

**TOWNSHIP OF LITTLE FALLS**

**Financial Statements With  
Supplementary Information**

**December 31, 2020  
(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**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Little Falls in the Township of Little Falls, as of December 31, 2020 and 2019, 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 statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



Honorable Mayor and  
Members of the Township Council  
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the 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.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Little Falls as of December 31, 2020 and 2019, or changes in financial position for the years then ended.

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

As described in Note 16 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,687,605 and \$1,457,447 for 2020 and 2019, 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 effect of the matters described in the “*Basis for Qualified Opinion on Regulatory Basis of Accounting*” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2020 and 2019, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2020 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.

***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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are 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 provide any assurance on it.





Honorable Mayor and  
Members of the Township Council  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2021 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

July 31, 2021



TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 6,826,037	4,388,250
Cash - Change Funds	A-5	<u>500</u>	<u>500</u>
		<u>6,826,537</u>	<u>4,388,750</u>
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	<u>1,860</u>	<u>6,498</u>
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	A-8	80,984	182,718
Taxes Receivable	A-9	768,265	1,155,492
Property Acquired for Taxes - Assessed Valuation	A-10	825,100	825,100
Revenue Accounts Receivable	A-11	8,225	16,636
Interfund Accounts Receivable	A-12	175,941	144,825
Interfund Receivable - Federal and State Grant Fund	A-24	<u>366,469</u>	<u>          </u>
		<u>2,224,984</u>	<u>2,324,771</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	1,425,870	120,000
Emergency Authorizations	A-14	<u>11,750</u>	<u>75,000</u>
		<u>1,437,620</u>	<u>195,000</u>
		<u>10,491,001</u>	<u>6,915,019</u>
Federal and State Grant Fund:			
Schedule of Interfunds	A-25		327,407
Grants Receivable	A-26	806,736	4,817
Deferred Charges:			
Expenditures without Appropriations	A-29		<u>2,664</u>
		<u>806,736</u>	<u>334,888</u>
		<u>\$ 11,297,737</u>	<u>7,249,907</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	\$ 943,934	542,690
Encumbrances Payable	A-3/A-16	298,220	280,151
Interfund Accounts Payable	A-12	107,040	109,085
Reserve for Other Expenditures	A-17	1,174,391	183,041
Tax Overpayments	A-18	6,612	
Local District School Taxes Payable	A-19	1,257,939	
Regional School Taxes Payable	A-20	1,183,685	
County Taxes Payable	A-21	109,605	31,190
Prepaid Taxes	A-22	339,538	295,133
State Fees Payable	A-23	15,271	3,592
Interfund Payable - Federal and State Grant Fund	A-24		327,407
		<u>5,436,235</u>	<u>1,772,289</u>
Reserve for Receivables	Contra	2,224,984	2,324,771
Fund Balance	A-1	<u>2,829,782</u>	<u>2,817,959</u>
		<u>10,491,001</u>	<u>6,915,019</u>
Federal and State Grant Fund:			
Schedule of Interfunds	A-25	366,469	36,897
Appropriated Reserve for Grants	A-27	365,956	188,849
Reserve for Grant Encumbrances	A-27	42,584	
Unappropriated Reserve for Grants	A-28	31,727	109,142
		<u>806,736</u>	<u>334,888</u>
		<u>\$ 11,297,737</u>	<u>7,249,907</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Revenues and Other Income:		
Fund Balance Utilized	1,950,000	1,400,000
Miscellaneous Revenue Anticipated	5,019,187	3,882,975
Receipts from Delinquent Taxes	366,879	465,349
Receipts from Current Taxes	46,965,036	47,646,895
Non-Budget Revenue	872,080	669,102
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	409,197	525,521
Interfunds Returned	1,937	139,347
COVID-19 Special Emergency	1,335,870	
	<hr/>	<hr/>
Total Revenues and Other Income	56,920,186	54,729,189
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	7,623,423	6,699,749
Other Expenses	8,427,639	7,293,288
Capital Improvements	261,750	250,000
Municipal Debt Service	2,094,705	2,183,538
Deferred Charges and Statutory Expenditures - Municipal	1,694,128	1,822,591
Local District School Tax	15,332,069	15,034,497
Regional High School Taxes	7,550,636	7,453,776
County Taxes Including Added Taxes	11,238,198	11,490,605
County Open Space Taxes	167,010	165,390
Municipal Open Spaces Taxes Payable	76,152	75,657
Interfunds Advanced	400,788	61,557
Refund of Prior Year Revenue	103,615	95,239
	<hr/>	<hr/>
Total Expenditures	54,970,113	52,625,887
	<hr/>	<hr/>
Excess (Deficit) Revenue Over Expenditures	1,950,073	2,103,302
	<hr/>	<hr/>

TOWNSHIP OF LITTLE FALLS, N.J.

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

Current Fund

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Authorizations	<u>11,750</u>	<u>75,000</u>
	<u>11,750</u>	<u>75,000</u>
Statutory Excess to Surplus	1,961,823	2,178,302
Fund Balance, January 1,	<u>2,817,959</u>	<u>2,039,657</u>
	4,779,782	4,217,959
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>1,950,000</u>	<u>1,400,000</u>
Fund Balance, December 31,	<u>\$ 2,829,782</u>	<u>2,817,959</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, 2020**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 1,950,000	1,950,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	31,000	31,130	130
Other	45,000	30,501	(14,499)
Fees and Permits			
Other	150,000	61,617	(88,383)
Fines and Costs:			
Municipal Court	333,000	152,476	(180,524)
Interest and Costs on Taxes	90,000	102,505	12,505
Interest on Investments and Deposits	37,000	42,841	5,841
Recreation Program Fees	72,000	47,828	(24,172)
Energy Receipts Tax	1,282,063	1,282,063	
Watershed Aid	1,457	1,457	
Reserve for Garden State Trust Fund	4,509	4,509	
Uniform Construction Code Fees	335,000	377,130	42,130
EMS Fees - Little Falls	313,776	365,321	51,545
EMS Fees - Elmwood Park	369,060	409,532	40,472
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			
Recycling Tonnage Grant	41,477	41,477	
Clean Communities	22,723	22,723	
Alcohol Education and Rehabilitation Fund	16,899	16,899	
Municipal Alliance on Alcoholism and Drug Abuse	22,440	22,440	
Drunk Driving Enforcement Fund	12,908	12,908	
Click It or Ticket	5,500	5,500	
NJ American Water Fire Grant	1,000	1,000	
Distracted Driving Enforcement Fund	5,500	5,500	
Firehouse Subs Grant	14,084	14,084	
Passaic County CARES Act	842,110	842,110	
Other Special Items:			
Uniform Fire Safety Act	22,000	23,121	1,121
Sewer Service Fees	90,000	103,505	13,505
Cable TV Franchise Fee	180,000	176,537	(3,463)
General Capital Fund Balance	80,000	80,000	
Due from Other Trust Fund	60,428	60,428	
Due from Animal Trust	11,069	11,069	
Due from Tax Title Lien Premium Trust	15,007	15,007	
Reserve for Debt Service	385,000	385,000	
Montclair University Sewer Fees	165,000	232,963	67,963
IRS Contribution - Debt Service	39,000	30,646	(8,354)
Montclair University Fire Alarm Fees	10,000	7,360	(2,640)
Total Miscellaneous Revenues	5,106,010	5,019,187	(86,823)
Receipts from Delinquent Taxes	396,633	366,879	(29,754)
Subtotal General Revenues	7,452,643	7,336,066	(116,577)

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2020**

	<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	13,095,609	12,888,080	(207,529)
Library Purposes	<u>554,938</u>	<u>554,938</u>	
	<u>13,650,547</u>	<u>13,443,018</u>	<u>(207,529)</u>
Budget Totals	21,103,190	20,779,084	(324,106)
Non-Budget Revenue		<u>872,080</u>	<u>872,080</u>
	<u>\$ 21,103,190</u>	<u>21,651,164</u>	<u>547,974</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 47,965,036
Allocated to County and Local and Regional School Taxes	34,472,018
Transfer to Reserve for Tax Appeals	<u>1,000,000</u>
Balance for Support of Municipal Budget Appropriations	12,493,018
Add : Appropriation - Reserve for Uncollected Taxes	<u>950,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 13,443,018</u>
Receipts from Delinquent Taxes:	
Taxes Receivable	366,879
Tax Title Liens Receivable	<u>111,394</u>
Delinquent Taxes	<u>\$ 478,273</u>
Non-Budget Revenue:	
Floyd Hall Settlement	\$ 192,467
Sewer Connections	142,024
Insurance Reimbursements	15,303
Health Benefits	294,871
Billboard Leases	45,199
PVSC Reimbursements	10,709
Library Reimbursements	134,634
Offsets not applied	<u>36,873</u>
	<u>\$ 872,080</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, 2020

	<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	\$ 71,028	71,028	70,437	591	
Other Expenses	58,800	59,800	59,302	498	
Mayor and Council:					
Salaries and Wages	17,500	17,500	17,396	104	
Other Expenses	2,000	2,000	1,183	817	
Municipal Clerk:					
Salaries and Wages	223,534	223,534	223,125	409	
Other Expenses	85,000	85,000	66,632	18,368	
Financial Administration:					
Salaries and Wages	147,384	147,384	147,058	326	
Other Expenses	65,000	65,000	58,920	6,080	
Audit Services	50,000	50,000	34,000	16,000	
Collection of Taxes:					
Salaries and Wages	99,545	99,545	99,541	4	
Other Expenses	39,500	39,500	15,998	23,502	
Assessment of Taxes:					
Salaries and Wages	56,798	56,798	56,707	91	
Other Expenses	30,900	30,900	24,866	6,034	
Legal Services and Cost:					
Other Expenses	175,000	175,000	123,920	51,080	



TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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	75,000	100,000	90,391	9,609	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	4,983	4,983	4,983		
Other Expenses	16,500	13,500	4,724	8,776	
Insurance:					
Liability	32,850	32,850	32,850		
Liability - NJIF	254,800	254,800	254,800		
Workers Compensation	243,800	243,800	243,800		
Employee Group Insurance	1,455,000	1,455,000	1,436,164	18,836	
Unemployment Insurance	15,000	15,000	15,000		
Public Safety:					
Police:					
Salaries and Wages - Regular	3,657,257	3,657,257	3,630,709	26,548	
Other Expenses	196,650	196,650	175,217	21,433	
Acquisition of Police Vehicles	106,000	106,000	105,996	4	
Salaries and Wages - Dispatchers/911	243,266	243,266	223,632	19,634	
Salaries and Wages - Police Civilian	192,683	192,683	161,915	30,768	
Emergency Management:					
Salaries and Wages	15,000	15,000	15,000		
Other Expenses	20,000	20,000	19,001	999	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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					
Salaries and Wages	41,000	41,000	21,189	19,811	
Other Expenses	50,000	50,000	48,976	1,024	
Fire Hydrant Service					
Other Expenses	140,000	182,000	181,608	392	
Fire Department					
Salaries and Wages	169,832	169,832	160,589	9,243	
Other Expenses - Miscellaneous	166,865	166,865	160,344	6,521	
Fire Prevention					
Salaries and Wages	79,444	79,444	79,425	19	
Other Expenses	5,000	5,000	522	4,478	
Municipal Prosecutor:					
Salaries and Wages	20,037	20,037	20,037		
Municipal Court					
Salaries and Wages	145,152	145,152	142,730	2,422	
Other Expenses	33,000	33,000	7,755	25,245	
Public Defender:					
Other Expenses	7,500	7,500	3,900	3,600	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	1,139,316	1,139,316	1,117,473	21,843	
Other Expenses	227,300	213,300	175,236	38,064	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Plumbing Inspector	22,911	22,911	22,878	33	
Salaries and Wages					
Electric Inspector	26,857	26,857	26,857		
Salaries and Wages					
Shade Tree	1,200	1,200	1,200		
Salaries and Wages	19,870	28,870	25,440	3,430	
Other Expenses					
Solid Waste Collection	68,000	68,000	36,607	31,393	
Salaries and Wages	555,000	555,000	526,797	28,203	
Other Expenses					
Sanitation:					
Landfill & Solid Waste Disposal Costs:					
Other Expenses	395,000	395,000	388,623	6,377	
Public Building and Grounds					
Other Expenses	130,000	120,000	113,575	6,425	
Vehicle Maintenance:					
Salaries and Wages	90,000	90,000	83,803	6,197	
Other Expenses	123,500	93,500	62,789	30,711	
Community Services Act:					
Other Expenses	15,000	15,000	2,165	12,835	
Health and Welfare:					
Public Health Services:					
Other Expenses	5,025	5,025	685	4,340	

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

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Flood Board					
Other Expenses	500	500		500	
Administration of Public Assistance					
Salaries and Wages	14,128	14,128	14,118	10	
Other Expenses	550	550		550	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	198,611	198,611	149,115	49,496	
Other Expenses	77,450	77,450	74,421	3,029	
Senior Citizen Transportation					
Other Expenses	2,900	2,900		2,900	
Celebration of Public Events:					
Other Expenses	7,500	7,500		7,500	
Senior Citizen Activities					
Salaries and Wages	25,165	25,165	23,165	2,000	
Other Expenses	6,000	6,000		6,000	
PEOSHA Mandated Costs					
Other Expenses	10,000	10,000	200	9,800	
Utility Expenses and Bulk Purchases					
Street Lighting	85,000	77,000	76,153	847	
Telephone	130,000	138,000	136,463	1,537	
Gas (Natural or Propane)	250,000	250,000	245,477	4,523	
Water	35,000	35,000	22,575	12,425	
Fuel Oil	50,000	30,000	16,873	13,127	
Gasoline	75,000	65,000	38,895	26,105	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<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	244,956	244,956	240,557	4,399	
Other Expenses	37,800	37,800	27,028	10,772	
	<u>12,578,147</u>	<u>12,568,147</u>	<u>11,889,510</u>	<u>678,637</u>	
Total Operations within "CAPS"					
	<u>12,578,147</u>	<u>12,568,147</u>	<u>11,889,510</u>	<u>678,637</u>	
Total Operations Including Contingent-within "CAPS"					
Detail:					
Salaries & Wages	7,015,587	7,015,587	6,790,246	225,341	
Other Expenses (Including Contingent)	5,562,560	5,552,560	5,099,264	453,296	

