>	

See accompanying notes to the financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Trust Fund			
Cash	B-1	\$ <u>6,940</u>	<u>6,333</u>
Other Trust Fund			
Cash	B-1	1,037,045	732,892
Due From Current Fund	B-2		15,888
Deferred Charge-Deficit in Municipal Alliance Reserve		<u>68</u>	
		<u>1,037,113</u>	<u>748,780</u>
Unemployment Compensation Insurance Trust Fund			
Cash	B-1	61,025	46,169
Due from Current Fund	B-2	<u>14,733</u>	<u>15,000</u>
		<u>75,758</u>	<u>61,169</u>
Affordable Housing Trust Fund			
Cash	B-1	<u>942,177</u>	<u>823,745</u>
Open Space Trust Fund			
Cash	B-1	61,040	284,404
Due from Current Fund	B-2	<u>76,998</u>	<u>76,152</u>
		<u>138,038</u>	<u>360,556</u>
Length of Service Award Program Trust Fund (Unaudited)			
Investments	B-1	1,852,311	1,643,730
Contribution Receivable	B-12	<u>42,638</u>	<u>43,875</u>
		<u>1,894,949</u>	<u>1,687,605</u>
		<u>\$ 4,094,975</u>	<u>3,688,188</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2021 and 2020

<u>Liabilities, Reserves & Fund Balance</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Trust Fund			
Due to Current Fund	B-2	\$ 3,578	1,148
Reserve for Animal Control Fund Expenditures	B-4	3,357	5,182
Due to State of New Jersey	B-3	5	3
		<u>6,940</u>	<u>6,333</u>
Other Trust Fund			
Interfunds Payable:			
Due to Current Fund	B-2	6,393	
Due to Current Fund - Escrow	B-2	248	212
Due to Current Fund - Tax Title Liens	B-2	1,303	802
Reserve for Escrow Deposits	B-5	210,055	210,509
Reserve for Inspection Fees	B-5	24,130	13,414
Miscellaneous Reserves	B-6	755,622	484,481
Building Surcharge Fees - Due to State of New Jersey	B-7	39,362	39,362
		<u>1,037,113</u>	<u>748,780</u>
Unemployment Compensation Insurance Trust Fund			
Reserve for Unemployment Compensation Insurance	B-9	75,758	61,169
		<u>75,758</u>	<u>61,169</u>
Affordable Housing Trust Fund			
Reserve for Affordable Housing	B-10	942,177	823,745
Open Space Trust Fund			
Reserve for Open Space	B-11	138,038	360,556
		<u>138,038</u>	<u>360,556</u>
Length of Service Award Program Trust Fund (Unaudited)			
Reserve for LOSAP	B-13	1,894,949	1,687,605
		<u>4,094,975</u>	<u>3,688,188</u>
		\$	

See accompanying notes to financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2/C-3	\$ 3,508,289	629,991
Due from Current Fund	C-4	167,046	
Deferred Charges to Future Taxation:			
Funded	C-5	24,475,000	11,176,000
Unfunded	C-6	6,921,633	18,412,762
Grants Receivable	C-11	8,391,569	8,999,265
		<u>\$ 43,463,537</u>	<u>39,218,018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	24,475,000	11,176,000
Bond Anticipation Notes Payable	C-8	3,987,113	14,446,000
Due to/from Current Fund	C-4		173,779
Contracts Payable	C-9	449,794	867,005
Improvement Authorizations:			
Funded	C-10	9,876,144	7,380,232
Unfunded	C-10	4,443,025	3,730,426
Capital Improvement Fund	C-12	63,850	
Reserve for Grants Receivable	C-13		774,104
Reserve for I & I	C-14	21,696	21,696
Reserve for Payment of Debt	C-15	20,000	611,526
Fund Balance	C-1	126,915	37,250
		<u>\$ 43,463,537</u>	<u>39,218,018</u>

There were \$2,934,520 and \$4,393,183 of Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020 respectively (Exhibit C-16).

See accompanying notes to the financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Balance - December 31,	\$ 37,250	84,508
Increased By:		
Bond Interest	2,391	
Premium from Bond Sale	124,524	
Premium on Sale of Notes		32,742
	<hr/>	<hr/>
	126,915	32,742
Decreased By:		
Utilized as Revenue in Current Fund	37,250	80,000
	<hr/>	<hr/>
Balance - December 31,	<u>\$ 126,915</u>	<u>37,250</u>

See accompanying notes to the financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.
Comparative Balance Sheet - Regulatory Basis
Public Assistance Fund
For the Years Ended December 31, 2021 and 2020

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Public Assistance Fund:			
Cash	D-1	\$ <u>14,145</u>	<u>14,781</u>
 <u>Reserves</u>			
Public Assistance Fund:			
Reserve for Public Assistance	D-2	\$ <u>14,145</u>	<u>14,781</u>

TOWNSHIP OF LITTLE FALLS, N.J.
Comparative Balance Sheet-Regulatory Basis
Payroll Account
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Assets</u>		
Cash - Net Payroll	\$ 28,969	31,027
Cash - Payroll Agency	<u>15,779</u>	<u>15,493</u>
	<u>\$ 44,748</u>	<u>116,268</u>
<u>Reserves</u>		
Due to Current Fund - Net Payroll	\$ 10,988	981
Due to Current Fund - Payroll Agency	75	725
Reserve for Net Payroll	17,981	30,046
Payroll Deductions and Withholdings	<u>15,704</u>	<u>14,768</u>
	<u>\$ 44,748</u>	<u>116,268</u>

See accompanying notes to financial statements.

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets:</u>		
Land and Improvements	\$ 21,978,441	21,344,975
Buildings and Building Improvements	10,661,490	9,766,818
Vehicles and Equipment	<u>12,603,448</u>	<u>12,399,131</u>
	<u>\$ 45,243,379</u>	<u>43,510,924</u>
 Investment in Fixed Assets	 <u>\$ 45,243,379</u>	 <u>43,510,924</u>

See accompanying notes to financial statements.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups 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 financial statements of the Township of Little Falls have been prepared in conformity with 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of Little Falls (the "Township") was incorporated in 1868 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term as authorized by the New Jersey Faulkner Act and the five council members are elected at-large, to four year staggered terms. The Mayor is the Chief Executive Officer of the Township and as such presides over all public meetings and makes appointments to various boards. The Township Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Township Administrator is appointed by the Township Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Reporting Entity, (continued)

However, 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. 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 Township do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township 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 Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

Affordable Housing Trust Fund - This fund is used to account for the receipts and disbursements relating to affordable housing.

Open Space Trust Fund - This fund is used to account for the receipts and disbursements relating to the preservation of open space.

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Little Falls. 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 for municipalities by the Division 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:

Property Tax Revenues - 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

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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. 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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. 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 taxes 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, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - 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 Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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 Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not 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. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. 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 the years ended December 31, 2021 and 2020, the Governing Body approved additional revenues and appropriations of \$61,140 and \$856,194, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2021 and 2020. The Mayor and Council approved Current Fund Emergency appropriations of \$150,000 and \$11,750, respectively, in 2021 and 2020 for Hurricane Ida repairs and use by the Capital Improvement Fund.

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 canceled 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, which should be recognized when due.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Appropriation Reserves - 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.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. 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 be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market 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.

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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Township of Little Falls has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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 drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Use of Estimates - The preparation of financial statements requires management of the Township 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted by the Township during 2021.

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**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. PENSION PLANS

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

<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 Tiers 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annualrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

<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% (Tiers 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.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19 (S-21) the “Pension Deferral Program”. This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees’ Retirement System and/or the Police and Firemen’s Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Township of Little Falls opted for this deferral in the amount of \$351,303. The amount outstanding at December 31, 2021 was \$131,717.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee’s annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township’s contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2021	\$402,139	\$1,082,976
2020	326,089	982,215
2019	280,545	821,225

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

The following pension information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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

Public Employees Retirement System (PERS)

At December 31, 2020, the Township had a liability of \$4,860,973 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Township's proportion was 0.0298084127 percent, which was a decrease of (0.0006493178) percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Township recognized pension expense of \$326,089. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$88,510	\$17,190
Changes of assumptions	157,695	2,035,067
Net difference between projected and actual earnings on pension plan investments	166,152	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>318,126</u>	<u>305,897</u>
Total	<u>\$730,483</u>	<u>\$2,358,154</u>

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**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(609,693)
2022	(556,101)
2023	(317,797)
2024	(128,512)
2025	(27,794)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$2,347,583,337	\$3,149,522,616
Collective deferred inflows of resources	7,849,949,467	7,645,087,574
Collective net pension liability	16,435,616,426	18,018,482,972
Township's Proportion	0.0298084127%	.0304577605%

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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 Percent

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

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 a generational basis. Mortality improvement based on Scale MP-2020.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

**TOWNSHIP OF LITTLE FALLS
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 and 2020
 (CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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 to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Township's proportionate share of the pension liability	\$6,129,047	\$4,860,973	\$3,784,977

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the Township had a liability of \$11,749,096 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2020, the Township's proportion was 0.090927989800 percent, which was an increase of 0.005795933 percent from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Township recognized pension expense of \$1,218,325. At December 31, 2020, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$118,451	\$42,166
Changes of assumptions	29,567	3,149,862
Net difference between projected and actual earnings on pension plan investments	688,904	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>2,204,237</u>	<u>215,706</u>
Total	<u>\$3,041,159</u>	<u>\$3,407,734</u>

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2020) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$(1,099,047)
2022	(741,724)
2023	(301,961)
2024	(114,070)
2025	(98,305)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Township's Proportion	0.0909279898%	.0870030473%

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2020.

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

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 78% 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 to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$16,225,228	\$11,749,096	\$8,031,326

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System, (continued)

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Township 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 Township 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 Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020 and 2019, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,823,406 and \$1,681,225, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$206,647 and \$195,345, respectively, which is more than the actual contributions the State made on behalf of the Township of \$140,310 and \$113,280, respectively. The State's proportionate share attributable to the Township 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 Township's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2021 consisted of the following:

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2021</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General Obligation Debt	\$11,176,000	\$14,250,000	\$951,000	\$24,475,000	\$1,471,000
Other Liabilities:					
Compensated Absences	1,984,492	813,558		2,798,050	
Deferred PERS/PFRS Pension Contribution	<u>163,360</u>		<u>28,939</u>	<u>134,421</u>	<u>31,643</u>
	<u><u>\$13,323,852</u></u>	<u><u>\$15,063,558</u></u>	<u><u>\$979,939</u></u>	<u><u>\$27,407,471</u></u>	<u><u>\$150,2643</u></u>
	<u>Balance Dec. 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2020</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General Obligation Debt	\$12,294,000	\$	\$1,118,000	\$11,176,000	\$951,000
Other Liabilities:					
Compensated Absences	1,799,965	195,339	10,812	1,984,492	
Deferred PERS/PFRS Pension Contribution	<u>189,944</u>		<u>26,584</u>	<u>163,360</u>	<u>28,939</u>
	<u><u>\$14,283,909</u></u>	<u><u>\$195,339</u></u>	<u><u>\$1,155,396</u></u>	<u><u>\$13,323,852</u></u>	<u><u>\$979,939</u></u>

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 28,462,113	\$ 25,622,000	\$ 20,772,638
	<u>28,462,113</u>	<u>25,622,000</u>	<u>20,772,638</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	2,934,520	4,393,183	5,190,125
	<u>2,934,520</u>	<u>4,393,183</u>	<u>5,190,125</u>
Total Bonds, Notes and Loans Issued and Authorized Not Issued	31,396,633	30,015,183	25,962,763
Less: Deductions	20,000	1,037,947	537,147
Net Debt	<u>\$ 31,376,633</u>	<u>\$ 28,977,236</u>	<u>\$ 25,425,616</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.834% for 2021.