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

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>Current Fund</b>					
<b>Year Ended December 31, 2020</b>					
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(1) DEFERRED CHARGES					
Overexpenditure of Grant Fund	2,664	2,664	2,664		
Deficit in Public Assistance Reserve	77	77	77		
Deficit in Reserve for Sewer Fees	22,000	22,000	22,000		
Overexpenditure of Ordinance	16,572	16,572	16,572		
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	308,894	308,894	308,894		
Social Security System (O.A.S.I.)	307,500	317,500	315,863	1,637	
Police and Firemen's Retirement System of NJ	911,421	911,421	911,421		
Pension of Widow Volunteer Firemen	5,000	5,000	5,000		
Defined Contribution Pension Plan	5,000	5,000		5,000	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,579,128	1,589,128	1,582,491	6,637	
Total General Appropriations for Municipal Purposes within "CAPS"	14,157,275	14,157,275	13,472,001	685,274	
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	554,938	554,938	554,938		
LOSAP Program:	105,000	105,000		105,000	
Recycling Tax	15,500	15,500	15,474		26

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

**Current Fund**

**Year Ended December 31, 2020**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Sewerage Processing and Disposal					
Passaic Valley Sewer Commission	985,000	985,000	982,262	2,738	
Operating and Maintenance Costs	6,000	5,000	3,782	1,218	
Second River Joint	1,500	2,500	2,469	31	
Third River Joint	25,000	25,000		25,000	
Township of Montclair	122,500	122,500	112,253	10,247	
City of Clifton					
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>1,815,438</b>	<b>1,815,438</b>	<b>1,671,178</b>	<b>144,260</b>	
<b>Interlocal Municipal Service Agreements</b>					
Borough of Elmwood Park - EMS Services	294,060	294,060	285,000	9,060	
Salaries and Wages	75,000	75,000	17,939	57,061	
Other Expenses					
Emergency Medical Services					
Salaries and Wages	313,776	313,776	313,776		
<b>Total Interlocal Municipal Service Agreements</b>	<b>682,836.00</b>	<b>682,836.00</b>	<b>616,715.00</b>	<b>66,121.00</b>	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	Budget after Modification and <u>Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public and Private Programs Offset by Revenues					
Municipal Alliance	22,440	22,440	22,440		
NJ Alcohol Education Rehabilitation	16,899	16,899	16,899		
Recycling Tonnage Grant	41,477	41,477	41,477		
Drunk Driving Enforcement Fund	12,908	12,908	12,908		
Click-It or Ticket	5,500	5,500	5,500		
Distracted Driving	5,500	5,500	5,500		
Firehouse Subs Grant	14,084	14,084	14,084		
NJ American Water	1,000	1,000	1,000		
Clean Communities	22,723	22,723	22,723		
Passaic County CARES Act	842,110	842,110	842,110		
Total Public and Private Programs Offset by Revenues	984,641	984,641	984,641		
Total Operations-Excluded from "CAPS" Detail:	3,482,915	3,482,915	3,272,534	210,381	
Salaries and Wages	607,836	607,836	598,776	9,060	
Other Expenses	2,875,079	2,875,079	2,673,758	201,321	



TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	175,000	175,000	175,000		
Down Payments on Improvements		11,750	11,750		
Acquisition of Computers	75,000	75,000	26,721	48,279	
Total Capital Improvements Excluded from "CAPS"	250,000	261,750	213,471	48,279	
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	1,118,000	1,118,000	1,118,000		
Payment of BANs and Capital Notes	485,000	485,000	485,000		
Interest on Bonds	233,249	233,249	169,954		63,295
Interest on Notes	321,751	321,751	321,751		
Total Municipal Debt Service-Excluded from "CAPS"	2,158,000	2,158,000	2,094,705		63,295
Deferred Charges and Statutory Expenditures-					
Municipal excluded from "CAPS"					
Emergency Authorization	75,000	75,000	75,000		
Special Emergency - 5 Year	30,000	30,000	30,000		
Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"	105,000	105,000	105,000		

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2020

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,995,915	6,007,665	5,685,710	258,660	63,295
Subtotal General Appropriations	20,153,190	20,164,940	19,157,711	943,934	63,295
Reserve for Uncollected Taxes	950,000	950,000	950,000		
Total General Appropriations	<u>\$ 21,103,190</u>	<u>21,114,940</u>	<u>20,107,711</u>	<u>943,934</u>	<u>63,295</u>
Appropriation by 40A:4-87 \$		856,194			
Emergency Appropriation		11,750			
Adopted Budget		<u>20,246,996</u>			
	<u>\$ 21,114,940</u>				
Reserve for Uncollected Taxes \$			950,000		
Federal and State Grants			984,641		
Deferred Charges			105,000		
Due to Unemployment Trust Fund			15,000		
Due to General Capital Fund			373,322		
Encumbrances			298,220		
Cash			<u>17,381,528</u>		
			<u>\$ 20,107,711</u>		

See accompanying notes to the financial statements.

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

**Trust Funds**

**December 31, 2020 and 2019**

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Trust Fund			
Cash	B-1	\$ <u>6,333</u>	<u>16,600</u>
Other Trust Fund			
Cash	B-1	732,892	846,638
Due to Current Fund	B-2	15,888	
Due from Net Payroll	B-2		<u>61,980</u>
		<u>748,780</u>	<u>908,618</u>
Unemployment Compensation Insurance Trust Fund			
Cash	B-1	46,169	9,762
Due from Current Fund	B-2	<u>15,000</u>	<u>32,958</u>
		<u>61,169</u>	<u>42,720</u>
Affordable Housing Trust Fund			
Cash	B-1	<u>823,745</u>	<u>656,187</u>
Open Space Trust Fund			
Cash	B-1	284,404	386,729
Due from Current Fund	B-2	<u>76,152</u>	<u>76,124</u>
		<u>360,556</u>	<u>462,853</u>
Length of Service Award Program Trust Fund (Unaudited)			
Investments	B-1	1,643,730	1,402,772
Contribution Receivable	B-12	<u>43,875</u>	<u>54,675</u>
		<u>1,687,605</u>	<u>1,457,447</u>
		<u>\$ 3,688,188</u>	<u>3,544,425</u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2020 and 2019

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Animal Control Trust Fund			
Due to Current Fund	B-2	\$ 1,148	11,073
Reserve for Animal Control Fund Expenditures	B-4	5,182	5,496
Due to State of New Jersey	B-3	3	31
		<u>6,333</u>	<u>16,600</u>
Other Trust Fund			
Interfunds Payable:			
Due to Current Fund	B-2		42,609
Due to General Capital Fund	B-2	-	181,000
Due to Current Fund - Escrow	B-2	212	175
Due to Current Fund - Tax Title Liens	B-2	802	29,408
Reserve for Escrow Deposits	B-5	210,509	133,235
Reserve for Inspection Fees	B-5	13,414	10,079
Miscellaneous Reserves	B-6	484,481	462,500
Building Surcharge Fees - Due to State of New Jersey	B-7	39,362	49,612
		<u>748,780</u>	<u>908,618</u>
Unemployment Compensation Insurance Trust Fund			
Reserve for Unemployment Compensation Insurance	B-9	61,169	38,403
Due to the State of New Jersey	B-8	-	4,317
		<u>61,169</u>	<u>42,720</u>
Affordable Housing Trust Fund			
Reserve for Affordable Housing	B-10	823,745	656,187
Open Space Trust Fund			
Due to General Capital Fund	B-2	-	179,900
Reserve for Open Space	B-11	360,556	282,953
		<u>360,556</u>	<u>462,853</u>
Length of Service Award Program Trust Fund (Unaudited)			
Reserve for LOSAP	B-13	1,687,605	1,457,447
		<u>\$ 3,688,188</u>	<u>3,544,425</u>

See accompanying notes to financial statements.

## TOWNSHIP OF LITTLE FALLS, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2020 and 2019

<u>Assets</u>	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
Cash	C-2/C-3	\$ 629,991	2,704,689
Interfunds Receivable			
Federal and State Grant Fund	C-5		36,897
Open Space Trust Fund	C-6		179,900
Other Trust Fund	C-7		181,000
Deferred Charges to Future Taxation:			
Funded	C-8	11,176,000	12,294,000
Unfunded	C-9	18,412,762	13,668,763
Grants Receivable	C-14	8,999,265	7,292,527
Overexpenditure of Ordinance Appropriation	C-19		16,572
		<u>\$ 39,218,018</u>	<u>36,374,348</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-10	11,176,000	12,294,000
Bond Anticipation Notes Payable	C-11	14,446,000	8,478,638
Due to/from Current Fund	C-4	173,779	61,557
Contracts Payable	C-12	867,005	1,579,817
Improvement Authorizations:			
Funded	C-13	7,380,232	6,712,358
Unfunded	C-13	3,730,426	5,598,444
Capital Improvement Fund	C-15		38,500
Reserve for Grants Receivable	C-16	774,104	967,683
Reserve for I & I	C-17	21,696	21,696
Reserve for Payment of Debt	C-18	611,526	537,147
Fund Balance	C-1	37,250	84,508
		<u>\$ 39,218,018</u>	<u>36,374,348</u>

There were \$4,393,183 and \$5,190,125 of Bonds and Notes Authorized But Not Issued on December 31, 2020 and 2019 respectively (Exhibit C-20).

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, 2020

	<u>2020</u>	<u>2019</u>
Balance - December 31,	\$ 84,508	226,938
Increased By:		
Premium on Sale of Notes	<u>32,742</u>	<u>57,570</u>
	32,742	57,570
Decreased By:		
Utilized as Revenue in Current Fund	<u>80,000</u>	<u>200,000</u>
Balance - December 31,	<u>\$ 37,250</u>	<u>84,508</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, 2020 and 2019

	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>Assets</u>			
Public Assistance Fund:			
Cash	D-1	\$ <u>14,781</u>	<u>18,268</u>
<u>Reserves</u>			
Public Assistance Fund:			
Reserve for Public Assistance	D-2	\$ <u>14,781</u>	<u>18,268</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash - Payroll Agency	\$ 15,493	45,466
Cash - Net Payroll	31,027	29,767
Due from Payroll Agency - Net Payroll		<u>41,035</u>
	<u>\$ 46,520</u>	<u>116,268</u>
<u>Reserves</u>		
Due to Current Fund - Net Payroll	\$ 981	
Due to Current Fund - Payroll Agency	725	
Reserve for Net Payroll	30,046	8,822
Payroll Deductions and Withholdings	14,768	4,431
Due to Other Trust Fund - Net Payroll		61,980
Due to Net Payroll - Payroll Agency		<u>41,035</u>
	<u>\$ 46,520</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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>General Fixed Assets:</u>		
Land and Improvements	\$ 21,344,975	16,199,316
Buildings and Building Improvements	9,766,818	9,404,810
Vehicles and Equipment	<u>12,399,131</u>	<u>11,320,130</u>
	<u>\$ 43,510,924</u>	<u>36,924,256</u>
 Investment in Fixed Assets	 <u>\$ 43,510,924</u>	 <u>36,924,256</u>

See accompanying notes to financial statements.

**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 and 2019**

**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, 2020 and 2019**  
**(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, 2020 and 2019**  
**(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, 2020 and 2019**  
**(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 11<sup>th</sup> day of the 11<sup>th</sup> 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, 2020 and 2019**  
**(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, 2020 and 2019, the Governing Body approved additional revenues and appropriations of \$856,194 and \$3,918, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2020 and 2019. The Mayor and Council approved Current Fund Special Emergency appropriations of \$11,750 and \$75,000, respectively, in 2020 and 2019 for 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, 2020 and 2019**  
**(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, 2020 and 2019**  
**(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, 2020 and 2019**  
**(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

For the year ended December 31, 2018, the Township adopted Government Accounting Standards Board GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. As a result of adopting this Statement, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their post-employment benefits other than pensions. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only required financial statement disclosure. There exists no impact on the financial statements of the Township.

For the year ended December 31, 2019, the Township adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 and 2019**  
**(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](http://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, 2020 and 2019  
(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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.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, 2020 and 2019  
(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, 2020 and 2019  
(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 \$351,503. The amount outstanding at December 31, 2020 was \$163,360.

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>
2020	\$326,089	\$982,215
2019	280,545	821,225
2018	292,476	614,126

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(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.

**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:

	<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>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(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%	.0304577305%

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(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, 2020 and 2019  
(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, 2020 and 2019  
(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%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
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, 2020 and 2019  
(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](http://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, 2020 and 2019**  
**(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 (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, 2020 and 2019  
 (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, 2020 and 2019  
(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, 2020 and 2019  
(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)**

**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, 2020 and 2019**  
**(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](http://www.state.nj.us/treasury/pensions).



**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2020 consisted of the following:

	<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>\$14,283,909</u>	<u>\$195,339</u>	<u>\$1,155,396</u>	<u>\$13,323,852</u>	<u>\$979,939</u>

	<u>Balance Dec. 31, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2019</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General Obligation Debt	\$13,414,000	\$	\$1,120,000	\$12,294,000	\$1,118,000
Other Liabilities:					
Compensated Absences	747,629	1,052,336		1,799,965	
Deferred PERS/PFRS Pension Contribution	<u>214,529</u>		<u>24,585</u>	<u>189,944</u>	<u>26,584</u>
	<u>\$14,376,158</u>	<u>\$1,052,336</u>	<u>\$1,144,585</u>	<u>\$14,283,909</u>	<u>\$1,144,584</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(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 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 25,622,000	\$ 20,772,638	\$ 22,207,621
	<u>25,622,000</u>	<u>20,772,638</u>	<u>22,207,621</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	4,393,183	5,190,125	4,202,046
	<u>4,393,183</u>	<u>5,190,125</u>	<u>4,202,046</u>
 Total Bonds, Notes and Loans Issued and Authorized Not Issued	 30,015,183	 25,962,763	 26,409,667
Less: Deductions	1,037,947	537,147	2,102,313
Net Debt	<u>\$ 28,977,236</u>	<u>\$ 25,425,616</u>	<u>\$ 24,307,354</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 1.744% 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%.

**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 and 2019**  
**(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 1.558 % for 2019.

<u>2019</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$3,964,875	\$3,964,875	\$0
General Debt	<u>25,962,793</u>	<u>537,147</u>	<u>25,425,646</u>
	<u>\$29,927,668</u>	<u>\$4,502,022</u>	<u>\$25,425,646</u>

Net debt of \$25,425,646 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,631,858,386 equals 1.558%.

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

	<u>2020</u>	<u>2019</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$58,156,128	\$57,115,044
Net Debt	<u>28,977,236</u>	<u>25,425,646</u>
Remaining Borrowing Power	<u>\$29,178,892</u>	<u>\$31,689,398</u>

The Township's long-term debt consisted of the following at December 31, 2020:

General Obligation Bonds

	<u>2020</u>	<u>2019</u>
\$2,690,000, 2010 Refunding Bonds, due in annual installments of \$170,000 to \$175,000 through May 1, 2020, interest at 2.00% to 3.50%	\$	\$170,000
\$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%*	2,237,000	2,400,000
\$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%	7,504,000	7,754,000
\$4,440,000, 2015 Refunding Bonds, due in annual installments of \$380,000 to \$800,000 through August 1, 2023, interest at 4.00%	<u>1,435,000</u>	<u>1,970,000</u>
	<u>\$11,176,000</u>	<u>\$12,294,000</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, 2020 and 2019**  
**(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>
2021	\$1,396,585	\$951,000	\$445,585
2022	1,400,792	996,000	404,792
2023	1,397,037	1,035,000	362,037
2024	1,018,562	701,000	317,562
2025	999,286	713,000	286,286
2026-2030	4,754,790	3,780,000	974,790
2031-2035	2,833,125	2,500,000	333,125
2036	517,500	500,000	17,500
	<u>\$14,317,677</u>	<u>\$11,176,000</u>	<u>\$3,141,677</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, 2020, the Township had authorized but not issued debt as follows:

	<u>2020</u>	<u>2019</u>
General Capital Fund	<u>\$4,393,183</u>	<u>\$5,190,125</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, 2020 and 2019  
(CONTINUED)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

On December 31, 2020 and 2019, the Township had \$14,446,000 and \$8,478,638 in General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2020 and 2019:

<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>
<u>2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund				
TD Securities LLC	\$8,793,621	\$	\$8,793,621	\$0
Oppenheimer & Co., Inc.		<u>8,478,638</u>		<u>8,478,638</u>
	<u>\$8,793,621</u>	<u>\$8,478,638</u>	<u>\$8,793,621</u>	<u>\$8,478,638</u>

**NOTE 5. FUND BALANCE APPROPRIATED**

The fund balances at December 31, 2020 and 2019, which have been appropriated as revenue in the 2021 and 2020 budgets, are as follows:

	<u>2021</u>	<u>2020</u>
Current Fund	<u>\$1,405,400</u>	<u>\$1,950,000</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 \$1,984,492 as of December 31, 2020. This amount is not reported either as an expenditure or liability.

**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 and 2019**  
**(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, 2020 and 2019, the Township's bank balance of \$12,651,517 and \$9,262,355, 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, 2020 and 2019  
(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, 2020 and 2019 amounted to \$1,643,730 and \$1,402,772, respectively.

The following investments represent 5% or more of the total invested with the Variable Annuity Life Insurance Company (VALIC) on December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Fixed Accounts Plus	\$417,211	\$398,242
Government Money Market	88,849	80,792
Health Sciences Fund	108,705	89,745
Stock Index Fund	752,143	656,013
All Other	<u>276,822</u>	<u>177,980</u>
Total	<u>\$1,643,730</u>	<u>\$1,402,772</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, 2020 and 2019  
(CONTINUED)**

**NOTE 8. LITIGATION, (continued)**

**Pending Tax Appeals**

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. 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.

**NOTE 9. FIXED ASSETS**

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2020 and 2019:

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <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>          </u>	<u>12,399,131</u>
	<u>\$36,924,256</u>	<u>\$6,586,668</u>	<u>\$          </u>	<u>\$43,510,924</u>
	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Land and Improvements	\$13,687,430	\$2,511,886	\$	\$16,199,316
Building Improvements	9,394,210	10,600		9,404,810
Machinery and Equipment	<u>10,701,034</u>	<u>619,096</u>	<u>          </u>	<u>11,320,130</u>
	<u>\$33,782,674</u>	<u>\$3,141,582</u>	<u>\$          </u>	<u>\$36,924,256</u>



**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 and 2019**  
**(CONTINUED)**

**NOTE 10. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2020 consist of the following:

\$366,469	Due to the Current Fund from the Federal and State Grant Fund for grant expenditures paid.
15,000	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.
1,148	Due to the Current Fund from the Animal License Trust Fund for the accumulated statutory excess calculation and reimbursement of expenses paid.
212	Due to the Current Fund from the Escrow Trust Fund for interest earned on investments.
802	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.
76,152	Due to the Municipal Open Space Trust Fund for the balance of taxes collected not transferred.
15,888	Due to the Other Trust Fund from the Current Fund to correct disbursement paid by Trust.
<u>173,779</u>	Due to the Current Fund from the General Capital Fund for cash transfers, grants received, budget revenue, and interest earned on investments less expenses paid by General Capital on behalf of the Current Fund and budget appropriations not transferred.
<u>\$649,450</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, 2020 and 2019  
(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, 2020 and 2019, the following deferred charges are shown on the balance sheets of the various funds:

	<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	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>\$1,437,688</u>	<u>\$308,924</u>	<u>\$1,128,764</u>
	<u>2019</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Budget Appropriation</u>	<u>Balance to Succeeding Year's Budget</u>
Current Fund:				
Emergency Appropriations		\$75,000	\$75,000	\$
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A4:53)		120,000	30,000	90,000
Federal and State Grant Fund:				
Expenditure Without Appropriation		2,664	2,664	
Other Trust Fund:				
Deficit in Sewer Fees Reserve		22,000	22,000	
General Capital Fund:				
Overexpenditure of Improvement Authorization		<u>16,572</u>	<u>16,572</u>	<u>        </u>
Total Current Fund		<u>\$236,236</u>	<u>\$146,236</u>	<u>\$90,000</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(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, 2020 and 2019 are as follows:

	2020 Regional <u>High School</u>	2019 Regional <u>High School</u>
Balance of Tax	\$5,012,980	\$3,721,342
Deferred Liability	<u>3,829,295</u>	<u>3,721,342</u>
Taxes Payable	<u>\$1,183,685</u>	<u>\$0</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, 2020 and 2019  
(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:

<b>Year Ended Dec. 31,</b>	<b>Township Contributions</b>	<b>Employee Contributions</b>	<b>Amount Reimbursed</b>	<b>Ending Balance</b>
2020	\$15,000	\$11,431	\$3,665	\$61,169
2019	15,000	10,133	21,208	38,403
2018	15,000	9,721	15,084	34,478

**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:

	<b>Balance Dec 31, 2020</b>	<b>Balance Dec 31, 2019</b>
Prepaid Taxes	<u>\$339,538</u>	<u>\$295,133</u>
Cash Liability for Taxes Collected in Advance	<u>\$339,538</u>	<u>\$295,133</u>

**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2020 and 2019**  
**(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**

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, 2020, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$206,647 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$1,823,406.

**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.

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(CONTINUED)**

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

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 2020 and 2019, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Township contributions were \$43,875 and \$54,675 for 2020 and 2019, 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, 2020 and 2019**  
**(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.

**NOTE 17. OTHER MATTERS**

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.

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2020 and 2019  
(CONTINUED)**

**NOTE 18. SUBSEQUENT EVENT**

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 within 120 days of the State receiving the funding from the Federal government and the second installment one year after the receipt of the first installment.

The Township has evaluated subsequent events through July 31, 2021, the date which the financial statements were available to be issued and no additional items were noted for disclosure.



**SUPPLEMENTARY DATA**

**TOWNSHIP OF LITTLE FALLS**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax rate	\$ <u>3.183</u>	<u>3.181</u>	<u>3.160</u>
Apportionment of tax rate:			
Municipal (Including Library)	0.904	0.906	0.881
Municipal Open Space	0.005	0.005	0.006
County	0.750	0.771	0.798
Local School	1.017	0.997	0.985
Regional High School	<u>0.507</u>	<u>0.502</u>	<u>0.490</u>

Assessed valuation

2020	\$	1,508,451,600
2019		1,509,081,000
2018		1,497,257,100

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.

		Currently	
<u>Year</u>	<u>Tax levy</u>	<u>Cash collections</u>	<u>Percentage of collection</u>
2020	\$ 48,446,956	47,965,036	99.01%
2019	48,129,148	47,646,895	99.00%
2018	47,545,795	47,007,072	98.87%

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.

		Amount of tax title liens	Amount of delinquent taxes	Total delin- quent	Percentage of tax levy
<u>Dec. 31,</u>		<u>liens</u>	<u>taxes</u>	<u>quent</u>	<u>levy</u>
2020	\$	80,984	768,265	849,249	1.75%
2019		182,718	1,155,492	1,338,210	2.78%
2018		195,304	1,211,304	1,406,608	2.96%

**TOWNSHIP OF LITTLE FALLS**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2020 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>
2020	\$ 825,100
2019	825,100
2018	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:	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
	2016	797,886	400,000

**TOWNSHIP OF LITTLE FALLS**

**Supplementary Data**

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
James Belford Damiano	Mayor	
Anthony Sgobba	Council President	
Maria Cordonnier	Councilwoman (01/01/2020-08/24/2020)	
Christopher Vancheri	Councilman	
Tanya Seber	Councilwoman	
Albert Kahwaty	Councilman	
Charles Cuccia	Administrator	
Cynthia Kraus	Township Clerk	
Pamela Cannataro	Treasurer's Clerk	
Joseph Wenzel, Esq.	Attorney	
Charles Cuccia	Chief Finance Officer	
Denise Whiteside	Tax Collector	(A)
Richard Hamilton	Tax Assessor	
Steven Post	Chief of Police	
Phillip H. Simone	Superintendent of Public Works	
James DiMaria	Construction Code Official	
Ernest P. Fronzuto	Magistrate	(A)
Andrea Trombino	Court Administrator	(A)
Wilma DeFrancisci	Deputy Court Administrator (01/01/2020-08/04/2020)	(A)
Robert D'Antonio	Public Assistance Director	
John Biegel III, M.A.	Health Officer	

(A) - All employees were insured for employee dishonesty in the amount of \$1,000,000 under the Statewide Insurance Fund.

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2020

		Current Fund
Balance - December 31, 2019	\$	4,388,250
Increased by Receipts:		
Tax Collector	\$ 47,966,954	
Miscellaneous Revenue Not Anticipated	872,080	
Municipal Liens Redeemed	111,394	
Petty Cash	1,850	
Due from State - Senior Citizen and Veteran Deductions	71,966	
Revenue Accounts Receivable	3,641,756	
Tax Overpayments	150,785	
Interfunds	230,458	
Reserve for Other Expenditures	36,211	
Prepaid Taxes	339,538	
State Fees Payable	24,129	
Grants Receivable	106,007	
Unappropriated Grant Reserves	<u>28,592</u>	
		<u>53,581,720</u>
		57,969,970
Decreased by Disbursements:		
Current Year Budget Appropriations	17,381,528	
Prior Year Appropriation Reserves	413,644	
Petty Cash	1,850	
Interfunds	508,987	
Reserve for Other Expenditures	44,861	
Tax Overpayment Refunds	144,173	
Local District School Taxes	14,074,130	
Regional School District Taxes	6,366,952	
County Taxes Payable	11,326,793	
State Fees Payable	12,450	
Refund of Prior Year Revenue	103,615	
Appropriated Grant Reserves	<u>764,950</u>	
		<u>51,143,933</u>
Balance - December 31, 2020	\$	<u>6,826,037</u>

**Exhibit A-5**

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2020**

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Balance</u> <u>Dec. 31, 2020</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, 2020**

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, 2020

Balance - December 31, 2019		\$	6,498
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	14,250	
Veterans' Deductions Per Tax Billing		56,000	
Senior Citizen's and Veteran's Allowed - 2020		<u>750</u>	
			<u>71,000</u>
			77,498
Decreased by:			
State Share of Senior Citizens and Veteran			
Deductions Received in Cash		71,966	
Senior Citizen's and Veteran's Disallowed - 2020		<u>3,672</u>	
			<u>75,638</u>
Balance - December 31, 2020		\$	<u><u>1,860</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Municipal Liens**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	182,718
Increased by:		
Transferred from Current Year Taxes		<u>9,660</u>
		192,378
Decreased by:		
Redeemed		<u>111,394</u>
Balance - December 31, 2020	\$	<u><u>80,984</u></u>