<u>2021</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$2,890,609	\$2,890,609	\$0
General Debt	<u>31,396,633</u>	<u>20,000</u>	<u>31,376,633</u>
	<u>\$34,287,242</u>	<u>\$2,910,609</u>	<u>\$31,376,633</u>

Net debt of \$31,376,633 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,710,804,216 equals 1.834%.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 3. MUNICIPAL DEBT, (continued)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.744 % for 2020.

<u>2020</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$3,443,830	\$3,443,830	\$0
General Debt	<u>30,015,183</u>	<u>1,037,947</u>	<u>28,977,236</u>
	<u>\$33,459,013</u>	<u>\$4,481,777</u>	<u>\$28,977,236</u>

Net debt of \$28,977,236 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,661,603,646 equals 1.744%.

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

	<u>2021</u>	<u>2020</u>
3½% of Equalized Valuation Basis (Municipal)	\$59,878,148	\$58,156,128
Net Debt	<u>31,376,633</u>	<u>28,977,236</u>
Remaining Borrowing Power	<u>\$28,501,515</u>	<u>\$29,178,892</u>

The Township's long-term debt consisted of the following at December 31, 2021:

General Obligation Bonds

	<u>2021</u>	<u>2020</u>
\$3,599,000, 2010 Bonds, due in annual installments of \$148,000 to \$289,000 through August 1, 2030, interest at 1.66% to 6.54%*	\$2,066,000	\$2,237,000
\$8,754,000, 2015 Bonds, due in annual installments of \$250,000 to \$500,000 through August 15, 2036, interest at 2.00% to 4.00%	7,254,000	7,504,000
\$4,440,000, 2015 Refunding Bonds, due in annual installments of \$380,000 to \$800,000 through August 1, 2023, interest at 4.00%	905,000	1,435,000
\$14,250,000, 2021 General Improvement Bonds, due in annual installments of \$475,000 to \$950,000 through August 1, 2037, interest at 0.05% to 2.00%	<u>14,250,000</u>	<u> </u>
	<u>\$24,475,000</u>	<u>\$11,176,000</u>

*This bond issue is taxable since it was issued pursuant to the American Recovery and Reinvestment Act of 2009 and the Township is entitled to a federal subsidy of up to 45% of the amount of interest paid.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate bonded and loan debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>Total</u>	<u>General Capital</u>	
		<u>Principal</u>	<u>Interest</u>
2022	\$2,090,967	\$1,471,000	\$619,967
2023	2,101,975	1,525,000	576,975
2024	2,168,255	1,636,000	532,255
2025	2,163,511	1,663,000	500,511
2026	2,143,087	1,675,000	468,087
2027-2031	9,973,828	8,305,000	1,668,828
2032-2036	7,882,500	7,250,000	632,500
2037	969,000	950,000	19,000
	<u>\$29,493,123</u>	<u>\$24,475,000</u>	<u>\$5,018,123</u>

General capital serial bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township.

At December 31, 2021, the Township had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	<u>\$2,934,520</u>	<u>\$4,393,183</u>

NOTE 4. BOND ANTICIPATION NOTES

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2021 and 2020, the Township had \$3,987,113 and \$14,446,000 in General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2021 and 2020:

<u>2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund				
CEDE&Co.	\$14,446,000	\$	\$14,446,000	\$0
Amboy Bank		<u>3,987,113</u>		<u>3,987,113</u>
	<u>\$14,446,000</u>	<u>\$3,987,113</u>	<u>\$14,446,000</u>	<u>\$3,987,113</u>
<u>2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund				
TD Securities LLC	\$	\$14,446,000	\$	\$14,446,000
Oppenheimer & Co., Inc.	<u>\$8,478,638</u>		<u>\$8,478,638</u>	<u>0</u>
	<u>\$8,478,638</u>	<u>\$14,446,000</u>	<u>\$8,478,638</u>	<u>\$14,446,000</u>

NOTE 5. FUND BALANCE APPROPRIATED

The fund balances at December 31, 2021 and 2020, which have been appropriated as revenue in the 2022 and 2021 budgets, are as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	<u>\$1,970,000</u>	<u>\$1,405,400</u>

NOTE 6. ACCRUED SICK AND VACATION BENEFITS

The Township permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,798,050 as of December 31, 2021. This amount is not reported either as an expenditure or liability.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 7. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

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 Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2021 and 2020, the Township's bank balance of \$13,570,295 and \$12,651,517, respectively, \$-0- was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township 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. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 7. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Unaudited Investments

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by the Variable Annuity Life Insurance Company (VALIC), which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2021 and 2020 amounted to \$ _____ and \$1,643,730, respectively.

The following investments represent 5% or more of the total invested with the Variable Annuity Life Insurance Company (VALIC) on December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fixed Accounts Plus	\$	\$417,211
Government Money Market		88,849
Health Sciences Fund		108,705
Stock Index Fund		752,143
All Other		<u>276,822</u>
Total	<u>\$</u>	<u>\$1,643,730</u>

NOTE 8. LITIGATION

The Township is a defendant in various legal proceedings. These cases, if decided against the Township, would either be funded by insurance or raised by future taxation. The Township expects such amounts, if any, to be immaterial.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 8. LITIGATION, (continued)

Pending Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. Amounts claimed have not yet been determined. The Township 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 Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

NOTE9. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2021 and 2020:

	Balance <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2021</u>
Land and Improvements	\$21,344,975	\$633,466	\$	\$21,978,441
Building Improvements	9,766,818	894,672		10,661,490
Machinery and Equipment	<u>12,399,131</u>	<u>204,317</u>	_____	<u>12,603,448</u>
	<u>\$43,510,924</u>	<u>\$1,732,455</u>	<u>\$</u>	<u>\$45,243,379</u>

	Balance <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2020</u>
Land and Improvements	\$16,199,316	\$5,145,659	\$	\$21,344,975
Building Improvements	9,404,810	362,008		9,766,818
Machinery and Equipment	<u>11,320,130</u>	<u>1,079,001</u>	_____	<u>12,399,131</u>
	<u>\$36,924,256</u>	<u>\$6,586,668</u>	<u>\$</u>	<u>\$43,510,924</u>

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2021 consist of the following:

\$1,010,551	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
167,046	Due to the General Capital Fund from the Capital to reimburse General Capital for expenses paid on behalf of Current.
14,733	Due to the Unemployment Insurance Compensation Trust Fund from the Current Fund for the balance of the prior year interfund and the current year budget appropriation not transferred.
3,578	Due to the Current Fund from the Animal License Trust Fund for the current year statutory excess calculation.
6,393	Due to the Current Fund from the Other Trust Fund for reimbursement of expense paid, revenue deposited in error and interest earned on investments.
248	Due to the Current Fund from the Escrow Trust Fund for interest earned on investments.
1,303	Due to the Current Fund from the Tax Title Lien Redemption and Premium account for interest earned on investments and premiums forfeited to the Township.
76,998	Due to the Municipal Open Space Trust Fund for the balance of taxes collected not transferred.
10,988	Due to the Other Trust Fund from the Net Payroll account for void checks and interest earned on investments.
<u>75</u>	Due to the Net Payroll Account from the Payroll Agency account for interest earned on investments.
<u>\$1,291,913</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 11. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021 and 2020, the following deferred charges are shown on the balance sheets of the various funds:

	<u>2021</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Budget Appropriation</u>	<u>Balance to Succeeding Year's Budget</u>
Current Fund:				
Emergency Appropriations		\$150,000	\$150,000	\$
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A4:53):				
Tax Maps		60,000	30,000	30,000
COVID-19		1,335,870	267,174	1,068,696
Other Trust Fund:				
Deficit in Municipal Alliance Reserve		<u>68</u>	<u> </u>	<u>68</u>
Total Current Fund		<u>\$1,545,938</u>	<u>\$447,174</u>	<u>\$1,098,764</u>
	<u>2020</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Budget Appropriation</u>	<u>Balance to Succeeding Year's Budget</u>
Current Fund:				
Emergency Appropriations		\$11,750	\$11,750	\$
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A4:53):				
Tax Maps		90,000	30,000	60,000
COVID-19		1,335,870		1,335,870
Other Trust Fund:				
Deficit in Municipal Alliance Reserve		<u>68</u>	<u> </u>	<u> </u>
Total Current Fund		<u>\$1,437,688</u>	<u>\$41,750</u>	<u>\$1,395,870</u>

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 12. 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 levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2021 and 2020 are as follows:

	2021 Regional <u>High School</u>	2020 Regional <u>High School</u>
Balance of Tax	\$5,299,946	\$5,012,980
Deferred Liability	<u>3,965,912</u>	<u>3,829,295</u>
Taxes Payable	<u>\$1,334,034</u>	<u>\$1,183,685</u>

NOTE 13. RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2020 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of Little Falls is a member of the Statewide Insurance Fund (SIT). The joint insure fund is 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 Fund is a risk-sharing public entity pool. The SIT coverage amounts are on file with the Township.

The relationship between the Township 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 Township is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 13. RISK MANAGEMENT, (continued)

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.

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

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

<u>Year Ended</u> <u>Dec. 31,</u>	<u>Township</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$15,000	\$11,558	\$11,969	\$75,758
2020	15,000	11,431	3,665	61,169
2019	15,000	10,133	21,208	38,403

NOTE 14. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2021</u>	<u>Balance</u> <u>Dec 31, 2020</u>
Prepaid Taxes	<u>\$297,651</u>	<u>\$339,538</u>
Cash Liability for Taxes Collected in Advance	<u>\$297,651</u>	<u>\$339,538</u>

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 2, the Township does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan. However, benefits are provided as described below:

Special Funding Situation PFRS With State Health Local Government Retired Employees Plan

The following other postemployment benefit information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other postemployment benefit information is available.

Under Chapter 330, P.L. 1997, the State shall pay the premium 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred outflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$9,443,339 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(470,092).

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 16. LENGTH OF SERVICE AWARD PROGRAM (LOSAP)- UNAUDITED

The Township of Little Falls Length of Service Award Program (the Plan) was created by a Township ordinance adopted on August 7, 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 Township of Little Falls 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 Township 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.

The Township of Little Falls has contributed \$1,350 and \$1,350 for 2021 and 2020, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Township contributions were \$42,638 and \$43,875 for 2021 and 2020, respectively.

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

VALIC is the administer of the plan. The Township'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 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.

TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)

NOTE 16. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED, (continued)

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township 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 Service. 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 Township's Trust Funds.

NOTE17. OTHERMATTERS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Township of Little Falls. The Township has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes and swim pool membership fees, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2020, the Township received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

As allowed by New Jersey Statutes, the Township adopted a Special Emergency appropriation in 2020 in the amount of \$1,335,870 for projected loss of revenues to help mitigate the financial effects on the Township. In addition, the Township will continue to monitor the situation closely.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The estimated amount of federal aid available to the Township of Little Falls is \$1,514,972.66 which will be available for use until December 31, 2024. This amount will be distributed to the Township in two installments. The first installment of \$757,486 was received In July and the second installment one year after the receipt of the first installment.

**TOWNSHIP OF LITTLE FALLS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 and 2020
(CONTINUED)**

NOTE 18. SUBSEQUENT EVENT

The Township has evaluated subsequent events through June 13, 2022, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

SUPPLEMENTARY DATA

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TOWNSHIP OF LITTLE FALLS

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax rate	\$ <u>3.212</u>	<u>3.183</u>	<u>3.181</u>
Apportionment of tax rate:			
Municipal (Including Library)	0.930	0.904	0.906
Municipal Open Space	0.004	0.005	0.005
County	0.744	0.750	0.771
Local School	1.017	1.017	0.997
Regional High School	<u>0.517</u>	<u>0.507</u>	<u>0.502</u>

Assessed valuation

2021	\$	1,535,481,900
2020		1,508,451,600
2019		1,509,081,000

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2021	\$ 49,504,642	49,022,208	99.03%
2020	48,446,956	47,965,036	99.01%
2019	48,129,148	47,646,895	99.00%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31,</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2021	\$ 90,733	786,458	877,191	1.77%
2020	80,984	768,265	849,249	1.75%
2019	182,718	1,155,492	1,338,210	2.78%

TOWNSHIP OF LITTLE FALLS

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2021 by foreclosure or deed as a result of liquidation of tax title liens.