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

		Current Fund						
		Year Ended December 31, 2020						
Year	Balance, Dec. 31, 2019	2020 Levy	Added Taxes	Collected 2019	2020	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens Canceled	Balance, Dec. 31, 2020
2016	817,596		76,702					310,656
2019	337,896		28,983		366,879		583,642	310,656
	1,155,492		105,685		366,879		583,642	310,656
2020		48,012,231	434,725	295,133	47,600,075	69,828	14,651	457,609
	\$ 1,155,492	48,012,231	540,410	295,133	47,966,954	69,828	598,293	768,265
				Cash	47,966,954			

Analysis of 2020 Tax Levy

Tax yield:	
General Purpose Tax	\$ 48,012,231
Added Tax (R.S. 54:4-63.1 et seq.)	434,725
	\$ 48,446,956

Tax Levy:

Local District School Tax	15,332,069
Regional School Taxes	7,658,589
County Tax	\$ 11,128,593
County Open Space Tax	268,714
	11,397,307

Local Tax for Municipal Purposes	\$ 13,095,609
Municipal Open Space Taxes	75,423
Municipal Open Space - Added Taxes	729
Minimal Library Tax	554,938
Add: Additional Taxes Levied	332,292
Local Tax for Municipal Purposes	14,058,991
	\$ 48,446,956

**TOWNSHIP OF LITTLE FALLS, N.J.**

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

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>825,100</u>
Balance - December 31, 2020	\$ <u><u>825,100</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2020**

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Township Clerk				
Licenses				
Alcoholic beverages	\$	31,130	31,130	
Other		29,176	29,176	
Fees and Permits		61,617	61,617	
Municipal Court				
Fines and Costs	16,636	144,317	152,728	8,225
Construction Code Official				
Fees and Permits		377,238	377,238	
Interest and Costs on Taxes		102,505	102,505	
Interest on Investments and Deposits		42,841	42,841	
EMS Fees		774,853	774,853	
Recreation Fees		47,828	47,828	
Energy Receipts Tax		1,282,063	1,282,063	
Watershed Aid		1,457	1,457	
Garden State Trust Fund		4,509	4,509	
Uniform Fire Safety Act		23,121	23,121	
Sewer Service Fees		103,505	103,505	
Cable TV Franchise Fee		176,537	176,537	
General Capital Fund - Fund Balance		80,000	80,000	
Due from Other Trust Fund		60,428	60,428	
Due from Animal Trust		11,069	11,069	
Due from Tax Title Lien Premium Trust		15,007	15,007	
Montclair University Sewer Fees		232,963	232,963	
IRS Contribution - Debt Service		30,646	30,646	
Montclair University Fire Alarm Fees		7,360	7,360	
	<u>\$ 16,636</u>	<u>3,640,170</u>	<u>3,648,581</u>	<u>8,225</u>
			Cash	3,641,756
			Interest on Investments	6,825
			<u>\$</u>	<u>3,648,581</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2020

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Animal Control Trust Fund	\$ 11,073	1,148	11,073	1,148
Unemployment Compensation Insurance Trust Fund	(32,958)	32,958	15,000	(15,000)
Other Trust Fund:				
Other Trust Fund	42,609	6,112	64,609	(15,888)
Escrow Trust Fund	175	37		212
Tax Title Lien Premium Trust Fund	29,408	802	29,408	802
Open Space Trust Fund	(76,124)	76,124	76,152	(76,152)
General Capital Fund	61,557	948,138	835,916	173,779
	<u>\$ 35,740</u>	<u>1,065,319</u>	<u>1,032,158</u>	<u>68,901</u>
Due to Current Fund	144,822	956,237	925,118	175,941
Due from Current Fund	<u>(109,082)</u>	<u>109,082</u>	<u>107,040</u>	<u>(107,040)</u>
	<u>\$ 35,740</u>	<u>1,065,319</u>	<u>1,032,158</u>	<u>68,901</u>
			Cash Receipts \$ 230,458	
			Reimbursement of Expenditures 337,226	
			Municipal Open Space Levy 76,152	
		508,987		
		548,356		
		6,828		
		1,148		
			<u>Budget Appropriations:</u>	
			Unemployment Compensation Trust 15,000	
			Capital Improvement Fund 186,750	
			Deferred Charges - Raised in 2020 Budget 16,572	
			Debt Service Payments made by Capital 170,000	
		<u>\$ 1,065,319</u>	<u>1,032,158</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, 2020

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2019</u>	<u>Authorized in 2020</u>	<u>Reduced in 2020</u>	<u>Balance, Dec. 31, 2020</u>
May 8, 2018	Preparation of Tax Map	\$ 150,000	30,000	120,000	1,335,870	30,000	90,000
Nov. 23, 2020	COVID-19	1,335,870	267,174		1,335,870		1,335,870
		<u>\$ 1,485,870</u>	<u>297,174</u>	<u>120,000</u>	<u>1,335,870</u>	<u>30,000</u>	<u>1,425,870</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Authorized in <u>2020</u>	Reduced in <u>2020</u>	Balance, Dec. 31, <u>2020</u>
Emergency Appropriations: Capital Improvement Fund	\$ <u>75,000</u>	<u>11,750</u>	<u>75,000</u>	<u>11,750</u>
	\$ <u><u>75,000</u></u>	<u><u>11,750</u></u>	<u><u>75,000</u></u>	<u><u>11,750</u></u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 5,140	5,140		5,140
Mayor and Council	1	1		1
Municipal Clerk	114	114		114
Financial Administration	1,224	1,224		1,224
Tax Assessment Administration	918	918		918
Revenue Administration	482	482		482
Planning Board	68	68		68
Police Department - Sworn Officers	56,818	21,818		21,818
Police Department - Dispatch	316	316		316
Police Department - Civilian Employees	424	424		424
Fire Department	40,266	15,266		15,266
Fire Prevention	523	523		523
Ambulance	805	805		805
Streets and Roads Maintenance	371	371		371
Solid Waste Collection	29,178	15,678		15,678
Vehicle Maintenance	2,306	2,306		2,306
Municipal Prosecutor	50	50		50
Administration of Public Assistance	1	1		1
Recreation Services and Programs	14,744	14,744		14,744
Senior Citizens Activities	505	505		505
Construction Code Official	6	6		6
Plumbing Inspector	157	157		157
Electrical Inspection	323	323		323
Municipal Court	325	325		325
Total Salaries and Wages Within "CAPS"	<u>155,065</u>	<u>81,565</u>		<u>81,565</u>
Other Expenses Within "CAPS":				
Administrative and Executive	283	6,308	6,020	288
Mayor and Council	625	625		625
Municipal Clerk	87	3,812	3,165	647
Financial Administration	11,952	17,382	2,319	15,063
Audit Services	12,500	27,500	15,000	12,500
Assessment of Taxes	9,711	4,711		4,711
Revenue Administration	13,014	4,704	190	4,514
Legal Services and Costs	9,751	21,375	17,637	3,738
Engineering Services and Costs	340	340	186	154
Planning Board	7,435	2,894	1,260	1,634

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Insurance:</b>				
General Liability	12,226	16,226		16,226
Liability Compensation	4,410	4,410		4,410
Employee Group Health	804	804	700	104
<b>Police Department:</b>				
Other Expenses	1,262	6,107	4,820	1,287
Fire Department - Miscellaneous	9,292	39,464	30,731	8,733
Fire Hydrant Services	939	31,073	30,268	805
Fire Prevention	379	9,947	8,895	1,052
Emergency Management Services	1,001	1,139	1,037	102
Ambulance	20,748	23,906	3,619	20,287
Streets and Roads Maintenance	3,900	30,160	18,675	11,485
Other Public Works Function - Shade Tree	261	311	(2,050)	2,361
Solid Waste Collection	17,119	67,338	42,684	24,654
Public Buildings and Grounds	681	10,538	4,318	6,220
Vehicle Maintenance	404	27,215	22,610	4,605
Community Services Act	15,000	15,000	13,878	1,122
Board of Health	6,552	7,641	1,546	6,095
Flood Board	500	500		500
Administration of Public Assistance	286	286		286
Recreation Services and Programs	1,599	13,407	2,663	10,744
<b>Senior Citizen Expenses</b>				
Transportation	1,176	1,176		1,176
Activities	429	479		479
Construction Code Official	602	8,352	7,750	602
PEOSHA Mandates Costs - Physical Exams	7,000	12,850	350	12,500
Street Lighting	569	18,444	17,935	509
Telephone	12,013	19,652	1,787	17,865
Water	9,715	11,307	1,836	9,471
Natural Gas	1,502	51,414	50,200	1,214
Fuel Oil (Diesel)	686	686		686
Gasoline	656	15,921	10,600	5,321
Landfill/Solid Waste Disposal Cost	35,394	51,383	35,541	15,842
Celebration of Public Events	708	708		708
Municipal Court	2,520	5,090	854	4,236
Public Defender	1,800	1,800	600	1,200
<b>Total Other expenses Within "CAPS"</b>	<b>237,831</b>	<b>594,385</b>	<b>357,624</b>	<b>236,761</b>



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2020

	Balance, Dec. 31, <u>2019</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	796	796		796
Social Security System (O.A.S.I.)	3,445	3,445		3,445
Police and Firemen's Retire	1,344	1,344		1,344
Defined Contribution Pension Plan	<u>5,000</u>	<u>5,000</u>		<u>5,000</u>
 Total Deferred Charges and Statutory Expenditures Within "CAPS"	 <u>10,585</u>	 <u>10,585</u>		 <u>10,585</u>
Other Expenses Excluded From "CAPS":				
Sewer Contracts				
Passaic Valley Sewer Commission	20	20		20
Second River Joint Meeting	256	256		256
Third River Joint Meeting	31	31		31
Township of Montclair	25,000	21,000		21,000
City of Clifton	7,500	7,500		7,500
LOSAP	105,000	105,000	54,675	50,325
Recycling Tax	<u>1,402</u>	<u>2,499</u>	<u>1,345</u>	<u>1,154</u>
 Total Other Expenses Excluded from "CAPS"	 <u>139,209</u>	 <u>136,306</u>	 <u>56,020</u>	 <u>80,286</u>
 Total Reserves	 <u>\$ 542,690</u>	 <u>822,841</u>	 <u>413,644</u>	 <u>409,197</u>
		Appropriation Reserves Encumbrances		
		<u>542,690</u> <u>280,151</u>		
		<u>\$ 822,841</u>		

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 280,151
Increased by:	
Transferred from Current Year Budget	<u>298,220</u>
	578,371
Decreased by:	
Transferred to Appropriation Reserves	<u>280,151</u>
Balance - December 31, 2020	<u><u>\$ 298,220</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Other Expenditures

Current Fund

Year Ended December 31, 2020

	Watershed Moratorium Aid	JIF Retro Assessment	Revision of Tax Map	Tax Appeals	Marriage Licenses	Miscellaneous	Total
Balance - December 31, 2019	\$ 1,457	100,000	76,226			5,358	183,041
Increased by:							
Transfer from Taxes Collected		35,636		1,000,000	575		1,000,000
Cash Receipts		35,636		1,000,000	575		36,211
	1,457	135,636	76,226	1,000,000	575	5,358	1,219,252
Decreased by:							
Cash Disbursements			44,861				44,861
			44,861				44,861
Balance - December 31, 2020	\$ 1,457	135,636	31,365	1,000,000	575	5,358	1,174,391

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2020**

Increased by:		
Cash Collections	\$	<u>150,785</u>
		150,785
Decreased by:		
Payments		<u>144,173</u>
Balance - December 31, 2020	\$	<u><u>6,612</u></u>

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2020**

Increased by:		
2020 Levy	\$	<u>15,332,069</u>
		15,332,069
Decreased by:		
Payments		<u>14,074,130</u>
Balance - December 31, 2020	\$	<u><u>1,257,939</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Regional High School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019		
School Tax Deferred	\$ <u>3,721,342</u>	
		\$ 3,721,342
Increased by:		
2020 Levy		<u>7,658,589</u>
		11,379,931
Decreased by:		
Cash Disbursements		<u>6,366,952</u>
Balance - December 31, 2020		
School Tax Payable	1,183,685	
School Tax Deferred	<u>3,829,295</u>	
		\$ <u><u>5,012,980</u></u>
2020 Liability for Regional High School Tax		
Tax Liability		\$ 7,658,589
Increased by:		
Balance Deferred - December 31, 2019,		<u>3,721,342</u>
		11,379,931
Decreased by:		
Balance Deferred - December 31, 2020		<u>3,829,295</u>
Amount Charged to 2020 Operations		\$ <u><u>7,550,636</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019		\$	31,190
Increased by:			
2020 Levy	\$	11,128,593	
2020 Open Space		167,010	
2020 Added Assessments		<u>109,605</u>	
			<u>11,405,208</u>
			11,436,398
Decreased by:			
Payments			<u>11,326,793</u>
Balance - December 31, 2020		\$	<u><u>109,605</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019	\$	295,133
Increased by:		
Collections		<u>339,538</u>
		634,671
Decreased by:		
Applied to 2020 Taxes Receivable		<u>295,133</u>
Balance - December 31, 2020	\$	<u><u>339,538</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of State Fees Payable

Current Fund

Year Ended December 31, 2020

	UCC - DCA Fees	Marriage License Fees	Totals
Balance - December 31, 2019	\$ 3,217	375	3,592
Increased by:			
Cash Receipts	<u>22,804</u>	<u>1,325</u>	<u>24,129</u>
	26,021	1,700	27,721
Decreased by:			
Cash Disbursements	<u>11,700</u>	<u>750</u>	<u>12,450</u>
Balance - December 31, 2020	<u>\$ 14,321</u>	<u>950</u>	<u>15,271</u>



TOWNSHIP OF LITTLE FALLS, N.J.

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

Current Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	(327,407)
Increased by:			
Grants Receivable	\$	984,641	
Grant Expenditures		<u>807,534</u>	
			<u>1,792,175</u>
			1,464,768
Decreased by:			
Unappropriated Reserves	\$	106,007	
Appropriated Reserves		984,641	
Reimbursement for Expenditures Paid		<u>7,651</u>	
			<u>1,098,299</u>
Balance - December 31, 2020		\$	<u><u>366,469</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Interfunds**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2020</u>
Current Fund	\$ 327,407	1,098,299	1,792,175	(366,469)
General Capital Fund	<u>(36,897)</u>	<u>36,897</u>	<u>                    </u>	<u>                    </u>
	<u>\$ 290,510</u>	<u>1,135,196</u>	<u>1,792,175</u>	<u>(366,469)</u>
			984,641	
Grants Receivable				
Grants Received - Unappropriated		106,007		
Appropriated Reserves		984,641		
Grant Expenditures			807,534	
Reimbursement for Expenditures Paid		<u>47,548</u>	<u>                    </u>	
		<u>\$ 1,138,196</u>	<u>1,792,175</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, 2019	2020 Budget Revenue Realized	Received	Balance, Dec. 31, 2020
Clean Communities		22,723	22,723	
Municipal Alliance - 7/1/18-6/30/19	2,285	22,440	9,577	15,148
Passaic County CARES Act		842,110	53,054	789,056
Drunk Driving Enforcement Fund		12,908	12,908	
Recycling Tonnage Grant		41,477	41,477	
Alcohol Education Rehabilitation		16,899	16,899	
Click It or Ticket		5,500	5,500	
NJAWC FF		1,000	1,000	
Distracted Driving		5,500	5,500	
Firehouse Subs Grant		14,084	14,084	
Bulletproof Vest Fund	<u>2,532</u>			<u>2,532</u>
	<u>\$ 4,817</u>	<u>984,641</u>	<u>182,722</u>	<u>806,736</u>
		Adopted Budget 128,447		
		Added by N.J.S.A. 40A:4-87 <u>856,194</u>		
		<u>\$ 984,641</u>		
		Cash Receipts 76,715		
		Unappropriated Reserves <u>106,007</u>		
		<u>\$ 182,722</u>		

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, 2019	Transfer From 2020 Budget	Expended	Balance, Dec. 31, 2020
Municipal Alliance on Alcohol and Drug Abuse	\$	22,440	10,878	11,562
Drunk Driving Enforcement	7,682			7,682
Clean Communities Program Grant	7,030			7,030
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	12,275		8,525	3,750
Safe Corridors	14,606			14,606
Alcohol Education and Rehabilitation	10,253		4,184	6,069
FM Global Fire Prevention Grant	1,500			1,500
NJ American Fire Grant				
Clean Communities Program Grant	20,362		8,014	12,348
Municipal Alliance on Alcohol and Drug Abuse	13,365		5,633	7,732
Drunk Driving Enforcement Fund	34,310			34,310
Safe Corridors	30,110		14,000	16,110
Body Armor Replacement Grant	874			874
Passaic County CARES Act		842,110	741,510	100,600
Recycling Tonnage Grant		41,477	706	40,771
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
Firehouse Subs Grant		14,084	14,084	
Clean Communities Program Grant		22,723		22,723
	<u>\$ 188,849</u>	<u>984,641</u>	<u>807,534</u>	<u>365,956</u>
		Budget 128,447		
		Appropriated by 40a:4-87 <u>856,194</u>		
		<u>\$ 984,641</u>		
		Cash Disbursements 764,950		
		Grant Encumbrances <u>42,584</u>		
			<u>\$ 807,534</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2020

<u>Grant</u>	Balance, Dec. 31, <u>2019</u>	Transfer To 2020 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2020</u>
Drunk Driving Enforcement Fund	\$ 12,908	12,908		
Recycling Tonnage Grant	41,477	41,477		
Alcohol Education and Rehabilitation	16,899	16,899	5,084	5,084
Drive Sober or Get Pulled Over	5,500	5,500		
U Text, U Drive, U Pay	5,500	5,500		
Click it or Ticket	3,135			3,135
Safe Corridors				
Clean Communities Grant	22,723	22,723	20,490	20,490
Bulletproof Vests			3,018	3,018
Fire Prevention Grant	1,000	1,000		
	<u>\$ 109,142</u>	<u>106,007</u>	<u>28,592</u>	<u>31,727</u>

Transferred to 2020 Budget 106,007  
 \$ 106,007

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Deferred Charges - Expenditure without Appropriation**

**Federal and State Grant Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	<u>2,664</u>
Decreased by:		
Due from Current - Raised in 2020 Budget	\$	<u><u>2,664</u></u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2020

	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, 2019	\$ 16,600	846,638	9,762	656,187	386,729	1,402,772
Increase by Receipts:						
Employee Payroll Deductions			11,431			
Interest on Deposits		6,952		2,576	1,451	
Due to/from Current			32,958		76,124	
Due to/from Net Payroll		61,980				
Escrow Deposits		177,821				
Inspection Fees		18,318				
Building Surcharge Fees		6,750				
Miscellaneous Reserves		556,567				
Dog License Fees	707					
Other (Cat Licenses)	64					
Miscellaneous	63					
Due to State of New Jersey	167					
Affordable Housing Receipts				168,525		
LOSAP Contributions						245,554
Total Receipts	1,001	828,388	44,389	171,101	77,575	245,554
	17,601	1,675,026	54,151	827,288	464,304	1,648,326
Decreased by Disbursements:						
Escrow Deposits		100,547				
Miscellaneous Reserves		556,587				
Building Surcharge Fees		17,000				
Due to State of New Jersey	195		7,982			
Inspection Fees		14,983				
Due to Current Fund	11,073	72,017				
Due from General Capital Fund		181,000			179,900	
Affordable Housing Expenditures				3,543		
Depreciation in Fair Value of Investments						
LOSAP Distributions						4,596
Total Disbursements	11,268	942,134	7,982	3,543	179,900	4,596
Balance - December 31, 2020	\$ 6,333	732,892	46,169	823,745	284,404	1,643,730

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Interfunds Receivable/(Payable)**

**Trust Funds**

**Year Ended December 31, 2020**

	<u>Balance</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u>
	<u>Dec. 31, 2019</u>			<u>Dec. 31, 2020</u>
Other Trust Fund				
Current Fund	\$ (42,609)	64,609	6,112	15,888
Net Payroll	61,980		61,980	
Capital Fund	<u>(181,000)</u>	<u>181,000</u>		
Total Other Trust Fund	<u>(161,629)</u>	<u>245,609</u>	<u>68,092</u>	<u>15,888</u>
Escrow Trust Fund				
Current Fund	<u>(175)</u>		37	<u>(212)</u>
Tax Title Lien Premium Trust Fund				
Current Fund	<u>(29,408)</u>	<u>29,408</u>	802	<u>(802)</u>
Unemployment Compensation Insurance Trust Fund				
Current Fund	<u>32,958</u>	<u>15,000</u>	<u>32,958</u>	<u>15,000</u>
Open Space Trust Fund				
Current Fund	76,124	76,152	76,124	76,152
Capital Fund	<u>(179,900)</u>	<u>179,900</u>		
Total Open Space Trust Fund	<u>(103,776)</u>	<u>256,052</u>	<u>76,124</u>	<u>76,152</u>
Animal Trust Fund				
Current Fund	<u>(11,073)</u>	<u>11,073</u>	<u>1,148</u>	<u>(1,148)</u>
	<u>\$ (273,103)</u>	<u>557,142</u>	<u>179,161</u>	<u>104,878</u>
			171,062	
		443,990		
		37,000		
			6,951	
			1,148	
		729		
		<u>75,423</u>		
		<u>\$ 557,142</u>	<u>179,161</u>	



**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Due to State of New Jersey**

**Animal Trust Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	31
Increased by:		
Cash Receipts		<u>167</u>
		198
Decreased by:		
Cash Disbursements		<u>195</u>
Balance - December 31, 2020	\$	<u><u>3</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019		\$	5,496
Increased by:			
Dog License Fees	\$	707	
Cat License Fees		64	
Miscellaneous Revenue:			
Other		6	
Interest Earnings		<u>57</u>	
			<u>834</u>
			6,330
Decreased by:			
Statutory Excess			<u>1,148</u>
Balance - December 31, 2020		\$	<u><u>5,182</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	2,659
2019	<u>2,523</u>
	\$ <u><u>5,182</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Various Reserves and Deposits

Trust Funds

Year Ended December 31, 2020

	Balance <u>Dec. 31, 2019</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2020</u>
Escrow Deposits	\$ 133,235	177,821	100,547	210,509
Inspection Fees	<u>10,079</u>	<u>18,318</u>	<u>14,983</u>	<u>13,414</u>
	<u>\$ 143,314</u>	<u>196,139</u>	<u>115,530</u>	<u>223,923</u>
		Cash Receipts \$ 196,139		
		Cash Disbursements <u>                    </u>	<u>115,530</u>	
		<u>\$ 196,139</u>	<u>115,530</u>	

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Miscellaneous Reserves

## Trust Funds

Year Ended December 31, 2020

	Balance Dec. 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balances, Dec. 31, <u>2020</u>
Tax Sale Premium	\$ 196,300	211,400	216,600	191,100
Tax Title Lien Redemptions		316,478	316,478	
Street Permit Bonds	10,670			10,670
Uniform Fire Code Enforcement	4,833		1,785	3,048
Recycling Program	149,279	20,137	15,108	154,308
Public Defender Fees	24,057			24,057
Traffic Signal	23,138			23,138
Civic Activities - Donations	8,425			8,425
Municipal Alliance - Contributions	221	572	861	(68)
Unclaimed Property	660		660	
Recreation	160	3,895	3,745	310
Federal Forfeiture	933			933
Prosecutor	11,002			11,002
5K Run	4,322			4,322
Defibulator Fund - Donations	228			228
Police Outside Duty Employment	41,365			41,365
Bequests	3,170		750	2,420
Sewer Fees	(22,000)	26,000		4,000
Parking Offenses Adjudication Act	5,737	86	600	5,223
	<u>\$ 462,500</u>	<u>578,568</u>	<u>556,587</u>	<u>484,481</u>
		Cash Receipts	556,567	
		Interfunds	22,000	
		Cash Disbursements	<u>556,587</u>	
		\$ <u>578,567</u>	<u>556,587</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, 2020**

Balance - December 31, 2019	\$	<u>49,612</u>
Increased by:		
Cash Receipts		<u>6,750</u>
		56,362
Decreased by:		
Cash Disbursements		<u>17,000</u>
Balance - December 31, 2020	\$	<u>39,362</u>

**TOWNSHIP OF LITTLE FALLS**

**Schedule of Due to State of New Jersey**

**Unemployment Compensation Insurance Trust Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	4,317
Increased by:		
Unemployment and Disability Claims Payable		<u>3,665</u>
		7,982
Decreased by:		
Cash Disbursements		<u>7,982</u>
Balance - December 31, 2020	\$	<u><u>-</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Expenditures

Unemployment Compensation Insurance Trust Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	38,403
Increased by:			
Employee Payroll Deductions	\$	11,431	
Budget Appropriations		<u>15,000</u>	
			<u>26,431</u>
			64,834
Decreased by:			
Unemployment Claims			<u>3,665</u>
Balance - December 31, 2020		\$	<u><u>61,169</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Reserve for Affordable Housing**

**Affordable Housing Trust Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019		\$	656,187
Increased by:			
COAH Development Fees collected	\$	168,525	
Interest earned on Investments		<u>2,576</u>	
			<u>171,101</u>
			827,288
Decreased by:			
Cash Disbursements			<u>3,543</u>
Balance - December 31, 2020		\$	<u><u>823,745</u></u>



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Open Space Expenditures

Open Space Trust Fund

Year Ended December 31, 2020

	<u>Unallocated Reserve</u>
Balance - December 31, 2019	\$ 282,953
Increased by:	
Receipts	1,451
Open Space Tax Levy	75,423
Oper Space Tax Levy - Added	<u>729</u>
	<u>77,603</u>
	360,556
Balance - December 31, 2020	\$ <u><u>360,556</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Contributions Receivable - Length of Service Awards Program

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019	\$ 54,675
Increased by:	
2019 Contributions	<u>43,875</u>
	98,550
Decreased by:	
Cash Received	<u>54,675</u>
Balance - December 31, 2020	<u><u>\$ 43,875</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Expenditures - Length of Service Award Program

Trust Funds

Year Ended December 31, 2020

Balance - December 31, 2019		\$	1,457,447
Increased by:			
Contributions	\$	43,875	
Interest Earned		11,130	
Investment Income		<u>179,749</u>	
			<u>234,754</u>
			1,692,201
Decreased by:			
Distributions			<u>4,596</u>
Balance - December 31, 2020		\$	<u><u>1,687,605</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019		\$	2,704,689
Increased by Receipts:			
Grants Receivable	\$	204,815	
Due to Current Fund		10,510	
Bond Anticipation Notes		14,446,000	
Premium on Sale of Notes		32,742	
Due from Federal and State Grant Fund		36,897	
Due from Other Trust		181,000	
Due from Open Space Trust Fund		179,900	
Capital Improvement Fund		186,750	
Reserve for Payment of Debt		265,800	
			<u>15,544,414</u>
			18,249,103
Decreased by Disbursements:			
Improvement Authorizations		7,186,251	
Contracts Payable		1,579,817	
Due from Current Fund		231,157	
Bond Anticipation Notes		8,156,887	
Reserve for Debt Service		385,000	
Fund Balance		80,000	
			<u>17,619,112</u>
Balance - December 31, 2020		\$	<u><u>629,991</u></u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2020