The value of properties acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2021	\$	825,100
2020		825,100
2019		825,100

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2021	\$	3,645,610	1,970,000
	2020		2,829,782	1,405,400
	2019		2,817,959	1,950,000
	2018		2,039,657	1,400,000
	2017		1,757,969	1,075,000

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2021

Federal Program	CFDA number	FAIN number	Grant or State Project Number	Grant period	Award Amount	Cash Received/ Revenue Realized	MEMO Cumulative Total Expenditures
U.S. Department of Homeland Security - Severe Repetitive Loss Program (Ord. 1147)	97.110		1200-100-986-14	2011	8,649,170		8,648,066
Hazardous Mitigation Grant Program (Ord. 1151)	97.039			2012	2,943,600		2,629,608
Flood Mitigation Assistance Program (Ord. 1286)	97.029		1200-100-B90-15	2017	6,063,852		6,063,852
U.S. Department of Justice - Bulleproof Vest Fund				2016	2,532		2,623
				2020	3,018		
				2019			
Federal Equitable Sharing Funds							
U.S. Department of Transportation - Drive Sober or Get Pulled Over	20.601		1160-100-057-14	2012	4,400		4,225
				2018	5,900		
				2019	5,900		
				2020	5,000		3,135
U.S. Department of Treasury - Passed-through the County of Passaic - Coronavirus Relief Fund (CARES Act)	21.019			2020	842,110	734,914	799,526
American Rescue Plan	21.027			2021	757,486	757,486	
U.S. Department of Housing and Urban Development - Community Development Block Grant (Ord. 1193)	14.218			2019	80,000		80,000
				2019	85,000		
				2020	85,000		85,000
Total Federal Awards					1,492,400	185,600	18,156,935

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance

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TOWNSHIP OF LITTLE FALLS, N.J.
Schedule of Expenditures of State and Local Financial Assistance
Year ended December 31, 2021

	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	MEMO Cumulative Total Expenditures
State Grant Program						
Drunk Driving Enforcement Fund	1110-443-031020-22	2015 2016 2017 2018 2019 2021	16,662 5,361 21,625 34,310 12,968 10,070		3,348 21,518	16,662 5,361 18,561 21,518
Body-Worn Cameras Grant	100-066-1020-495	2021	61,140	10,070		
Department of the Judiciary Alcohol Education and Rehabilitation Program	4250-760-05000-63-260	2017 2018 2019 2020 2021	10,253 16,809 5,084 6,000	5,084 6,000		13,653 4,184
Department of Human Services - General Welfare Assistance	7500-100-121	2019	36,477			36,486
Department of Environmental Protection - Blue Acres Grant (Ord. 1151) Green Trust Acquisition Grants - Office of Emergency Mgmt Ordinance 1533 - Dredging of the Passaic River Ordinance 1533 - Synthetic Turf Athletic Field (Green Acres) Ordinance 1566 - Charging Station for Electric Cars	1605-11-LBA 1605-11-LBA	2012 2017 2019 2020 2020	1,374,347 100,000 750,000 6,000			122,000 1,374,547 750,000 6,000
Clean Communities Act	4900-765-178900	2016 2017 2018 2019 2020 2021	20,362 22,723 20,490 21,814		(4,390) 12,348	25,046 9,858 20,562
Recycling Tonnage Grant	4430-752-050550-30	2018 2019 2021	21,882 19,595 20,813		17,917	18,625
Body Armor Grant	1020-718-001	2019 2021	3,048 2,219	2,219		2,174

TOWNSHIP OF LITTLE FALLS, N.J.
Schedule of Expenditures of State and Local Financial Assistance
Year ended December 31, 2021

	Grant number	Award Amount	Cash Received	Budgetary Expenditures	MEMO Cumulative Total Expenditures
State Grant Program					
Municipal Alliance Program	100-082-C01-044	22,440 22,440 22,440 22,440 62,088	2,232	2,196 4,119	22,440 22,440 16,904 14,997
Peckman River Grant	2001	90,145			90,145
Municipal Stormwater Reclamation	100-042-4840-091	10,207 2,552			2,775 2,459
Safe Corridors	6100-100-051-13	41,721 30,110		9,519	36,634 14,000
Louis Street Park Grant	2012	2,466			2,466
Communicable Diseases - Hep B Funds	4230-100-241-13	2,820		2,439	2,820
New Jersey Department of Transportation					
Ordinance 1221 - Crane Street	6320-480-AL5	215,000			202,462
Ordinance 1300 - Woodcliff Avenue		483,708			458,478
Ordinance 1331 - Reconstruction of Donato Drive		600,000			600,000
Ordinance 1356 - Downtown Streetscape Imps.		780,000			
Ordinance 1388 - Downtown Streetscape Imps.		1,283,000			42,126
Ordinance 1410 - Main Street Streetscape Imps.		540,600		229,121	229,121
Special Legislative Grant					
Main Street/Route 23 Curbs & Sidewalks	01-103-022-8030-196-FFFF-6120		88,772	298,155	372,311
Local Assistance					
FM Global Fire Prevention Grant		1,500		1,500	1,500
NJ American Fire Grant		925			925
NJAVC FF Grant - 2019		870			870
Tennis Grant		175			
Firehouse Subs Public Safety Foundation, Inc.		14,084			14,084
Total State Assistance			88,772	298,155	4,370,513
Total Local Assistance				1,500	3,295
Total State and Local Assistance			88,772	299,655	4,373,808

Note: This schedule was subject to an audit in accordance with OMB Circular 15-08.

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2021

		Current Fund
Balance - December 31, 2020	\$	6,826,037
Increased by Receipts:		
Tax Collector	\$ 49,090,472	
Miscellaneous Revenue Not Anticipated	385,575	
Municipal Liens Redeemed		
Petty Cash	1,850	
Due from State - Senior Citizen and Veteran Deductions	64,096	
Revenue Accounts Receivable	4,017,224	
Tax Overpayments	61,715	
Interfunds	90,152	
Reserve for Other Expenditures	21,260	
Prepaid Taxes	297,651	
State Fees Payable	15,888	
Grants Receivable	737,146	
Unappropriated Grant Reserves	<u>818,402</u>	
		<u>55,601,431</u>
		62,427,468
Decreased by Disbursements:		
Current Year Budget Appropriations	18,017,199	
Prior Year Appropriation Reserves	445,897	
Petty Cash	1,850	
Interfunds	106,365	
Reserve for Other Expenditures	7,172	
Tax Overpayment Refunds	61,715	
Local District School Taxes	16,858,802	
Regional School District Taxes	7,644,858	
County Taxes Payable	11,518,913	
State Fees Payable	13,082	
Refund of Prior Year Revenue	16,839	
Appropriated Grant Reserves	<u>135,944</u>	
		<u>54,828,636</u>
Balance - December 31, 2021	\$	<u><u>7,598,832</u></u>

Exhibit A-5

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Office:		
Tax Collector	\$ 275	275
Township Clerk	125	125
Court Clerk	<u>100</u>	<u>100</u>
	<u>\$ 500</u>	<u>500</u>

Exhibit A-6

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2021

Increased by:		
Cash Receipts	\$ <u>1,850</u>	
Decreased by:		
Cash Disbursements	\$ <u><u>1,850</u></u>	
<u>Department</u>		
Police	\$ 500	
Municipal Alliance	100	
Clerk	250	
Recreation	<u>1,000</u>	
	<u>\$ 1,850</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Amount Due (to)/from State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	1,860
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	13,500	
Veterans' Deductions Per Tax Billing		52,250	
Senior Citizen's and Veteran's Allowed- 2021		<u>1,500</u>	
			<u>67,250</u>
			69,110
Decreased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash		64,096	
Senior Citizen's and Veteran's Disallowed - 2020		2,500	
Senior Citizen's and Veteran's Disallowed - 2021		<u>841</u>	
			<u>67,437</u>
Balance - December 31, 2021		\$	<u><u>1,673</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Municipal Liens

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	80,984
Increased by:		
Transferred from Current Year Taxes		<u>9,749</u>
Balance - December 31, 2021	\$	<u><u>90,733</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2021

Year	Balance, Dec. 31, 2020	2021 Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2021
				2020	2021				
2016	310,656								310,656
2020	457,609		26,296		480,823				3,082
	768,265		26,296		480,823				313,738
2021		49,319,679	184,963	339,538	48,616,261	66,409	9,749	(35)	472,720
	\$ 768,265	49,319,679	211,259	339,538	49,097,084	66,409	9,749	(35)	786,458

Overpayments Applied
Cash 6,612
49,090,472

Analysis of 2021 Tax Levy

Tax yield:	
General Purpose Tax	\$ 49,319,679
Added Tax (R.S. 54:4-63.1 et seq.)	184,963
	\$ 49,504,642

Tax Levy:

Local District School Tax	15,600,865
Regional School Taxes	7,931,824
County Tax	\$ 11,246,959
County Tax - Added Taxes	41,015
County Open Space Tax	162,349
	11,450,323

Local Tax for Municipal Purposes	\$ 14,294,482
Municipal Open Space Taxes	76,774
Municipal Open Space - Added Taxes	223
Add: Additional Taxes Levied	150,151

Local Tax for Municipal Purposes	14,521,630
	\$ 49,504,642

TOWNSHIP OF LITTLE FALLS, N.J.

**Schedule of Property Acquired for Taxes -
Assessed Valuation**

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ <u>825,100</u>
Balance - December 31, 2021	\$ <u><u>825,100</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.
Schedule of Revenue Accounts Receivable
Current Fund
Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance <u>Dec. 31, 2021</u>
Township Clerk				
Licenses				
Alcoholic beverages	\$	31,790	31,790	
Other		30,693	30,693	
Fees and Permits		77,676	77,676	
Municipal Court				
Fines and Costs	8,225	95,241	95,118	8,348
Construction Code Official				
Fees and Permits		585,497	585,497	
Interest and Costs on Taxes		98,008	98,008	
Interest on Investments and Deposits		11,788	11,788	
Recreation Fees		184,227	184,227	
Energy Receipts Tax		1,282,063	1,282,063	
Watershed Aid		1,457	1,457	
Garden State Trust Fund		6,944	6,944	
EMS Fees-Elmwood Park Fees		76,100	76,100	
EMS Fees-Little Falls		560,125	560,125	
EMS Fees-Elmwood Park		69,115	69,115	
Uniform Fire Safety Act		21,356	21,356	
Sewer Service Fees		112,030	112,030	
Cable TV Franchise Fee		166,481	166,481	
Reserve for Debt Service		152,147	152,147	
General Capital Fund - Fund Balance		37,250	37,250	
Due from Federal and State Grant Fund		304,873	304,873	
Due from Animal Trust		1,131	1,131	
Due from Tax Title Lien Premium Trust		801	801	
General Capital Fund		173,779	173,779	
Montclair University Sewer Fees		178,542	178,542	
IRS Contribution - Debt Service		58,306	58,306	
Montclair University Fire Alarm Fees		4,800	4,800	
	<u>\$ 8,225</u>	<u>4,322,220</u>	<u>4,322,097</u>	<u>8,348</u>
			Cash	4,017,224
			Reserve for Receivables	<u>304,873</u>
			<u>\$</u>	<u>4,322,097</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2021

Fund	Due from/(to)			Due from/(to)
	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Animal Control Trust Fund	\$ 1,148	3,578	1,148	3,578
Unemployment Compensation Insurance Trust Fund	(15,000)	15,267	15,000	(14,733)
Other Trust Fund:				
Other Trust Fund	(15,888)	22,281		6,393
Escrow Trust Fund	212	36		248
Tax Title Lien Premium Trust Fund	802	501		1,303
Open Space Trust Fund	(76,152)	76,152	76,998	(76,998)
Net Payroll		10,988		10,988
Payroll Agency		75		75
General Capital Fund	173,779	1,295	342,120	(167,046)
	<u>\$ 68,901</u>	<u>130,173</u>	<u>435,266</u>	<u>(236,192)</u>
Due to Current Fund	175,941	21,571	174,927	22,585
Due from Current Fund	(107,040)	108,602	260,339	(258,777)
	<u>\$ 68,901</u>	<u>130,173</u>	<u>435,266</u>	<u>(236,192)</u>

Cash Receipts	\$	97,928
Municipal Open Space Levy		76,997
Cash Disbursements	106,365	
Budget Offsets - Capital		245,341
Disability Reimbursement	267	
Void Checks	10,814	
Interest on Investments	9,149	
Reimbursement of Expenditures	17	
Statutory Excess	3,561	
<u>Budget Appropriations:</u>		
Unemployment Compensation Trust		15,000
	<u>\$ 130,173</u>	<u>435,266</u>

TOWNSHIP OF LITTLE FALLS, N.J.
Schedule of Deferred Charges N.J.S.A. 40A:4-53 Special Emergency

		Current Fund					
		Year Ended December 31, 2021					
<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2020</u>	<u>Authorized in 2021</u>	<u>Reduced in 2021</u>	<u>Balance, Dec. 31, 2021</u>
May 8, 2018	Preparation of Tax Map	\$ 150,000	30,000	90,000		30,000	60,000
Nov. 23, 2020	COVID-19	<u>1,335,870</u>	<u>267,174</u>	<u>1,335,870</u>			<u>1,335,870</u>
		<u>\$ 1,485,870</u>	<u>297,174</u>	<u>1,425,870</u>		<u>30,000</u>	<u>1,395,870</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Amount Resulting in <u>2021</u>	Reduced in <u>2021</u>	Balance, Dec. 31, <u>2021</u>
Emergency Appropriations:				
Capital Improvement Fund	\$ 11,750		11,750	
Hurricane Ida		150,000		150,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	\$ <u> </u>	<u>150,000</u>	<u> </u>	<u>150,000</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 591	591		591
Mayor and Council	104	104		104
Municipal Clerk	409	409		409
Financial Administration	326	326		326
Tax Assessment Administration	91	91		91
Revenue Administration	4	4		4
Police Department - Sworn Officers	26,548	26,548		26,548
Police Department - Dispatch	19,634	19,634		19,634
Police Department - Civilian Employees	30,768	30,768		30,768
Fire Department	9,243	9,243		9,243
Fire Prevention	19	19		19
Ambulance	19,811	19,811		19,811
Streets and Roads Maintenance	21,843	21,843		21,843
Solid Waste Collection	31,393	31,393		31,393
Vehicle Maintenance	6,197	6,197		6,197
Administration of Public Assistance	10	10		10
Recreation Services and Programs	49,496	49,496		49,496
Senior Citizens Activities	2,000	2,000		2,000
Construction Code Official	4,399	4,399		4,399
Plumbing Inspector	33	33		33
Municipal Court	2,422	2,422		2,422
Total Salaries and Wages Within "CAPS"	<u>225,341</u>	<u>225,341</u>		<u>225,341</u>
Other Expenses Within "CAPS":				
Administrative and Executive	498	4,007	3,000	1,007
Mayor and Council	817	1,749	932	817
Municipal Clerk	18,368	19,997	589	19,408
Financial Administration	6,080	6,408	1,922	4,486
Audit Services	16,000	16,000		16,000
Assessment of Taxes	6,034	6,934	6,041	893
Revenue Administration	23,502	23,698	196	23,502
Legal Services and Costs	51,080	58,080	13,800	44,280
Engineering Services and Costs	9,609	11,315	8,242	3,073
Planning Board	8,776	9,871	869	9,002

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Insurance:				
Employee Group Health	18,836	18,836		18,836
Police Department:				
Other Expenses	21,433	32,193	21,172	11,021
Acquisition of Police Cars	4	4		4
Fire Department - Miscellaneous	6,521	45,404	27,023	18,381
Fire Hydrant Services	392	14,866	14,397	469
Fire Prevention	4,478	4,478		4,478
Emergency Management Services	999	3,431		3,431
Ambulance	1,024	2,594	2,132	462
Streets and Roads Maintenance	38,064	64,972	40,939	24,033
Other Public Works Function - Shade Tree	3,430	18,430	15,000	3,430
Solid Waste Collection	28,203	71,922	44,536	27,386
Public Buildings and Grounds	6,425	28,773	20,799	7,974
Vehicle Maintenance	30,711	35,403	5,620	29,783
Community Services Act	12,835	12,835	11,481	1,354
Board of Health	4,340	11,917	77	11,840
Flood Board	500	500	500	
Administration of Public Assistance	550	550		550
Recreation Services and Programs	3,029	22,760	13,914	8,846
Senior Citizen Expenses				
Transportation	2,900	2,900		2,900
Activities	6,000	6,000		6,000
Construction Code Official	10,772	11,006	665	10,341
PEOSHA Mandates Costs - Physical Exams	9,800	9,800		9,800
Street Lighting	847	9,994	9,212	782
Telephone	1,537	1,897	1,852	45
Water	12,425	12,425	1,529	10,896
Natural Gas	4,523	40,788	40,395	393
Fuel Oil (Diesel)	13,127	13,651	2,764	10,887
Gasoline	26,105	26,105	2,165	23,940
Landfill/Solid Waste Disposal Cost	6,377	28,163	27,347	816
Celebration of Public Events	7,500	7,500		7,500
Municipal Court	25,245	26,197	293	25,904
Public Defender	3,600	3,600		3,600
Total Other expenses Within "CAPS"	<u>453,296</u>	<u>747,953</u>	<u>339,403</u>	<u>408,550</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, 2020	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security System (O.A.S.I.)	1,637	1,637		1,637
Defined Contribution Pension Plan	5,000	5,000		5,000
Total Deferred Charges and Statutory Expenditures Within "CAPS"	6,637	6,637		6,637
Other Expenses Excluded From "CAPS":				
Sewer Contracts				
Passaic Valley Sewer Commission	2,738	2,738		2,738
Second River Joint Meeting	1,218	1,218	1,218	
Third River Joint Meeting	31	31	31	
Township of Montclair	25,000	25,000		25,000
City of Clifton	10,247	2,747		2,747
LOSAP	105,000	105,000	43,875	61,125
Recycling Tax	26	1,469	1,386	83
Total Other Expenses Excluded from "CAPS"	144,260	138,203	46,510	91,693
Interlocal Municipal Service Agreements				
Borough of Elmwood Park - EMS Services				
Salaries and Wages	9,060	9,060		9,060
Other Expenses	57,061	57,061	50,364	6,697
Total Interlocal Municipal Service Agreements	66,121	66,121	50,364	15,757
Capital Improvements Excluded from "CAPS"				
Acquisition of Computers	48,279	57,899	9,620	48,279
Total Capital Improvements Excluded from "CAPS"	48,279	57,899	9,620	48,279
Total Reserves	\$ 943,934	1,242,154	445,897	796,257
Appropriation Reserves		943,934		
Encumbrances		298,220		
		\$ 1,242,154		

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ 298,220
Increased by:	
Transferred from Current Year Budget	<u>124,206</u>
	422,426
Decreased by:	
Transferred to Appropriation Reserves	<u>298,220</u>
Balance - December 31, 2021	<u><u>\$ 124,206</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Other Expenditures

Current Fund

Year Ended December 31, 2021

	<u>Watershed Moratorium Aid</u>	<u>JIF Retro Assessment</u>	<u>Revision of Tax Map</u>	<u>Tax Appeals</u>	<u>Marriage Licenses</u>	<u>Miscellaneous</u>	<u>Total</u>
Balance - December 31, 2020	\$ 1,457	135,636	31,365	1,000,000	575	5,358	1,174,391
Increased by:							
Cash Receipts		19,660			1,600		21,260
		19,660			1,600		21,260
	1,457	155,296	31,365	1,000,000	2,175	5,358	1,195,651
Decreased by:							
Cash Disbursements			4,997		2,175		7,172
			4,997		2,175		7,172
Balance - December 31, 2021	\$ 1,457	155,296	26,368	1,000,000		5,358	1,188,479

Exhibit A-18

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	6,612
Increased by:			
Cash Collections		\$	<u>61,715</u>
			68,327
Decreased by:			
Payments	\$	61,715	
Overpayments Applied		<u>6,612</u>	
		\$	<u><u>68,327</u></u>

Exhibit A-19

Schedule of Local School District Tax Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	1,257,939
Increased by:			
2021 Levy		\$	<u>15,600,865</u>
			16,858,804
Decreased by:			
Payments			<u>16,858,802</u>
Balance - December 31, 2021		\$	<u><u>2</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Regional High School Taxes Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		
School Tax Payable	1,183,685	
School Tax Deferred	\$ <u>3,829,295</u>	
		\$ 5,012,980
Increased by:		
2021 Levy		<u>7,931,824</u>
		12,944,804
Decreased by:		
Cash Disbursements		<u>7,644,858</u>
Balance - December 31, 2021		
School Tax Payable	1,334,034	
School Tax Deferred	<u>3,965,912</u>	
		\$ <u><u>5,299,946</u></u>
2021 Liability for Regional High School Tax		
Tax Liability		\$ 7,931,824
Increased by:		
Balance Deferred - December 31, 2020,		<u>3,829,295</u>
		11,761,119
Decreased by:		
Balance Deferred - December 31, 2021		<u>3,965,912</u>
Amount Charged to 2021 Operations		\$ <u><u>7,795,207</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	109,605
Increased by:			
2021 Levy	\$	11,246,959	
2021 Open Space		162,349	
2021 Added Assessments		<u>41,015</u>	
			<u>11,450,323</u>
			11,559,928
Decreased by:			
Payments			<u>11,518,913</u>
Balance - December 31, 2021		\$	<u><u>41,015</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	339,538
Increased by:		
Collections		<u>297,651</u>
		637,189
Decreased by:		
Applied to 2021 Taxes Receivable		<u>339,538</u>
Balance - December 31, 2021	\$	<u><u>297,651</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of State Fees Payable

Current Fund

Year Ended December 31, 2021

	<u>UCC- DCA Fees</u>	<u>Marriage License Fees</u>	<u>Totals</u>
Balance - December 31, 2020	\$ 14,321	950	15,271
Increased by:			
Cash Receipts	<u>14,388</u>	<u>1,500</u>	<u>15,888</u>
	<u>14,388</u>	<u>1,500</u>	<u>15,888</u>
	28,709	2,450	31,159
Decreased by:			
Cash Disbursements	<u>10,907</u>	<u>2,175</u>	<u>13,082</u>
Balance - December 31, 2021	<u>\$ 17,802</u>	<u>275</u>	<u>18,077</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Due from/(to) Federal and State Grant Fund