Due to Current Fund	\$ 173,779
Grants Receivable	(8,999,265)
Reserve for:	
Contracts Payable	867,005
Grants Receivable	774,104
I & I	21,696
Reserve for Payment of Debt	611,526
Excess Proceeds	426,421
Fund Balance	37,250

## Improvement Authorizations:

Ordinance Number	Improvement Description	
721/802	Improvements to Various Roads	(50)
856	Morris Canal Pedestrian Way & Preserve	5,951
904/935/947	Construction New Municipal Building	7,506
991/1171	New Pump Station at Louis Street	80,918
1020/1086/1149/1155	Construction of a New Justice Complex	2,109
1043	Acquisition of Fire Pumper	3,765
1071	Sanitary Sewer Improvements	2,846
1092	Improvement Fairfield Pump Station	(479,161)
1098	Various Road Improvements	(82,344)
1099	2010 Road Program	10,414
1100	Sanitary Sewer Improvements	(142,500)
1102	Strom Drain System Improvements	70
1121	Elevation of Homes	10,819
1126/1160	Paving of Stanley Street	(39,928)
1133	Installation of New Roof on the Public Library	8,940
1150	Refunding Ordinance - Hurricane Irene	(24)
1151	FEMA Flood Mitigation Project	858,952
1174	Improvements to Ridge Avenue	72,275
1175	Various Park Improvements	148
1180	Refunding of Tax Appeals	27,981
1204/1267	Stormwater Improvements - Morningside Circle	(495,771)
1212	Acquisition of Fire Engine	6,739
1214	Replacement of Strom Drains	(379,983)
1215	2015 Road Improvement Program	1,105
1221	Crane Street Project	133,004
1234	Acquisition of Self Contained Breathing Apparatus	7,567
1253	2016 Road Resurfacing Program	39,224
1255	Acquisition of Integrated Body and Car Camera System	15,949
1264	Acquisition of Generator at Recreation Center	(24,665)
1272	Duva Park Improvements	143
1286	Acquisition and Demolition of Flood Prone Properties in the Singac Section	4,994,807
1289	Undertaking of Public Improvement and the Acquisition of New Automotive Vehicles	80,065
1290	Acquisition of New Additional or Replacement Equipment and Machinery	6,373
1295	Acquisition of Real Property	8,044
1300	Reconstruction of Woodcliff Avenue	87,128
1322	Reconstruction of the Ridge Avenue Dead End	1,092
1323	2018 Road Improvement Program	2,470
1324	Stormwater Drainage Improvement	1,530
1325	Various Public Improvements	926
1331	Reconstruction of Donato Drive	76,997
1336	Acquisition of Real Property	3
1350	Sanitary Sewer Improvements	846
1351	Reconstruction of Coney Road and Veranda Street	2,377
1352	2019 Road Improvement Program	122,111
1353	Various Public Improvements	356,366
1356	Streetscape Improvements Project, Phase I	700,000
1359	Acquisition of Property for Construction of Stormwater Pump Station	224,472
1360	Acquisition of Property for Public Parking	3,221
1381	Tax Appeal Refunding Ordinance	38,237
1384	Acquisition of Property for Public Parking	496,768
1385	Reconstruction of portion of Micklejohn Avenue	(58,114)
1386	Various Public Improvements	(231,750)
1387	2020 Road Improvement Program	(639,924)
1388	Streetscape Improvements Project, Phases II and III	1,261,434
1383/1389	Supplemental Approp. To 1383	(470,003)
		<u>\$ 629,991</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Due from/(to) Current Fund

General Capital Fund

Year ended December 31, 2020

Balance - December 31, 2019		\$	(61,557)
Increased by:			
Budget Appropriations:			
Deferred Charge - Raised in 2020	\$	16,572	
Insurance Reimbursement		15,344	
Covid Expense Reimbursement		23,646	
Grants Received		362,447	
Cash Disbursements		<u>231,157</u>	
			<u>649,166</u>
			587,609
Decreased by:			
Interest on Deposits		10,510	
Ordinance 1381		<u>750,878</u>	
			<u>761,388</u>
Balance - December 31, 2020		\$	<u><u>(173,779)</u></u>

Exhibit C-5

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Due from Federal and State Grant Fund**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>36,897</u>
Decreased by:	
Cash Receipts	\$ <u><u>36,897</u></u>

Exhibit C-6

**Schedule of Due from Open Space Trust Fund**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>179,900</u>
Decreased by:	
Cash Receipts	\$ <u><u>179,900</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Due from Other Trust Fund**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>181,000</u>
Decreased by:	
Cash Receipts	\$ <u><u>181,000</u></u>



**TOWNSHIP OF LITTLE FALLS, N.J.**

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

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ 12,294,000
Decreased by:	
Current year Budget Appropriations:	
Bonds Paid by Budget Appropriations	<u>1,118,000</u>
Balance - December 31, 2020	<u>\$ 11,176,000</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Decreased By	Balance Dec. 31, 2020	Analysis of Balance		
						Financed by Bond Anticipation Notes	Excess Note Proceeds	Unexpended Improvement Authorization
		\$						
	General Improvements:							
721/802	Improvements to Various roads	50			50		50	
856	Morris Canal Pedestrian Way & Preserve	971			971			971
1092	Improvement Fairfield Pump Station	1,300,000			1,300,000		479,161	820,839
1098	Various Road Improvements	82,344			82,344		82,344	
1100	Sanitary Sewer Improvements	142,500			142,500		142,500	
1126/1160	Paving of Stanley Street	62,000			62,000		39,928	22,072
1147	Flood Mitigation Acquisition or Reconstruction	326,497		42,373	284,124	284,124		
1150	Refunding Ordinance - Hurricane Irene	24			24		24	
1151	FEMA Flood Mitigation Project	552,796		10,051	542,745	542,745		
1199	2014 Road Improvement Program	260,889		17,490	243,399	243,399		
1204/1267	Stormwater Improvements - Morningside Circle	504,200			504,200			
1212	Acquisition of Fire Engine	585,000		32,500	552,500	552,500		8,429
1213	Acquisition of Public Works Vehicle	273,600		34,200	239,400	239,400		
1214	Replacement of Storm Drains	380,000			380,000		379,983	17
1215	2015 Road Improvement Program	270,000		15,000	255,000	255,000		
1216	Railroad Avenue Park Improvements	62,565		2,235	60,330	60,330		
1221	Crane Street Project	80,000			80,000			80,000
1234	Acquisition of Self Contained Breathing Apparatus	490,736		27,264	463,472	463,472		
1253	2016 Road Resurfacing Program	304,000		16,000	288,000	288,000		
1254	Various Capital Improvements	199,000		19,472	179,528	179,528		
1255	Acquisition of Integrated Body and Car Camera System	139,263		7,757	131,526	131,526		
1264	Acquisition of Generator at Recreation Center	25,957			25,957		24,665	1,292
1272	Duva Park Improvements	475,000		16,380	458,620	458,620		
1286	Acquisition and Demolition of Flood-Prone Properties in the Singee Section	300,000		3,798	296,202	296,202		
1287	2017 Road Improvement Program	285,000		15,000	270,000	270,000		
1288	Various Public Improvements	355,000		8,361	346,639	346,639		
1289	Undertaking of a Public Improvement and the Acquisition of New Automotive Vehicles	442,000		37,458	404,542	404,542		

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Decreased By:	Balance Dec. 31, 2020	Analysis of Balance			
						Financed by Bond Anticipation Notes	Excess Note Proceeds	Unexpended Improvement Authorization	
1290	Acquisition of New Additional or Replacement Equipment and Machinery	47,500		3,654	43,846	43,846			
1295	Acquisition of Real Property	214,000		2,709	211,291	211,291			
1300	Reconstruction of Woodcliff Avenue	191,292		10,069	181,223	181,223			
1321	Sanitary Sewer Improvements	95,000			95,000	95,000			
1322	Reconstruction of the Ridge Avenue Dead End	142,500			142,500	142,500			
1323	2018 Road Improvement Program	285,000			285,000	285,000			
1324	Stormwater Drainage Improvement	380,000			380,000	380,000			
1325	Various Public Improvements	379,000			379,000	399,000	(20,000)		
1326/1337	Public Improvements & Acquisition of New Automotive Reconstruction of Donato Drive	420,000			420,000	420,000			
1331	Reconstruction of Donato Drive	343,579			343,579	750,000	(406,421)		
1336	Acquisition of Real Property	357,000			357,000	357,000			
1350	Sanitary Sewer Improvements	95,000			95,000	95,000			
1351	Reconstruction of Coney Road and Veranda St.	232,500			232,500	232,500			
1352	2019 Road Improvement Program	640,000			640,000	632,500		7,500	
1353	Various Public Improvements	701,000			701,000	701,000			
1354	Various Public Improvements	611,000			611,000	611,000			
1359	Acquisition of Property for Construction of Stormwater Pump Station	210,000			210,000	210,000			
1360	Acquisition of Property for Public Parking	425,000			425,000	425,000			
1381	Tax Appeal Refunding Ordinance		790,000		790,000	789,113		887	
1383/1389	Synthetic Turf Field Multipurpose Athletic Field		2,470,000		2,470,000	1,995,000	470,000	4,997	
1384	Acquisition of Real Property for Public Parking		475,000		475,000	474,000		1,000	
1385	Reconstruction of portion of Mickeljohn Avenue		61,750		61,750	61,750		3,636	
1386	Various Public Improvements		231,750		231,750	231,750			
1387	2020 Road Improvement Program		641,250		641,250	639,924		1,326	
1388	Streetscape Improvements, Main Street, Phases I and II		396,000		396,000	396,000		396,000	
		\$ 13,668,763	5,065,750	321,751	18,412,762	14,446,000	(426,421)	3,044,217	1,348,966

Improvement Authorizations \$ 5,065,750

Budget Appropriation \$ 321,751

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Decreased By:	Balance Dec. 31, 2020	Analysis of Balance			Unexpended Improvement Authorization
						Financed by Bond Anticipation Notes	Excess Note Proceeds	Expenditures	
									3,730,426
									Improvement Authorizations - Unfunded \$
									Less: Unexpended proceeds of Bond Anticipation Notes
									Ordinance:
								542,745	
								6,739	
								1,105	
								7,567	
								39,224	
								15,949	
								143	
								296,202	
								80,065	
								6,373	
								8,044	
								87,128	
								1,092	
								2,470	
								1,530	
								926	
								76,997	
								3	
								846	
								2,377	
								122,111	
								356,366	
								210,000	
								3,221	
								38,237	
								474,000	
									2,381,460
									\$ 1,348,966

TOWNSHIP OF LITTLE FALLS, N.J.  
 Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020		Interest Rate	Balance Dec. 31, 2019	Decreased	Balance Dec. 31, 2020
			Date	Amount				
Refunding of Bonds 2010	5/19/2010	2,690,000	8/1/2021	171,000	1.66-6.54%	170,000	170,000	
	7/28/2010	3,599,000	8/1/2022	181,000	1.66-6.54%	2,400,000	163,000	2,237,000
General Bonds			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	255,000	1.66-6.54%			
			8/1/2029	272,000	1.66-6.54%			
			8/1/2030	289,000	1.66-6.54%			

TOWNSHIP OF LITTLE FALLS, N.J.  
 Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2020

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2020	Interest Rate	Balance	
					Dec. 31, 2019	Dec. 31, 2020
General Bonds	8/15/2015	8,754,000	250,000	4.000%	7,754,000	7,504,000
			290,000	4.000%		
			464,000	4.000%		
			500,000	4.000%		
			500,000	2.500%		
			500,000	3.000%		
			500,000	3.250%		
			500,000	3.375%		
			500,000	3.500%		
						250,000
Refunding of Bonds 2015	12/10/2015	4,440,000	530,000	4.000%	1,970,000	1,435,000
			525,000	4.000%		
			380,000	4.000%		
					535,000	
					<u>12,294,000</u>	<u>11,176,000</u>

TOWNSHIP OF LITTLE FALLS  
 Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2020