Current Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	366,469
Increased by:			
Grants Receivable	\$	99,074	
Grant Expenditures		<u>178,528</u>	
			<u>277,602</u>
			644,071
Decreased by:			
Grants Revenue		737,146	
Appropriated Reserves		99,074	
Unappropriated Reserves		<u>818,402</u>	
			<u>1,654,622</u>
Balance - December 31, 2021		\$	<u><u>(1,010,551)</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Fund</u>	Due from/(to) Balance Dec. 31, 2020	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, 2021
Current Fund	\$ <u>(366,469)</u>	<u>1,654,622</u>	<u>277,602</u>	<u>1,010,551</u>
	\$ <u>(366,469)</u>	<u>1,654,622</u>	<u>277,602</u>	<u>1,010,551</u>
			99,074	
		737,146		
Grants Received - Unappropriated		818,402		
Grant Expenditures			178,528	
Appropriated Reserves		<u>99,074</u>		
		\$ <u>1,654,622</u>	<u>277,602</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, <u>2020</u>	2021 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2021</u>
Municipal Alliance - 7/1/18-6/30/19	\$ 15,148	6,207	2,232	19,123
Clean Communities		20,490	20,490	
Bulletproof Vest Fund	2,532	3,018	3,018	2,532
Passaic County CARES Act	789,056		734,914	54,142
Alcohol Education Rehabilitation		5,084	5,084	
Click It or Ticket		3,135	3,135	
Body Worn Cameras		61,140		61,140
	<u>\$ 806,736</u>	<u>99,074</u>	<u>768,873</u>	<u>136,937</u>
		Adopted Budget 37,934		
		Added by N.J.S.A. 40A:4-87 61,140		
		<u>\$ 99,074</u>		
			Cash \$ 737,146	
			Unappropriated Grants <u>31,727</u>	
			<u>\$ 768,873</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, 2020	Transfer From 2021 Budget	<u>Expended</u>	Balance, Dec. 31, 2021
Municipal Alliance on Alcohol and Drug Abuse	\$ 11,562		4,119	7,443
Drunk Driving Enforcement	7,682		7,682	
Clean Communities Program Grant	7,030		611	6,419
Drive Sober or Get Pulled Over	175			175
Hepatitis B Funds	2,439		2,439	
Tennis Grant	175			175
Louis Street Park Improvements	1,267			1,267
Peckman River Grant	15,095			15,095
Municipal Stormwater Regulation Program	7,525			7,525
Alcohol Education and Rehabilitation	2,117			2,117
Legislative Grant:	7,689			7,689
Drunk Driving Enforcement Fund	3,750			3,750
Safe Corridors	14,606		10,874	3,732
Alcohol Education and Rehabilitation	6,069			6,069
FM Global Fire Prevention Grant	1,500		1,500	
Clean Communities Program Grant	12,348		12,348	
Municipal Alliance on Alcohol and Drug Abuse	7,732		2,195	5,537
Drunk Driving Enforcement Fund	34,310		4,335	29,975
Safe Corridors	16,110			16,110
Body Armor Replacement Grant	874			874
Passaic County CARES Act	100,600		100,600	
Recycling Tonnage Grant	40,771		17,917	22,854
Alcohol Education and Rehabilitation	16,899			16,899
Drunk Driving Enforcement Fund	12,908		12,908	
Click It or Ticket	5,500			5,500
NJ American Water Grant	1,000		1,000	
Distracted Driving	5,500			5,500
Clean Communities Program Grant	22,723			22,723
Municipal Alliance on Alcohol and Drug Abuse		6,207		6,207
Alcohol Education and Rehabilitation		5,084		5,084
Bullet Proof Vest		3,018		3,018
Clean Communities Program Grant		20,490		20,490
Body Worn Cameras		61,140		61,140
Click It or Ticket		3,135		3,135
	<u>\$ 365,956</u>	<u>99,074</u>	<u>178,528</u>	<u>286,502</u>
		Budget 37,934		
		Appropriated by 40a:4-87 61,140		
		<u>\$ 99,074</u>		
		Cash Disbursements 135,944		
		Grant Encumbrances 42,584		
			<u>\$ 178,528</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, <u>2020</u>	Transfer To 2021 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2021</u>
Drunk Driving Enforcement Fund	\$		10,070	10,070
Recycling Tonnage Grant			20,813	20,813
American Rescue Plan			757,486	757,486
Alcohol Education and Rehabilitation	5,084	5,084		
Body Armor			2,219	2,219
Click it or Ticket	3,135	3,135	6,000	6,000
Clean Communities Grant	20,490	20,490	21,814	21,814
Bulletproof Vests	3,018	3,018		
	<u>\$ 31,727</u>	<u>31,727</u>	<u>818,402</u>	<u>818,402</u>

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TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2021

	Animal Trust Fund	Other Trust Fund	Unemployment Compensation Trust Fund	Affordable Housing Trust Fund	Open Space Trust Fund	Emergency Service LOSAP Fund
Balance - December 31, 2020	\$ 6,333	732,892	46,169	823,745	284,404	1,643,730
Increase by Receipts:						
Employee Payroll Deductions			11,558			
Interest on Deposits				1,875	484	
Due to/from Current	17	22,964	15,000		76,152	
Escrow Deposits		177,587				
Inspection Fees		15,688				
Miscellaneous Reserves		711,083				
Dog License Fees	1,551					
Other (Cat Licenses)	171					
Miscellaneous	14					
Due to State of New Jersey	366					
Affordable Housing Receipts				118,604		
LOSAP Contributions						296,644
Total Receipts	2,119	927,322	26,558	120,479	76,636	296,644
	8,452	1,660,214	72,727	944,224	361,040	1,940,374
Decreased by Disbursements:						
Escrow Deposits		178,041				
Miscellaneous Reserves		440,010				
Due to State of New Jersey	364		11,702			
Inspection Fees		4,972				
Due to Current Fund	1,148	146				
Due from General Capital Fund					300,000	
Affordable Housing Expenditures				2,047		
Depreciation in Fair Value of Investments						
LOSAP Distributions						88,063
Total Disbursements	1,512	623,169	11,702	2,047	300,000	88,063
Balance - December 31, 2021	\$ 6,940	1,037,045	61,025	942,177	61,040	1,852,311

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Interfunds Receivable/(Payable)

Trust Funds

Year Ended December 31, 2021

	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Other Trust Fund				
Current Fund	\$ 15,888	146	22,427	(6,393)
Public Assistance Trust		3,100	3,100	
Total Other Trust Fund	<u>15,888</u>	<u>3,246</u>	<u>25,527</u>	<u>(6,393)</u>
Escrow Trust Fund				
Current Fund	(212)		36	(248)
Tax Title Lien Premium Trust Fund				
Current Fund	(802)		501	(1,303)
Unemployment Compensation Insurance Trust Fund				
Current Fund	15,000	15,000	15,267	14,733
Open Space Trust Fund				
Current Fund	76,152	76,998	76,152	76,998
Capital Fund		300,000	300,000	
Total Open Space Trust Fund	<u>76,152</u>	<u>376,998</u>	<u>376,152</u>	<u>76,998</u>
Animal Trust Fund				
Current Fund	(1,148)	1,148	3,578	(3,578)
	<u>\$ 104,878</u>	<u>396,392</u>	<u>421,061</u>	<u>80,209</u>
Due from Current Fund	107,040	91,996	107,331	91,705
Due to Current Fund	(2,162)	1,294	10,630	(11,498)
Due to Public Assistance Trust Fund		3,100	3,100	
Due to Capital Fund		300,000	300,000	
	<u>\$ 104,878</u>	<u>396,390</u>	<u>421,061</u>	<u>80,207</u>
			114,133	
		301,294		
		3,100	3,100	
			300,000	
			3,561	
			267	
		76,775		
		223		
		15,000		
		<u>\$ 396,392</u>	<u>421,061</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Due to State of New Jersey

Animal Trust Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	3
Increased by:		
Cash Receipts		<u>366</u>
		369
Decreased by:		
Cash Disbursements		<u>364</u>
Balance - December 31, 2021	\$	<u><u>5</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2021

Balance - December 31, 2020		\$	5,182
Increased by:			
Dog License Fees	\$	1,551	
Cat License Fees		171	
Miscellaneous Revenue:			
Interest Earnings		<u>14</u>	
			<u>1,736</u>
			6,918
Decreased by:			
Statutory Excess			<u>3,561</u>
Balance - December 31, 2021		\$	<u><u>3,357</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	2,523
2020	<u>834</u>
	\$ <u><u>3,357</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Various Reserves and Deposits

Trust Funds

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2021</u>
Escrow Deposits	\$ 210,509	177,587	178,041	210,055
Inspection Fees	<u>13,414</u>	<u>15,688</u>	<u>4,972</u>	<u>24,130</u>
	<u>\$ 223,923</u>	<u>193,275</u>	<u>183,013</u>	<u>234,185</u>
		Cash Receipts \$ 193,275		
		<u>Cash Disbursements</u>	<u>183,013</u>	
		<u>\$ 193,275</u>	<u>183,013</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Miscellaneous Reserves

Trust Funds

Year Ended December 31, 2021

	Balance Dec. 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balances, Dec. 31, <u>2021</u>
Tax Sale Premium	\$ 191,100	311,100	159,700	342,500
Tax Title Lien Redemptions		265,551	265,551	
Street Permit Bonds	10,670			10,670
Uniform Fire Code Enforcement	3,048	2,500		5,548
Recycling Program	154,308	31,395	14,759	170,944
Public Defender Fees	24,057			24,057
Traffic Signal	23,138			23,138
Civic Activities - Donations	8,425			8,425
Police Donations		250		250
Municipal Alliance - Contributions	(68)	143		75
Recreation	310	511		821
Federal Forfeiture	933			933
Prosecutor	11,002			11,002
5KRun	4,322	11,645		15,967
Defibulator Fund - Donations	228			228
Police Outside Duty Employment	41,365			41,365
Bequests	2,420			2,420
Sewer Fees	4,000			4,000
Tree Bequests		750		750
Performance Bonds		87,300		87,300
Parking Offenses Adjudication Act	5,223	6		5,229
	<u>\$ 484,481</u>	<u>711,151</u>	<u>440,010</u>	<u>755,622</u>
		Cash Receipts		
		711,083		
		Deferred Charge-PY Deficit in Municipal Alliance		
		68		
		Cash Disbursements	440,010	
		<u>\$ 711,151</u>	<u>440,010</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Building Surcharge Fees - Due to the State of New Jersey

Trust Funds

Year Ended December 31, 2021

Balance - December 31, 2020	\$ <u>39,362</u>
Balance - December 31, 2021	\$ <u><u>39,362</u></u>

TOWNSHIP OF LITTLE FALLS

Schedule of Due to State of New Jersey

Unemployment Compensation Insurance Trust Fund

Year Ended December 31, 2021

Increased by:		
Unemployment and Disability Claims Payable	\$	<u>11,702</u>
Decreased by:		
Cash Disbursements	\$	<u><u>11,702</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Expenditures

Unemployment Compensation Insurance Trust Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	61,169
Increased by:			
Employee Payroll Deductions	\$	11,558	
Interfunds-Budget Appropriations		<u>15,000</u>	
			<u>26,558</u>
			87,727
Decreased by:			
Transfer to Due to State - Unemployment Claims	\$	11,702	
Interfunds-Disability Overpayment Refund		<u>267</u>	
			<u>11,969</u>
Balance - December 31, 2021		\$	<u><u>75,758</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Affordable Housing

Affordable Housing Trust Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	823,745
Increased by:			
COAH Development Fees collected	\$	118,604	
Interest earned on Investments		<u>1,875</u>	
			<u>120,479</u>
			944,224
Decreased by:			
Cash Disbursements			<u>2,047</u>
Balance - December 31, 2021		\$	<u><u>942,177</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.
 Schedule of Reserve for Open Space Expenditures
 Open Space Trust Fund
 Year Ended December 31, 2021

		<u>Unallocated Reserve</u>
Balance - December 31, 2020	\$	360,556
Increased by:		
Receipts	\$	484
Open Space Tax Levy		76,775
Open Space Tax Levy - Added		<u>223</u>
		<u>77,482</u>
		438,038
Decreased by:		
Interfunds-Due to General Capital		<u>300,000</u>
Balance - December 31, 2021	\$	<u><u>138,038</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Contributions Receivable - Length of Service Awards Program

Trust Funds

Year Ended December 31, 2021

Balance - December 31, 2020	\$	43,875
Increased by:		
2021 Contributions		<u>42,638</u>
		86,513
Decreased by:		
Cash Received		<u>43,875</u>
Balance - December 31, 2021	\$	<u><u>42,638</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Expenditures - Length of Service Award Program

Trust Funds

Year Ended December 31, 2021

Balance - December 31, 2020		\$	1,687,605
Increased by:			
Contributions	\$	42,638	
Interest Earned		11,382	
Investment Income		<u>241,387</u>	
			<u>295,407</u>
			1,983,012
Decreased by:			
Distributions			<u>88,063</u>
Balance - December 31, 2021		\$	<u><u>1,894,949</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$	629,991
Increased by Receipts:			
Grants Receivable	\$	235,000	
Contribution Receivable : Open Space Trust Fund		300,000	
Due to Current Fund		1,295	
Bond Anticipation Notes		3,987,113	
Bond Sale		14,250,000	
Premium on Bond Sale		124,524	
Bond Interest		2,391	
Capital Improvement Fund		250,000	
			<u>19,150,323</u>
			19,780,314
Decreased by Disbursements:			
Improvement Authorizations		831,695	
Contracts Payable		867,005	
Due from Current Fund		202,928	
Bond Anticipation Notes		14,181,000	
Reserve for Debt Service		152,147	
Fund Balance		37,250	
			<u>16,272,025</u>
Balance - December 31, 2021		\$	<u><u>3,508,289</u></u>

TOWNSHIP OF LITTLE FALLS, NJ.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2021

Due to Current Fund	\$ (167,046)
Grants Receivable	(8,391,569)
Capital Improvement Fund	63,850
Reserve for:	
Contracts Payable	449,794
I & I	21,696
Reserve for Payment of Debt:	20,000
Fund Balance	126,915

Improvement Authorizations:

Ordinance Number	Improvement Description	
721/802	Improvements to Various Roads	(50)
856	Morris Canal Pedestrian Way & Preserve	5,609
904/935/947	Construction New Municipal Building	4,852
991/1171	New Pump Station at Louis Street	80,578
1020/1086/1149/1155	Construction of a New Justice Complex	2,109
1043	Acquisition of Fire Pump	3,425
1071	Sanitary Sewer Improvements	496
1092	Improvement Fairfield Pump Station	(341,577)
1098	Various Road Improvements	(82,344)
1099	2010 Road Program	10,074
1100	Sanitary Sewer Improvements	(142,300)
1102	Storm Drain System Improvements	70
1121	Elevation of Homes	10,408
1126/1160	Paving of Stanley Street	(40,268)
1133	Installation of New Roof on the Public Library	8,600
1147	Flood Mitigation Acquisition or Reconstruction	(181,104)
1150	Refunding Ordinance - Hurricane Irene	(24)
1151	FEMA Flood Mitigation Project	311,371
1174	Improvements to Ridge Avenue	68,457
1175	Various Park Improvements	
1180	Refunding of Tax Appeals	1,573
1204/1267	Stormwater Improvements - Morringdale Circle	(496,801)
1212	Acquisition of Fire Engine	6,513
1213	Acquisition of Public Works Vehicles	3,367
1214	Replacement of Storm Drains	18
1215	2015 Road Improvement Program	213
1221	Crane Street Project	128,507
1234	Acquisition of Self Contained Breathing Apparatus	3,170
1253	2016 Road Resurfacing Program	16,759
1255	Acquisition of Integrated Body and Car Camera System	15,949
1264	Acquisition of Generator at Recreation Center	(24,663)
1272	Duva Park Improvements	143
1286	Acquisition and Demolition of Flood Prone Properties in the Singae Section	4,990,410
1289	Undertaking of Public Improvement and the Acquisition of New Automotive Vehicles	77,411
1290	Acquisition of New Additional or Replacement Equipment and Machinery	304
1295	Acquisition of Real Property	3,647
1300	Reconstruction of Woodliff Avenue	82,731
1322	Reconstruction of the Ridge Avenue Dead End	8
1323	2018 Road Improvement Program	566
1324	Stormwater Drainage Improvement	26
1325	Various Public Improvements	926
1331	Reconstruction of Donato Drive	68,336
1336	Acquisition of Real Property	3
1350	Sanitary Sewer Improvements	846
1351	Reconstruction of Coney Road and Vernada Street	8,140
1352	2019 Road Improvement Program	202,157
1353	Various Public Improvements	354,917
1356	Streetscape Improvements Project, Phase I	700,000
1359	Acquisition of Property for Construction of Stormwater Pump Station	217,579
1360	Acquisition of Property for Public Parking	103
1381	Tax Appeal Refunding Ordinance	37,593
1384	Acquisition of Property for Public Parking	492,370
1385	Reconstruction of portion of Micklejohn Avenue	32,114
1386	Various Public Improvements	
1387	2020 Road Improvement Program	401
1388	Streetscape Improvements Project, Phases II and III	1,652,936
1383/1389	Supplemental Approp. To 1383	85,218
1407	Various Public Improvements	340,238
1408	2021 Road Improvements	555,405
1409	Heartlock Road Improvements	553,967
1410	Undertaking of Streetscape Imps. At Main Street	656,734
1411	Traffic Light at Francisco & Cedar Grove Road	496,106
1412	Various Improvements At Duva Field	400,329
		\$ 3,508,289

Exhibit C-4

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Due from/(to) Current Fund

General Capital Fund

Year ended December 31, 2021

Balance - December 31, 2020		\$	(173,779)
Increased by:			
Grants Received	\$	139,192	
Cash Disbursements		<u>202,928</u>	
			<u>342,120</u>
			168,341
Decreased by:			
Interest on Deposits		<u>1,295</u>	
Interest on Deposits			<u>1,295</u>
Balance - December 31, 2021		\$	<u><u>167,046</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ 11,176,000
Increased by:	
General Improvement Bonds Issued	<u>14,250,000</u>
	25,426,000
Decreased by:	
Bonds Paid by Budget Appropriations	<u>951,000</u>
Balance - December 31, 2021	<u>\$ 24,475,000</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased By	Financed by Serial Bonds	Balance Dec. 31, 2021	Analysis of Balance		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
	General Improvements:	\$	50			50			
721/802	Improvements to Various roads		971			971			971
856	Morris Canal Pedestrian Way & Preserve	1,300,000				1,300,000	341,577		958,423
1092	Improvement Fairfield Pump Station	82,344				82,344	82,344		
1098	Various Road Improvements	142,500				142,500	142,500		
1100	Sanitary Sewer Improvements	62,000				62,000	40,000		21,732
1126/1160	Paving of Stanley Street	284,124				181,104	181,104		
1147	Flood Mitigation Acquisition or Reconstruction	24			103,020	24			
1150	Refunding Ordinance - Hurricane Irene	542,745				542,745			542,745
1151	FEMA Flood Mitigation Project	243,399			243,399				
1199	2014 Road Improvement Program	504,200				504,200	496,801		7,399
1204/1267	Stormwater Improvements - Mortungside Circle	552,500							
1212	Acquisition of Fire Engine	239,400							
1213	Acquisition of Public Works Vehicle	380,000							
1214	Replacement of Storm Drains	255,000							
1215	2015 Road Improvement Program	60,330							
1216	Railroad Avenue Park Improvements	80,000				80,000			80,000
1221	Crane Street Project	463,472							
1234	Acquisition of Self Contained Breathing Apparatus	288,000							
1253	2016 Road Resurfacing Program	179,528							
1254	Various Capital Improvements	131,526							
1255	Acquisition of Integrated Body and Car Camera System	25,957							
1264	Acquisition of Generator at Recreation Center	458,620		165,000		25,957		24,665	1,292
1272	Duva Park Improvements								
1286	Acquisition and Demolition of Flood-Prone Properties in the Singac Section	296,202							

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased By	Financed by Serial Bonds	Balance Dec. 31, 2021	Analysis of Balance		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1287	2017 Road Improvement Program	270,000			270,000				
1288	Various Public Improvements	346,639			346,639				
1289	Undertaking of a Public Improvement and the Acquisition of New Automotive Vehicles	404,542			404,542				
1290	Acquisition of New Additional or Replacement Equipment and Machinery	43,846			43,846				
1295	Acquisition of Real Property	211,291			211,291				
1300	Reconstruction of Woodcliff Avenue	181,223			181,223				
1321	Sanitary Sewer Improvements	95,000			95,000				
1322	Reconstruction of the Ridge Avenue Dead End	142,500			142,500				
1323	2018 Road Improvement Program	285,000			285,000				
1324	Stormwater Drainage Improvement	380,000			380,000				
1325	Various Public Improvements	379,000	20,000		399,000				
1326/1337	Public Improvements & Acquisition of New Automotive	420,000		193,579	150,000				
1331	Reconstruction of Donato Drive	343,579			357,000				
1336	Acquisition of Real Property	95,000			95,000				
1350	Sanitary Sewer Improvements	232,500			232,500				
1351	Reconstruction of Coney Road and Veranda St.	640,000			632,500	7,500			7,500
1352	2019 Road Improvement Program	701,000			701,000				
1353	Various Public Improvements	611,000			611,000				
1354	Various Public Improvements								
1359	Acquisition of Property for Construction of Stormwater Pump Station	210,000			210,000				
1360	Acquisition of Property for Public Parking	425,000			425,000				
1381	Tax Appeal Refunding Ordinance	790,000		265,000	2,467,012	524,113			887
1383/1389	Synthetic Turf Field Multipurpose Athletic Field	2,470,000			474,000	2,988			2,988
1384	Acquisition of Real Property for Public Parking	475,000			61,750	1,000			1,000
1385	Reconstruction of portion of Micklejohn Avenue	61,750			231,750				
1386	Various Public Improvements	231,750			540,450				
1387	2020 Road Improvement Program	641,250		100,800	396,000				
1388	Streetscape Improvements, Main Street, Phases I and II	396,000			396,000				

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased By:	Financed by Serial Bonds	Balance Dec. 31, 2021	Analysis of Balance		
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
1407	Various Public Improvements		607,500			607,500	607,500		
1408	2021 Road Improvement Program		641,250			641,250	1,250		
1409	Imps. to Hemlock Road		570,000			570,000	570,000		
1410	Undertaking of Streetscape Imps. At Main Street		434,000			434,000	434,000		
1411	Installation of a Traffic Signal - Francisco & Cedar Grove Rd		475,000			475,000	475,000		
1412	Various Imps. At Duva Field		735,500			735,500	735,250		250
		\$ 18,412,762	3,483,250	724,379	14,250,000	6,921,633	3,987,113	1,309,333	1,625,187

Improvement Authorizations \$ 3,463,250
 Reserve for Payment of Debt 20,000
3,483,250

Budget Appropriation \$ 265,000
 Reserve for Payment of Debt 459,379
724,379

Improvement Authorizations - Unfunded \$ 4,443,025
 Less: Unexpended proceeds of Bond Anticipation Notes
 Ordinance:
 1381 37,593
 1407 540,238
 1408 555,405
 1409 553,967
 1410 434,000
 1411 496,106
 1412 400,529
2,817,838

\$ 1,625,187

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2021		Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
			Date	Amount					
General Bonds	7/28/2010	3,599,000	8/1/2022	181,000	1.66-6.54%	2,237,000		171,000	2,066,000
			8/1/2023	191,000	1.66-6.54%				
			8/1/2024	201,000	1.66-6.54%				
			8/1/2025	213,000	1.66-6.54%				
			8/1/2026	225,000	1.66-6.54%				
			8/1/2027	239,000	1.66-6.54%				
			8/1/2028	253,000	1.66-6.54%				
			8/1/2029	272,000	1.66-6.54%				
			8/1/2030	289,000	1.66-6.54%				
	General Bonds	8/15/2015	8,754,000	8/15/2022	290,000	4.000%	7,504,000		250,000
			8/15/2023	464,000	4.000%				
			8/15/2024-25	500,000	4.000%				
			8/15/2026	500,000	2.500%				
			8/15/2027-31	500,000	3.000%				
			8/15/2032-34	500,000	3.250%				
Refunding of Bonds 2015	12/10/2015	4,440,000	8/1/2022	525,000	4.000%	1,435,000		530,000	905,000
			8/1/2023	380,000	4.000%				
General Bonds	8/1/2021	14,250,000	8/1/2022	475,000	0.500%		14,250,000		14,250,000
			8/1/2023	490,000	0.500%				
			8/1/2024	935,000	0.500%				
			8/1/2025	950,000	0.500%				
			8/1/2026	950,000	1.000%				
			8/1/2027	950,000	1.500%				
		8/1/2028-37	950,000	2.000%					
						\$ 11,176,000	14,250,000	951,000	24,475,000
						Budget Appropriations		\$ 951,000	