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance Dec. 31 2019	Increased	Decreased	Balance Dec. 31 2020
1147	Flood Mitigation Acquisition or Reconstruction	7/31/2013	12/11/2020	8/6/2021	1.00%	\$ 326,497	284,124	326,497	284,124
1151	FEMA Flood Mitigation Project	5/14/2014	12/11/2020	8/6/2021	1.00%	552,796	542,745	552,796	542,745
1199	Various Road Improvements	12/19/14	12/11/2020	8/6/2021	1.00%	260,889	243,399	260,889	243,399
1212	Acquisition of Fire Engines	12/15/2016	12/11/2020	8/6/2021	1.00%	585,000	552,500	585,000	552,500
1213	Acquisition of Public Works Vehicle	12/15/2016	12/11/2020	8/6/2021	1.00%	270,000	270,000	270,000	270,000
1215	2015 Road Improvement Program	12/15/2016	12/11/2020	8/6/2021	1.00%	62,565	60,330	62,565	60,330
1216	Railroad Avenue Park Improvements	12/15/2016	12/11/2020	8/6/2021	1.00%	490,736	463,472	490,736	463,472
1234	Acquisition of Self Contained Breathing Apparatus	12/15/2016	12/11/2020	8/6/2021	1.00%	139,263	131,526	139,263	131,526
1255	Acquisition of Integrated Body and Car Camera System	12/15/2016	12/11/2020	8/6/2021	1.00%	304,000	288,000	304,000	288,000
1253	2016 Road Program	12/14/2017	12/11/2020	8/6/2021	1.00%	199,000	179,528	199,000	179,528
1254	Various Improvements	12/14/2017	12/11/2020	8/6/2021	1.00%	475,000	458,620	475,000	458,620
1272	Duva Park Improvements	12/14/2017	12/11/2020	8/6/2021	1.00%	296,202	296,202	296,202	296,202
1286	FEMA Flood Mitigation (Singac Section)	12/14/2017	12/11/2020	8/6/2021	1.00%	285,000	270,000	285,000	270,000
1287	2017 Road Program	12/14/2017	12/11/2020	8/6/2021	1.00%	346,639	346,639	346,639	346,639
1288	Public Improvements and Acquisition of New Vehicle	12/14/2017	12/11/2020	8/6/2021	1.00%	442,000	404,542	442,000	404,542
1289	Public Improvements and Acquisition of New Vehicle	12/14/2017	12/11/2020	8/6/2021	1.00%	47,500	43,846	47,500	43,846
1290	Acquisition of Equipment and Machinery	12/14/2017	12/11/2020	8/6/2021	1.00%	214,000	211,291	214,000	211,291
1295	Reconstruction of Real Property	12/14/2017	12/11/2020	8/6/2021	1.00%	191,292	181,223	191,292	181,223
1300	Reconstruction of Woodcliff Avenue	12/14/2018	12/11/2020	8/6/2021	1.00%	142,500	142,500	142,500	142,500
1322	Reconstruction of Ridge Avenue Dead End	12/14/2018	12/11/2020	8/6/2021	1.00%	285,000	285,000	285,000	285,000
1323	2018 Road Improvement Program	12/14/2018	12/11/2020	8/6/2021	1.00%	420,000	420,000	420,000	420,000
1326	Public Improvements and Acquisition of New Vehicle	12/14/2018	12/11/2020	8/6/2021	1.00%	357,000	357,000	357,000	357,000
1336	Acquisition of Real Property	12/14/2018	12/11/2020	8/6/2021	1.00%	232,500	232,500	232,500	232,500
1351	Reconstruction of Coney Road & Veranda Street	12/12/2019	12/11/2020	8/6/2021	1.00%	632,500	632,500	632,500	632,500
1352	2019 Road Improvement Program	12/12/2019	12/11/2020	8/6/2021	1.00%	210,000	210,000	210,000	210,000
1359	Acquisition of Property for Stormwater Pump Station	12/12/2019	12/11/2020	8/6/2021	1.00%	425,000	425,000	425,000	425,000
1360	Acquisition of Property for Public Parking	12/12/2019	12/11/2020	8/6/2021	1.00%	789,113	789,113	789,113	789,113
1381	Tax Appeal Refunding Ordinance	8/6/2020	8/6/2020	8/6/2021	0.53%	95,000	95,000	95,000	95,000
1321	Sanitary Sewer Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	380,000	380,000	380,000	380,000
1324	Stormwater Drainage Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	399,000	399,000	399,000	399,000
1325	Various Public Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	750,000	750,000	750,000	750,000
1331	Reconstruction of Donato Drive	8/6/2020	8/6/2020	8/6/2021	0.53%	95,000	95,000	95,000	95,000
1350	Sanitary Sewer Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	701,000	701,000	701,000	701,000
1353	Various Public Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	611,000	611,000	611,000	611,000
1354	Various Public Improvements	8/6/2020	8/6/2020	8/6/2021	0.53%	1,995,000	1,995,000	1,995,000	1,995,000
1383	Synthetic Turf Field Multipurpose Athletic Field	8/6/2020	8/6/2020	8/6/2021	0.53%	474,000	474,000	474,000	474,000
1384	Acquisition of Real Property for Public Parking	8/6/2020	8/6/2020	8/6/2021	0.53%				
						\$ 8,478,638	\$ 14,446,000	\$ 8,478,638	\$ 14,446,000
						Cash	5,862,692		
						Excess Proceeds	426,421		
						Paydown on Notes - Budget Appropriation	8,156,887	321,751	
						Renewed		8,156,887	
						\$	\$ 14,446,000	\$ 8,478,638	\$ 14,446,000

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Contracts Payable**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	1,579,817
Increased by:		
Contracts Awarded		<u>867,005</u>
		2,446,822
Decreased by:		
Contracts Paid		<u>1,579,817</u>
Balance - December 31, 2020	\$	<u><u>867,005</u></u>



TOWNSHIP OF LITTLE FALLS, N.J.  
Schedule of Improvement Authorizations

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Refund Applied	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
				Year Ended December 31, 2020						
	<b>General Improvements:</b>									
856	Morris Canal Pedestrian Way & Preserve	\$	190,000	6,679	971	728			5,951	971
904/935/947	Construction New Municipal Building		100,000	1,055		5,566	(12,017)		7,506	
991/1171	New Pump Station at Louis Street		165,000	81,086		168			80,918	
1020/1086/1149/1155	Construction of New Justice Complex		450,000	1,582		2,399	(2,926)		2,109	
1043	Acquisition of Fire Pump		650,000	33,765		30,000			3,765	
1070	Sanitary Sewer Improvements		100,000	691		691				
1071	Storm Sewer Improvements		425,000	3,646		800			2,846	
1092	Improvement Fairfield Pump Station		1,300,000		1,031,087	210,247				820,840
1098	Various Road Improvements		807,000	50,143	82,344	132,487			10,414	
1099	2010 Road Program		250,000	14,863		4,449				
1101	Acquisition of Trucks with Pumps		85,000	1,051		1,051			70	
1102	Storm Drain System Improvements		400,000	200,403		200,333				
1110	Morris Canal Bikeway 3		450,000	52,083		52,083				
1121	Elevation of Homes		364,770	10,819		32,083			10,819	
1126/1160	Paving of Stanley Street		40,000		22,072					22,072
1133	Installation of New Roof on the Public Library		142,920	8,940		(2,152)			8,940	
1151	FEMA Flood Mitigation Project		3,924,800	303,604	552,796		(400)		315,207	542,745
1166	Refunding Tax Appeals		790,000	14		14				
1174	Improvements to Ridge Avenue		284,500	78,733		6,458			72,275	
1175	Various Park Improvements		253,000	316		168			148	
1180	Refunding of Tax Appeals		900,000	28,775		794			27,981	
1183	Various Capital Improvements		2,560,000	11,408		11,408				
1185	Improvements to Inwood Park		149,000	43,754		43,754				
1199	2014 Road Improvement Program		350,000		1,180	1,180				8,429
1204/1267	Stormwater Improvements - Morningside Circle		300,000	8,789		360			6,759	
1212	Acquisition of Fire Engine		650,000	6,739						18
1213	Acquisition of Public Works Vehicles		324,000	23,342		23,342				1,105
1214	Replacement of Storm Drains		400,000	318,348		318,330				80,000
1215	2015 Road Improvement Program		300,000	1,105		168			133,004	
1221	Crane Street Program		300,000	133,172						39,224
1234	Acquisition of Self Contained Breathing Apparatus		545,000	7,567		4,369				7,567
1253	2016 Road Resurfacing Program		320,000	43,593		18,232				15,949
1254	Various Capital Improvements		210,000	18,232		12,015				1,292
1255	Acquisition of Integrated Body and Car Camera System		155,000	27,964						143
1264	Acquisition of Generator at Recreation Center		120,000	1,292						
1272	Dura Park Improvements		700,000	17,451		17,308				
1286	Acquisition and Demolition of Flood-Prone Properties in the Single Section				300,000				4,698,605	296,202
1287	2017 Road Improvement Program		11,966,155	4,695,180		373				
1288	Various Public Improvements		300,000	15,641		15,641				
1289	Underwriting of a Public Improvement and the Acquisition of New Automotive Vehicles		375,000	10,977		10,977				
1290	Acquisition of New Additional or Replacement Equipment and Machinery		465,000		84,605		(7,840)			80,065
1295	Acquisition of Real Property		50,000		6,373					6,373
1300	Reconstruction of Woodcliff Avenue		225,000	8,894		850				8,044
1321	Sanitary Sewer Improvements		675,000	126,579		39,451				87,128
1322	Reconstruction of the Ridge Avenue Dead End		100,000	7,883		7,883				
1323	2018 Road Improvement Program		150,000	124,947		123,855				1,092
1324	Stormwater Drainage Improvement		300,000	17,174		273,340				2,470
1325	Various Public Improvements		400,000	17,986		29,096				1,530
										926

TOWNSHIP OF LITTLE FALLS, N.J.  
Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2020

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2019		2020 Authorizations	Paid or Charged	Refund Applied	Balance Dec. 31, 2020	
				Funded	Unfunded				Funded	Unfunded
1326/1337	Public Improvements & Acquisition of New Automotive Vehicles		445,000	1						
1331	Reconstruction of Donato Drive		750,000	138,797			61,800			76,997
1336	Acquisition of Real Property		375,000	1,145			1,142			3
1350	Sanitary Sewer Improvements	Apr. 8 2019	300,000	170,888			265,042			846
1351	Reconstruction of Coney Road and Veranda Street	Apr. 8 2019	325,000	4,841			2,464			2,377
1352	2019 Road Improvement Program	Apr. 8 2019	875,000	604,966			475,355			129,611
1353	Various Public Improvements	Apr. 8 2019	838,000	686,202			329,836			356,366
1354	Various Public Improvements	Apr. 8 2019	930,000	611,000			699,479	(3,771)		
1356	Streetscape Improvements Project, Phase I	May 20, 2019	700,000	700,000					700,000	
1359	Acquisition of Property for Construction of Stormwater Pump Station	Jun. 10, 2019	225,000	15,000			528			210,000
1360	Acquisition of Property for Public Parking	Jun. 10, 2019	450,000	3,221					14,472	3,221
1381	Tax Appeal Refunding Ordinance	April 13, 2020	790,000		790,000		750,878			39,122
1383/1389	Synthetic Turf Field Multipurpose Athletic Field	Aug. 24, 2020	3,500,000		3,500,000		3,495,003			4,997
1384	Acquisition of Property for Public Parking	May 4, 2020	500,000		500,000		2,232		22,768	475,000
1385	Reconstruction of portion of Middlejohn Avenue	May 4, 2020	150,000		150,000		146,364			3,636
1386	Various Public Improvements	May 18, 2020	250,000		250,000		250,000			
1387	2020 Road Improvement Program	May 18, 2020	675,000		675,000		673,674			1,326
1388	Streetscape Improvements Project, Phases II and III	May 18, 2020	1,700,000		1,700,000		42,566			396,000
			\$ 6,712,338	\$ 5,598,444		\$ 7,565,000	\$ 8,804,134	(38,990)		\$ 7,380,232

Capital Improvement Fund		\$
Grant Receivable - Community Development Block Grant		225,250
Grant Receivable - State of NJ Dept. of Environmental Protection		85,000
Grant Receivable - NJ Department of Transportation Grant		6,000
Grant Receivable - Green Acres Trust Fund		1,283,000
Grant Receivable - Passaic County Open Space Trust Fund		750,000
Deferred Charges - Unfunded		150,000
		5,065,750
		\$ 7,565,000
Cash Disbursed \$		7,186,251
Contracts Payable		867,005
Due from Current Fund		750,878
		\$ 8,804,134

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2020

Balance - December 31, 2019		\$	7,292,527
Increased by:			
Grants Awarded			<u>2,274,000</u>
			9,566,527
Decreased by:			
Cash Receipts	\$	204,815	
Due from Current Fund		<u>362,447</u>	
			<u>567,262</u>
Balance - December 31, 2020		\$	<u><u>8,999,265</u></u>

Analysis of Balance

	<u>Pledged to</u>		
	<u>Reserve</u>	<u>Improv. Auth.</u>	
<u>Federal</u>			
NJ OEM (Ord. 1147)	\$ 181,104		181,104
NJ OEM (Ord. 1151)		313,992	313,992
NJ DEP (Ord. 1151)	593,000		593,000
NJ OEM (Ord. 1286)		4,699,845	4,699,845
CDBG (Ord. 1354)		85,000	85,000
CDBG (Ord. 1354)		<u>85,000</u>	<u>85,000</u>
	<u>774,104</u>	<u>5,183,837</u>	<u>5,957,941</u>
<u>State</u>			
DOT (Ord. 1300)		22,613	22,613
DOT (Ord. 1221)		12,538	12,538
DOT (Ord. 1356)		700,000	700,000
DOT (Ord. 1388)		1,283,000	1,283,000
NJDEP (Ord. 1353)		100,000	100,000
NJDEP (Ord. 1383)		750,000	750,000
NJDEP (Ord. 1386)		<u>6,000</u>	<u>6,000</u>
	<u>-</u>	<u>2,874,151</u>	<u>2,874,151</u>
<u>Local</u>			
Passaic County (Ord. 1216)		17,173	17,173
Passaic County (Ord. 1383)		<u>150,000</u>	<u>150,000</u>
	<u>-</u>	<u>167,173</u>	<u>167,173</u>
	\$ <u>774,104</u>	<u>8,225,161</u>	<u>8,999,265</u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	38,500
Increased by:		
Cash Received - Budget Appropriation		<u>186,750</u>
		225,250
Decreased by:		
Appropriated to Finance Improvement Authorizations	\$	<u><u>225,250</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2020**

Balance - December 31, 2019	\$	967,683
Decreased by:		
Transferred to Reserve for Debt Service		193,579
Balance - December 31, 2020	\$	774,104

<u>Analysis of Balance</u>		
NJ OEM (Ord. 1147)	\$	181,104
NJ OEM (Ord. 1151)		593,000
	\$	774,104

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Reserve for Sewer I & I**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>21,696</u>
Balance - December 31, 2020	\$ <u><u>21,696</u></u>

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>537,147</u>
Increased by:	
Vendor Contribution	\$ 100,800
Transfer from Reserve for Grant Receivable	193,579
Grants Received - Bergen County Open Space	<u>165,000</u>
	<u>459,379</u>
	996,526
Decreased by:	
Anticipated as Revenue in 2020 Budget	<u>385,000</u>
Balance - December 31, 2020	\$ <u><u>611,526</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Overexpenditure of Ordinance Appropriation**

**General Capital Fund**

**Year Ended December 31, 2020**

Balance - December 31, 2019	\$ <u>16,572</u>
Decreased by:	
Raised in 2020 Budget	\$ <u><u>16,572</u></u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2020

Ordinance Number	ment Description	Balance Dec. 31, 2019	2020 Authorizations	Decreased	Balance Dec. 31, 2020
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
1150	Refunding Ordinance - Hurricane Irene	24			24
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
1321	Sanitary Sewer Improvements	95,000		95,000	
1324	Stormwater Drainage Improvement	380,000		380,000	
1325	Various Public Improvements	379,000		379,000	
1331	Reconstruction of Donato Drive	343,579		343,579	
1350	Sanitary Sewer Improvements	95,000		95,000	
1351	Reconstruction of Coney Road and Veranda Streets				
1352	2019 Road Improvement Program	7,500			7,500
1353	Various Public Improvements	701,000		701,000	
1354	Various Public Improvements	611,000		611,000	
1359	Acquisition of Property for Construction of Stormwater Pump Station				
1360	Acquisition of Property for Public Parking				
1381	Tax Appeal Refunding Ordinance		790,000	789,113	887
1383	Synthetic Turf Field Multipurpose Athletic Field		1,995,000	1,995,000	
1384	Acquisition of Real Property for Public Parking		475,000	474,000	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		475,000
		<u>\$ 5,190,125</u>	<u>5,065,750</u>	<u>5,862,692</u>	<u>4,393,183</u>
			Bond Anticipation Notes Issued \$	<u>5,862,692</u>	
				<u>\$ 5,862,692</u>	



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash

Public Assistance Fund

Year Ended December 31, 2020

	<u>PATF Account #2</u>	<u>Total</u>
Balance - December 31, 2019	\$ 18,268	18,268
Increased by Receipts:		
State Aid	<u>46,100</u>	<u>46,100</u>
	64,368	64,368
Decreased by Disbursements:		
Public Assistance Payments	<u>49,587</u>	<u>49,587</u>
Balance - December 31, 2020	<u>\$ 14,781</u>	<u>14,781</u>

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year Ended December 31, 2020

	<u>PATF Account #2</u>	<u>Total</u>
Balance - December 31, 2019	\$ 18,268	18,268
Increased by Receipts:		
State Aid	<u>46,100</u>	<u>46,100</u>
	64,368	64,368
Decreased by Disbursements:		
Public Assistance Payments	<u>49,587</u>	<u>49,587</u>
Balance - December 31, 2020	<u>\$ 14,781</u>	<u>14,781</u>

**TOWNSHIP OF LITTLE FALLS, N.J.**

**Schedule of Revenues**

**Public Assistance Fund**

**Year Ended December 31, 2020**

	PATF Account #2 <u>(100%)</u>	Fund <u>Total</u>
State Aid	\$ <u>46,100</u>	<u>46,100</u>
Total Revenue (PATF)	<u>46,100</u>	<u>46,100</u>
Total Receipts/Revenues	\$ <u><u>46,100</u></u>	<u><u>46,100</u></u>

**Schedule of Expenditures**

**Public Assistance Fund**

**Year Ended December 31, 2020**

	PATF Account #2 <u>(100%)</u>	Fund <u>Total</u>
Current Year Assistance		
Public Assistance Payments	\$ <u>49,587</u>	<u>49,587</u>
Total Current Year Assistance Reported	<u>49,587</u>	<u>49,587</u>
Total Disbursements	\$ <u><u>49,587</u></u>	<u><u>49,587</u></u>

**TOWNSHIP OF LITTLE FALLS**

**PART II**

**LETTERS ON INTERNAL CONTROL AND COMPLIANCE**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2020**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, 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, 2020 and the related notes to the financial statements, and have issued our report thereon dated July 31, 2021 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 control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and  
Members of the Township Council  
Page 2.

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. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

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

July 31, 2021





# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08**

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

### **Report on Compliance for Each Major State Program**

We have audited the Township of Little Falls' compliance with the types of compliance requirements described in the OMB Compliance Supplement and N.J. Office of Management and Budget (OMB) Circular 15-08 Compliance Supplement that could have a direct and material effect on each of its major state programs for the year ended December 31, 2020. The Township of Little Falls' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Township of Little Falls' major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and



Honorable Mayor and  
Members of the Township Council  
Township of Little Falls  
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perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Township of Little Falls' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Township of Little Falls' compliance.

### **Opinion on Each Major State Program**

In our opinion, the Township of Little Falls complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2020.

### **Report on Internal Control Over Compliance**

Management of the Township of Little Falls is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Little Falls' internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Little Falls' internal control over compliance.

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



Honorable Mayor and  
Members of the Township Council  
Township of Little Falls  
Page 3.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report 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

July 31, 2021





TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2020

Federal Program	CFDA number	FAIN number	Grant or State Project Number	Grant period	Award Amount	Cash Received/ Revenue Realized	Expenditures	Adjustment	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	\$			8,468,066
Hazardous Mitigation Grant Program (Ord. 1151)	97.039			2012	2,943,600				2,628,608
Flood Mitigation Assistance Program (Ord. 1286)	97.029		1200-100-B90-15	2017	6,063,852			(4,212,757)	6,063,852
U.S. Department of Justice Bulletproof Vest Fund				2016	2,532	3,018			2,623
Federal Equitable Sharing Funds				2020	3,018	933			
U.S. Department of Transportation Drive Sober or Get Pulled Over	20.601		1160-100-057-14	2012	4,400				4,225
Drive Sober or Get Pulled Over				2018	5,500				
U Text, U Drive, U Pay				2019	5,500				
Click it or Ticket				2019	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	53,054	698,926		698,926
U.S. Department of Housing and Urban Development Community Development Block Grant (Ord. 1193)	14.218			2019	80,000	80,000			80,000
Ord. 1351: Reconstruction of Coney Road & Veranda St				2019	85,000				
Ord. 1354: ADA Ramp Imps. at the Civic Center				2020	85,000				
Ord. 1385: Reconstruction of Middlepoint Avenue									
Total Federal Awards					\$ 1,377,005		698,926	(4,212,757)	17,950,435

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

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2020

	Grant number	Grant period	Award Amount	Balance Dec. 31, 2019	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2020	MEMO Cumulative Total Expenditures
State Grant Program									
Drunk Driving Enforcement Fund	1110-443-031020-22	2015 2016 2017 2018 2019	16,662 \$ 5,361 21,625 34,310 12,908	19,957 34,310 12,908		8,525		11,432 34,310 12,908	16,662 5,361 10,193 -
Department of the Judiciary Alcohol Education and Rehabilitation Program	4250-760-05000-63-260	2017 2018 2019	10,253 16,899	2,117 10,253 16,899		4,184		2,117 6,069 16,899	13,653 4,184
Department of Human Services: General Welfare Assistance	7550-100-121	2019	36,477	18,268	46,100	49,587		14,781	34,386
Department of Environmental Protection: Blue Acres Grant (Ord. 1151) Green Trust Acquisition Grants - Office of Emergency Mgmt Ordinance 1353: Dredging of the Peckman River Ordinance 1383 - Synthetic Turf Athletic Field (Green Acres) Ordinance 1386 - Charging Station for Electric Cars	1605-11-LBA 1605-11-LBA	2012 2017 2019 2020 2020	1,374,547 100,000 750,000 6,000	859,200 484,474			(484,474)	859,200	122,000 1,374,547
Clean Communities Act	4900-765-178900	2016 2017 2018 2019	20,362 22,723	7,030 20,362 22,723		8,014		7,030 12,348 22,723	25,046 14,248 8,014
Recycling Tonnage Grant	4830-752-050550-30	2018 2019	21,882 19,595	21,882 19,595		706		21,176 19,595	706
Body Armor Grant	1020-718-001	2019	3,048	874.00				874	2,174
Municipal Alliance Program	100-082-C01-044	2017 2018 2019 2020	22,440 22,440 22,440 22,440	11,080	2,285 7,292	5,633 10,878		7,732 (3,586)	22,440 22,440 14,708 10,878
Peckman River Grant		2001		15,095				15,095	90,145
Municipal Stormwater Regulation	100-042-4840-091	2006 2007	10,207 2,552	7,432 93				7,432 93	2,775 2,459
Safe Corridors	6100-100-051-13	2017 2018	41,721 30,110	14,606 30,110		14,000		14,606 16,110	27,115 14,000
Louis Street Park Grant		2012		1,267				1,267	2,466

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2020

State Grant Program	Grant number	Grant period	Award Amount	Balance Dec. 31, 2019	Cash Received	Budgetary Expenditures	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2020	MEMO
									Cumulative Total Expenditures
Communicable Diseases - Hep B Funds	4230-100-241-13	2015		2,439				2,439	381
<u>New Jersey Department of Transportation</u>									
Ordinance 1221 - Crane Street	6320-480-AL5	2015	215,000	12,538			(12,538)		202,462
Ordinance 1300 - Woodcliff Avenue		2017	483,708	94,072	68,842		(191,481)	2,617	458,478
Ordinance 1331 - Reconstruction of Donato Drive		2018	600,000	(551,895)	193,579		406,421		600,000
Ordinance 1356 - Downtown Streetscape Imps.		2019	700,000						
Ordinance 1388 - Downtown Streetscape Imps.		2020	1,283,000		42,126			(42,126)	42,126
<u>Special Legislative Grant</u>									
Mann Street/Route 23 Curbs & Sidewalks	01-100-022-8030-196-FFFF-6120	2001		7,689				7,689	172,311
<i>Total State Assistance</i>				\$ 1,195,378	418,124	1,016,600	(282,072)	314,830	4,072,358
<u>Local Assistance</u>									
FM Global Fire Prevention Grant			1,500	2,500				2,500	925
NJ American Fire Grant			925						870
NJAWC FF Grant - 2019			175	175				175	
Tennis Grant									
Firehouse Subs Public Safety Foundation, Inc.			14,084		14,084				14,084
<i>Total Local Assistance</i>				\$ 2,675	14,084	14,084		2,675	1,795
<i>Total State and Local Assistance</i>				\$ 1,198,053	432,208	1,030,684	(282,072)	317,505	4,074,153

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

**TOWNSHIP OF LITTLE FALLS  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$698,926	\$51,940	\$14,084	\$764,950
General Capital Fund		1,015,073		1,015,073
Public Assistance Trust Fund		49,587		49,587
	<u>\$698,926</u>	<u>\$1,116,600</u>	<u>\$14,084</u>	<u>\$1,829,610</u>

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

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of Findings of Noncompliance and Questioned Costs.

**NOTE 5. DE MINIMIS DIRECT COST RATE**

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

**TOWNSHIP OF LITTLE FALLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued:	<u>Adverse GAAP/unmodified regulatory</u>	
Internal control over financial reporting:		
1. Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
2. Were significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____ no
Noncompliance material to general-purpose financial statements noted?	_____ yes	_____ <u>X</u> _____ no

**Federal Awards Section**

Not Applicable

**State Awards Section**

Dollar threshold used to determine type A programs:	<u>\$750,000</u>	
Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> _____ no
Type of auditors' report on compliance for major programs:	<u>unmodified</u>	
Internal Control over compliance:		
1. Material weakness(es) identified?	_____ yes	_____ <u>X</u> _____ no
2. Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	_____ <u>X</u> _____ no
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?	_____ yes	_____ <u>X</u> _____ no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
1605-11-LBA (A)	Green Acres

Note: (A) - Tested as Major Type A Program.

**TOWNSHIP OF LITTLE FALLS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**  
**(continued)**

***Section II - Schedule of Financial Statement Findings***

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

None

***Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs***

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200.516(a) the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

None

***Schedule of Prior Year Findings***

None

## 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:

Improvements to Ridge Avenue	Improvements to Micklejohn Ave
Duva Park Storage Building	2020 Winter Products
Pickleball Court, Storage Building & New Gym	Transportation and Disposal of Vegetative Waste
Floor at Recreation Center	

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 17, 2020, 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>
2020	6
2019	8
2018	10

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 AND RECOMMENDATIONS  
DECEMBER 31, 2020**

**COMMENTS**

**Finance/Accounts Payable:**

1. There is a deficit in the Municipal Alliance Reserve of \$68 as a result of expenses paid in excess of the reserve balance.
2. Audit documentation relating to profession service contracts and pay to play compliance was not made available during fieldwork.

**Municipal Court:**

1. \*Checks contain only one authorizing signature.
2. A review of the December monthly management report indicated an excessive number of tickets assigned over 180 days.

**RECOMMENDATIONS**

**Finance/Accounts Payable:**

1. Greater oversight and monitoring be utilized to ensure reserve balances are adequate to fund expenditures, any known deferred charges should be raised in the subsequent year's budget.
2. All documentation for professional service and pay to play compliance should be made available for audit upon request.

**Municipal Court:**

1. That more than one signature be present on all checks.
2. Policies should be implemented so that tickets assigned over 180 days be recalled and either reassigned or destroyed.

**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

July 31, 2021