TOWNSHIP OF LITTLE FALLS
 Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2021

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest Rate	Balance	
						Dec.31 2020	Dec.31, 2021
						Increased	Decreased
1147	Flood Mitigation Acquisition or Reconstruction	7/31/2013	12/11/2020	8/6/2021	1.00%	284,124	284,124
1151	FEMA Flood Mitigation Project	5/14/2014	12/11/2020	8/6/2021	1.00%	542,745	542,745
1199	Various Road Improvements	12/19/14	12/11/2020	8/6/2021	1.00%	243,399	243,399
1212	Acquisition of Fire Engine	12/15/2016	12/11/2020	8/6/2021	1.00%	552,500	552,500
1213	Acquisition of Public Works Vehicle	12/15/2016	12/11/2020	8/6/2021	1.00%	239,400	239,400
1215	2015 Road Improvement Program	12/15/2016	12/11/2020	8/6/2021	1.00%	255,000	255,000
1216	Railroad Avenue Park Improvements	12/15/2016	12/11/2020	8/6/2021	1.00%	60,330	60,330
1234	Acquisition of Self Contained Breathing Apparatus	12/15/2016	12/11/2020	8/6/2021	1.00%	463,472	463,472
1255	Acquisition of Integrated Body and Car Camera System	12/14/2017	12/11/2020	8/6/2021	1.00%	131,526	131,526
1253	2016 Road Program	12/14/2017	12/11/2020	8/6/2021	1.00%	288,000	288,000
1254	Various Improvements	12/14/2017	12/11/2020	8/6/2021	1.00%	179,528	179,528
1272	Duva Peak Improvements	12/14/2017	12/11/2020	8/6/2021	1.00%	458,620	458,620
1286	FEMA Flood Mitigation (Singse Section)	12/14/2017	12/11/2020	8/6/2021	1.00%	296,202	296,202
1287	2017 Road Program	12/14/2017	12/11/2020	8/6/2021	1.00%	270,000	270,000
1288	Public Improvements and Acquisition of New Vehicle	12/14/2017	12/11/2020	8/6/2021	1.00%	346,639	346,639
1289	Public Improvements and Acquisition of New Vehicle	12/14/2017	12/11/2020	8/6/2021	1.00%	404,542	404,542
1290	Acquisition of Equipment and Machinery	12/14/2017	12/11/2020	8/6/2021	1.00%	43,846	43,846
1295	Acquisition of Real Property	12/14/2017	12/11/2020	8/6/2021	1.00%	211,291	211,291
1300	Reconstruction of Woodcliff Avenue	12/14/2017	12/11/2020	8/6/2021	1.00%	181,223	181,223
1322	Reconstruction of Ridge Avenue Dead End	12/14/2018	12/11/2020	8/6/2021	1.00%	142,500	142,500
1323	2018 Road Improvement Program	12/14/2018	12/11/2020	8/6/2021	1.00%	285,000	285,000
1326	Public Improvements and Acquisition of New Vehicle	12/14/2018	12/11/2020	8/6/2021	1.00%	420,000	420,000
1336	Acquisition of Real Property	12/14/2018	12/11/2020	8/6/2021	1.00%	357,000	357,000
1351	Reconstruction of Coney Road & Veranda Street	12/12/2019	12/11/2020	8/6/2021	1.00%	232,500	232,500
1352	2019 Road Improvement Program	12/12/2019	12/11/2020	8/6/2021	1.00%	632,500	632,500
1359	Acquisition of Property for Stormwater Pump Station	12/12/2019	12/11/2020	8/6/2021	1.00%	210,000	210,000
1360	Acquisition of Property for Public Parking	12/12/2019	12/11/2020	8/6/2021	1.00%	425,000	425,000

TOWNSHIP OF LITTLE FALLS

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2021

Ord. No.	Improvement Description	Date of issue of original notes	Date of Issuance	Date of Maturity	Interest rate	Balance Dec. 31 2020	Increased	Decreased	Balance, Dec. 31, 2021
1147	Flood Mitigation Acquisition or Reconstruction	7/31/2013	12/11/2020	8/6/2021	1.00%	\$ 284,124		284,124	
1151	FEMA Flood Mitigation Project	5/14/2014	12/11/2020	8/6/2021	1.00%	542,745		542,745	
1199	Various Road Improvements	12/19/14	12/11/2020	8/6/2021	1.00%	243,399		243,399	
1212	Acquisition of Fire Engine	12/15, \$6	12/11/2020	8/6/2021	1.00%	552,500		552,500	
1281	Tax Appeal refunding Ordinance	8/6/2020	6/30/2021	6/30/2022	1.00%	789,113	524,113		524,113
13-21	Sanitary S. K. Improvements	8/6/2020	8/6/2020	8/6/2021	1.0 %	95,000		95,000	
13-24	Stormwater Drainage Improvements	8/6/2020	8/6/2020	8/6/2021	0.53 %	3		3	
1331	Various Public Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	380,000		380,000	
13-30	Reconstruction of Donato Drive	8/6/2020	8/6/2020	8/6/2021	0.53%	799,10		799,10	
1353	Sanitary Sewer Improvements	8/6/2020	8/6/2020	8/6/2021	0.53 %	50,000		50,000	
13-54	Various Public Improvements	8/6/2020	8/6/2020	8/6/2021	0.53	793,000		793,000	
1383	Various Public Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	611,000		611,000	
1384	Synthetic Turf Field Multipurpose Athletic Field	8/6/2020	8/6/2020	8/6/2021	0.53%	1,995,000		1,995,000	
1407	Acquisition of Real Property for Public Parking	8/6/2020	8/6/2020	8/6/2021	0.40%	474,000		474,000	
1408	Various Public Improvements	12/21/2021	12/21/2021	12/15/2022	0.4 %		607,500		607,500
1409	Imps. to Hemlock Road	8/6/2021	12/21/2021	12/15/2022	0.4%		641,250		641,250
1410	Undertaking of Streetscape Imps. At Main Street	12/21/2021	12/21/2021	12/15/2022	0.40%		570,000		570,000
1411	Installation of a Traffic Signal - Francisco & Cedar Grove Rd	12/21/2021	12/21/2021	12/15/2022	0.40%		434,000		434,000
1412	Various Imps. At Diva Field	12/21/2021	12/21/2021	12/15/2022	0.40%		475,000		475,000
						\$ 14,446,000	3,987,113	14,446,000	3,987,113

Cash
Bond Sale Proceeds
Paydown on Notes - Budget Appropriation

14,181,000
263,000
14,446,000

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Contracts Payable

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$	867,005
Increased by:		
Contracts Awarded		<u>449,794</u>
		1,316,799
Decreased by:		
Contracts Paid		<u>867,005</u>
Balance - December 31, 2021	\$	<u><u>449,794</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2020		2021 Authorizations	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded			Funded	Unfunded
856	General Improvements:								
904/935/947	Morris Canal Pedestrian Way & Preserve	\$	190,000	5,951	971		342	5,609	971
991/1171	Construction New Municipal Building		100,000	7,506	-		2,654	4,852	-
	New Pump Station at Louis Street		165,000	8,918	-		340	30,578	-
1020/086/1149/1155	Construction of New Justice Complex		450,000	2,109	-			2,109	-
1043	Acquisition of Fire Pump		650,000	3,765	-		340	3,425	-
1071	Storm Sewer Improvements		425,000	2,346	-		2,350	496	-
1092	Improvement Fairfield Pump Station		1,300,000	10,414	820,840		(137,584)	10,074	938,424
1099	2010 Road Program		250,000	70	-		340	10,074	-
1102	Storm Drain System Improvements		400,000	10,819	-			70	-
1121	Elevation of Homes		364,770	40,000	-		411	10,408	-
1126/1160	Paving of Stanley Street		40,000	8,940	22,072		340	411	21,732
1133	Installation of New Roof on the Public Library		142,920	316,207	542,745		340	8,600	542,745
1151	FEMA Flood Mitigation Project		3,924,800	72,275	-		4,836	311,371	-
1174	Improvements to Ridge Avenue		284,500	148	-		3,818	68,457	-
1175	Various Park Improvements		253,000	148	-		148	148	-
1180	Refunding of Tax Appeals		900,000	27,981	-		26,408	1,573	-
1204/1267	Stormwater Improvements - Morningside Circle		300,000	6,739	8,429		1,030	1,030	7,399
1212	Acquisition of Fire Engine		650,000	-	6,739		226	6,513	-
1213	Acquisition of Public Works Vehicles		324,000	-	18		(3,367)	3,367	-
1214	Replacement of Storm Drains		400,000	-	18		892	18	-
1215	2015 Road Improvement Program		300,000	133,004	1,105		213	128,507	80,000
1221	Crane Street Program		300,000	-	80,000		4,397	3,170	-
1234	Acquisition of Self Contained Breathing Apparatus		300,000	7,567	7,567		4,397	3,170	-
1253	2016 Road Resurfacing Program		320,000	39,224	39,224		22,465	16,759	-
1255	Acquisition of Integrated Body and Car Camera System		155,000	15,949	15,949		15,949	15,949	-
1255	Acquisition of Generator at Recreation Center		120,000	1,292	1,292				1,292
1272	Duva Park Improvements		700,000	-	143			143	-
1286	Acquisition and Demolition of Flood-Prone Properties in the Single Section		11,966,155	4,698,605	296,202		4,397	4,990,410	-
1287	2017 Road Improvement Program		300,000	-	-			-	-
1288	Various Public Improvements		375,000	-	-			-	-
1289	Undertaking of a Public Improvement and the Acquisition of New Automotive Vehicles		465,000	-	80,065		2,654	77,411	-
1290	Acquisition of New Additional or Replacement Equipment and Machinery		50,000	6,373	6,373		6,069	304	-
1295	Acquisition of Real Property		225,000	8,044	4,397		4,397	3,647	-
1300	Reconstruction of Woodcliff Avenue		675,000	87,128	87,128		1,084	82,751	-
1322	Reconstruction of the Ridge Avenue Dead End		150,000	1,092	1,092		8	8	-
1323	2018 Road Improvement Program		300,000	2,470	2,470		1,904	566	-
1325	Stormwater Drainage Improvement		400,000	1,530	1,530		1,504	26	-
1324	Various Public Improvements		420,000	926	926		8,661	926	-
1325	Reconstruction of Donato Drive		750,000	76,997	76,997			68,336	-
1331	Acquisition of Real Property		375,000	3	3			3	-
1336	Sanitary Sewer Improvements		300,000	846	846			846	-
1350	Reconstruction of Coney Road and Veranda Street		325,000	2,377	2,377		(5,763)	8,140	-
1352	2019 Road Improvement Program		675,000	1,296,111	1,296,111		(80,046)	202,157	7,500
1353	Various Public Improvements		838,000	356,366	356,366		1,449	354,917	-
1356	Streetscape Improvements Project, Phase I		700,000	700,000	700,000			700,000	-
1359	Acquisition of Property for Construction of Stormwater Pump Station		225,000	14,472	210,000		6,893	217,579	-
1360	Acquisition of Property for Public Parking		450,000	3,221	3,221		3,118	103	-

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2020		2021 Authorizations	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded			Funded	Unfunded
1381	Tax Appeal Refunding Ordinance	April 13, 2020	790,000	39,122			643		38,479
1383/1389	Synthetic Turf Field Multipurpose Athletic Field	Aug. 24, 2020	3,500,000	4,997			(83,209)	85,218	2,988
1384	Acquisition of Property for Public Parking	May 4, 2020	500,000	475,000	22,768		4,398	492,370	1,000
1385	Reconstruction of portion of Middlejohn Avenue	May 4, 2020	150,000	3,636			(28,478)	32,114	
1386	Various Public Improvements	May 18, 2020	250,000				925	401	
1387	2020 Road Improvement Program	May 1, 2020	675,000	1,326			4,498	1,652,986	
1388	Streetscape Improvements Project, Phases II and III	May 24, 2021	1,700,000	396,000			299,762		340,238
1407	Various Public Improvements	May 24, 2021	640,000		640,000		119,595		555,405
1408	2021 Road Improvements	May 24, 2021	600,000				46,033		553,967
1409	Hemlock Road Improvements	May 24, 2021	1,000,000		1,000,000		343,266	222,754	434,000
1410	Streetscape Imps. To Main Street, Phase 4 & 6	May 2, 2021	500,000				3,894		496,106
1411	Traffic Light at Francisco & Cedar Grove Road	May 24, 2021	500,000				674,221		400,779
1412	Various Improvements at Duva Field	May 24, 2021	1,075,000		1,075,000				
			\$ 7,380,232	\$ 3,730,426	\$ 4,490,000	\$ 1,281,489	\$ 9,876,144	\$ 4,443,025	

Grant Receivable - NJ Department of Transportation
 Township Open Space Trust Fund
 Deferred Charges - Unfunded

\$ 4,490,000
 Cash Disbursed \$ 831,695
 Contracts Payable 449,794
 \$ 1,281,489

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020		\$ 8,999,265
Increased by:		
Grants Awarded		<u>540,600</u>
		9,539,865
Decreased by:		
Cash Receipts	\$ 235,000	
Cancelled Grants	774,104	
Due from Current Fund	<u>139,192</u>	
		<u>1,148,296</u>
Balance - December 31, 2021		<u>\$ 8,391,569</u>

Analysis of Balance

	<u>Pledged to</u>	
	<u>Reserve</u>	<u>Improv. Auth.</u>
<u>Federal</u>		
NJ OEM (Ord. 1151)	\$ 313,992	313,992
NJ OEM (Ord. 1286)	4,699,845	4,699,845
CDBG (Ord. 1354)	85,000	85,000
	<u>-</u>	<u>5,098,837</u>
		<u>5,098,837</u>
<u>State</u>		
DOT (Ord. 1300)	22,613	22,613
DOT (Ord. 1221)	12,538	12,538
DOT (Ord. 1356)	560,808	560,808
DOT (Ord. 1388)	1,283,000	1,283,000
DOT (Ord. 1412)	540,600	540,600
NJDEP (Ord. 1353)	100,000	100,000
NJDEP (Ord. 1383)	750,000	750,000
NJDEP (Ord. 1386)	6,000	6,000
	<u>-</u>	<u>3,275,559</u>
		<u>3,275,559</u>
<u>Local</u>		
Passaic County (Ord. 1216)	17,173	17,173
	<u>-</u>	<u>17,173</u>
		<u>17,173</u>
	<u>\$ -</u>	<u>8,391,569</u>
		<u>8,391,569</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2021

Increased by:	
Cash Received - Budget Appropriation	\$ <u>250,000</u>
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>186,150</u>
Balance - December 31, 2021	\$ <u><u>63,850</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2021

Balance - December 31, 2020	\$ <u>774,104</u>
Decreased by: Cancellations	\$ <u><u>774,104</u></u>

Exhibit C-14

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Sewer I & I

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ <u>21,696</u>
Balance - December 31, 2021	\$ <u><u>21,696</u></u>

Exhibit C-15

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2021

Balance - December 31, 2020	\$ <u>611,526</u>
Increased by:	
Excess Note Proceeds	<u>20,000</u>
Decreased by:	
Due to Current - Budget Revenue	\$ 152,147
Deferred Charges - Unfunded	<u>459,379</u>
	<u>611,526</u>
Balance - December 31, 2021	\$ <u><u>20,000</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Description	Balance Dec. 31, 2020	2021 Authorizations	Decreased	Balance Dec. 31, 2021
721/802	Improvements to Various Roads	\$ 50			50
856	Morris Canal Pedestrian Way & Preserve	971			971
1092	Improvement Fairfield Pump Station	1,300,000			1,300,000
1098	Various Road Improvements	82,344			82,344
1100	Sanitary Sewer Improvements	142,500			142,500
1126	Paving of Stanley Street	62,000			62,000
1147	Flood Mitigation Acquisition or Reconstruction		181,104		181,104
1150	Refunding Ordinance - Hurricane Irene	24			24
1151	FEMA Flood Mitigation Project		542,745		542,745
1204/1267	Stormwater Improvements - Morningside Circle	504,200			504,200
1214	Replacement of Storm Drains	380,000		380,000	
1221	Crane Street Project	80,000			80,000
1264	Acquisition of Generator at Recreation Center	25,957			25,957
1352	2019 Road Improvement Program	7,500			7,500
1381	Tax Appeal Refunding Ordinance	887			887
1384	Acquisition of Real Property for Public Parking	1,000			1,000
1385	Reconstruction of portion of Micklejohn Avenue	61,750		61,750	
1386	Various Public Improvements	231,750		231,750	
1387	2020 Road Improvement Program	641,250		641,250	
1388	Streetscape Improvements, Main Street, Phases I and II	396,000		396,000	
1389	Supplemental Approp. To 1381	475,000		472,012	2,988
1407	Various Public Improvements		607,500	607,500	
1408	2021 Road Improvement Program		641,250	641,250	
1409	Imps. to Hemlock Road		570,000	570,000	
1410	Undertaking of Streetscape Imps. At Main Street		434,000	434,000	
1411	Installation of a Traffic Signal - Francisco & Cedar Grove Rd		475,000	475,000	
1412	Various Imps. At Duva Field		735,500	735,250	250
		<u>\$ 4,393,183</u>	<u>4,187,099</u>	<u>5,645,762</u>	<u>2,934,520</u>
			Bond Sale \$	2,081,962	
			Unappropriated Grant Received - Ord. 1387	100,800	
			Bond Anticipation Notes Issued	<u>3,463,000</u>	
				<u>\$ 5,645,762</u>	

Exhibit D-1

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash

Public Assistance Fund

Year Ended December 31, 2021

	<u>PATF Account #2</u>	<u>Total</u>
Balance - December 31, 2020	\$ 14,781	14,781
Increased by Receipts:		
State Aid	30,900	30,900
Due from Unemployment Trust	<u>2,953</u>	<u>2,953</u>
	48,634	48,634
Decreased by Disbursements:		
Public Assistance Payments	31,536	31,536
Due to Unemployment Trust	<u>2,953</u>	<u>2,953</u>
Balance - December 31, 2021	<u>\$ 14,145</u>	<u>14,145</u>

Exhibit D-2

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year Ended December 31, 2021

	<u>PATF Account #2</u>	<u>Total</u>
Balance - December 31, 2020	\$ 14,781	14,781
Increased by Receipts:		
State Aid	30,900	30,900
Due from Unemployment Trust	<u>2,953</u>	<u>2,953</u>
	48,634	48,634
Decreased by Disbursements:		
Public Assistance Payments	31,536	31,536
Due from Unemployment Trust	<u>2,953</u>	<u>2,953</u>
Balance - December 31, 2021	<u>\$ 14,145</u>	<u>14,145</u>

Exhibit D-3

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Revenues

Public Assistance Fund

Year Ended December 31, 2021

	PATF Account#2 (100%)	Fund Total
State Aid	\$ 30,900	30,900
Due from Unemployment Trust	2,953	2,953
	<hr/>	<hr/>
Total Revenue (PATF)	33,853	33,853
	<hr/>	<hr/>
Total Receipts/Revenues	\$ 33,853	33,853
	<hr/> <hr/>	<hr/> <hr/>

Exhibit D-4

Schedule of Expenditures

Public Assistance Fund

Year Ended December 31, 2021

	PATF Account #2 (100%)	Fund Total
Current Year Assistance		
Public Assistance Payments	\$ 31,536	31,536
Due to Unemployment Trust	2,953	2,953
	<hr/>	<hr/>
Total Current Year Assistance Reported	31,536	31,536
	<hr/>	<hr/>
Total Disbursements	\$ 31,536	31,536
	<hr/> <hr/>	<hr/> <hr/>

TOWNSHIP OF LITTLE FALLS

PART II

LETTERS ON INTERNAL CONTROL AND COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

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WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkocz, CPA, RMA, PSA
Matthew B. Wielkocz, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
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**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and
Members of the Township Council
Township of Little Falls
Little Falls, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Little Falls in the Township of Little Falls as of and for the year ended December 31, 2021 and the related notes to the financial statements, and have issued our report thereon dated June 13, 2022 which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Little Falls' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Little Falls' internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Little Falls' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal



Honorable Mayor and
Members of the Township Council
Page 2.

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.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Township of Little Falls in the accompanying comments and recommendations section of this report.

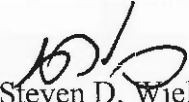
Compliance and Other Matters

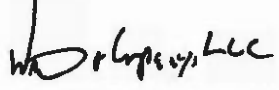
As part of obtaining reasonable assurance about whether the Township of Little Falls' financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Little Falls in the accompanying comments and recommendations section of this report.

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 Township of Little Falls internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Little Falls internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 13, 2022



TOWNSHIP OF LITTLE FALLS

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

TOWNSHIP OF LITTLE FALLS

GENERAL COMMENTS, (CONTINUED)

Effective January 1, 2011, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, this amount was increased to \$40,000. Effective July 1, 2020, the bid threshold was increased to \$44,000 with a qualified purchasing agent.

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 question arises as to whether any contract or agreement might result in violation of the statute, the Township 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:

FY2019 NJDOT Municipal Aid Program Downtown Little Falls Streetscape Improvements
2nd Ave. Sanitary Sewer Improvements
2021 Winter Products- Passaic County CoOp

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch 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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did reveal individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 1, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, the provisions of NJSA 54:4-67 direct that the governing body of each municipality may fix the rate of interest to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent, and may further provide that no interest shall be charged if on payment of any installment is made within the tenth calendar day following the date upon which the same became payable; and

TOWNSHIP OF LITTLE FALLS

GENERAL COMMENTS, (CONTINUED)

WHEREAS, NJSA 54:4-67 further provides that the rate of interest so fixed shall not exceed eight (8%) on the first one thousand five hundred dollars (\$1,500) of the delinquency and eighteen percent (18%) per annum on any amount in excess of one thousand five hundred dollars (\$1,500).

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Township of Little Falls do hereby fix, in accordance with the provisions of NJSA 54:4-67 the rate of interest to be charged for the non-payment of taxes or assessments at eight (8%) per annum on the first one thousand five hundred dollars (\$1,500) of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500) of the delinquency, provided, however, that no interest shall be charged if payment of any installation is made within the tenth calendar day following the date upon which the same became payable.

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on September 14, 2021, and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2021	6
2020	6
2019	8

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

TOWNSHIP OF LITTLE FALLS

COMMENTS

COMMENTS

Clerk:

1. Annual Addendums for professional service contracts were not completed to award the contracts for the year under audit.

Court:

2. *Checks contain only one authorizing signature
3. *A review of the December Monthly Management Report indicated an excessive amount of tickets assigned over 180 days.
4. There were multiple instances in which violation files did not contain sufficient backup.
5. The General and Bail Accounts contain long outstanding checks as reconciling items.

RECOMMENDATIONS

Clerk:

1. Professional service contract addendums to document the current year service contract award should be completed annually.

Court:

2. *Checks should contain two authorizing signatures.
3. *Policies should be implemented to address the excess amount of tickets that need follow up.
4. That all required documentation be maintained and made available for review.
5. All long outstanding reconciling items should be reviewed and voided, as appropriate.

TOWNSHIP OF LITTLE FALLS

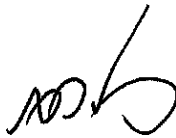
Status of Prior Year Audit Findings/Recommendation

A review was performed on all prior year recommendations and corrective action was taken on all, except for the findings/recommendations marked with an “*”.

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

June 13, 2022