

**TOWNSHIP OF LITTLE FALLS**

**Financial Statements With  
Supplementary Information**

**December 31, 2019  
(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, 2019 and 2018, 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, 2019, 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, 2019 and 2018, 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 \$1,457,447 and \$1,301,714 for 2019 and 2018, 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, 2019 and 2018, 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, 2019 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 9, 2020 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. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

July 9, 2020

## TOWNSHIP OF LITTLE FALLS, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2019 and 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 4,388,250	5,004,359
Cash - Change Funds	A-5	<u>500</u>	<u>500</u>
		<u>4,388,750</u>	<u>5,004,859</u>
Due from State of New Jersey:			
Senior Citizens and Veterans Deductions	A-7	<u>6,498</u>	<u>1,524</u>
Receivables and Other Assets with Full Reserves:			
Tax Title Liens Receivable	A-8	182,718	195,304
Taxes Receivable	A-9	1,155,492	1,211,304
Property Acquired for Taxes - Assessed Valuation	A-10	825,100	825,100
Revenue Accounts Receivable	A-11	16,636	22,621
Interfund Accounts Receivable	A-12	<u>144,825</u>	<u>153,341</u>
		<u>2,324,771</u>	<u>2,407,670</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	120,000	150,000
Emergency Authorizations	A-14	<u>75,000</u>	<u>325,000</u>
		<u>195,000</u>	<u>475,000</u>
		<u>6,915,019</u>	<u>7,889,053</u>
Federal and State Grant Fund:			
Due from Current Fund	A-25	327,407	296,707
Grants Receivable	A-26	4,817	2,532
Deferred Charges:			
Expenditures without Appropriations	A-29	<u>2,664</u>	<u>1,091</u>
		<u>334,888</u>	<u>300,330</u>
		<u>\$ 7,249,907</u>	<u>8,189,383</u>

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

**Current Fund**

**December 31, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	\$ 542,690	766,326
Encumbrances Payable	A-3/A-16	280,151	287,756
Interfund Accounts Payable	A-12	109,085	1,570,604
Reserve for Other Expenditures	A-17	183,041	207,634
Tax Overpayments	A-18		661
County Taxes Payable	A-21	31,190	62,812
Prepaid Taxes	A-22	295,133	245,714
State Fees Payable	A-23	3,592	3,512
Interfund Payable - Federal and State Grant Fund	A-24	327,407	296,707
		<u>1,772,289</u>	<u>3,441,726</u>
Reserve for Receivables	Contra	2,324,771	2,407,670
Fund Balance	A-1	<u>2,817,959</u>	<u>2,039,657</u>
		<u>6,915,019</u>	<u>7,889,053</u>
Federal and State Grant Fund:			
Due to General Capital Fund	A-25	36,897	36,897
Appropriated Reserve for Grants	A-27	188,849	177,103
Unappropriated Reserve for Grants	A-28	109,142	86,330
		<u>334,888</u>	<u>300,330</u>
		<u>\$ 7,249,907</u>	<u>8,189,383</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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues and Other Income:		
Fund Balance Utilized	1,400,000	1,075,000
Miscellaneous Revenue Anticipated	3,882,975	3,372,832
Receipts from Delinquent Taxes	465,349	471,704
Receipts from Current Taxes	47,646,895	47,007,072
Non-Budget Revenue	669,102	591,832
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	525,521	457,436
Interfunds Returned	139,347	
	<hr/>	<hr/>
Total Revenues and Other Income	54,729,189	52,975,876
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	6,699,749	6,456,360
Other Expenses	7,293,288	7,554,750
Capital Improvements	250,000	200,000
Municipal Debt Service	2,183,538	2,269,993
Deferred Charges and Statutory Expenditures -		
Municipal	1,822,591	1,217,314
Local District School Tax	15,034,497	14,744,522
Regional High School Taxes	7,453,776	7,496,946
County Taxes Including Added Taxes	11,490,605	11,842,394
County Open Space Taxes	165,390	163,518
Municipal Open Spaces Taxes Payable	75,657	75,330
Interfunds Advanced	61,557	
Refund of Prior Year Revenue	95,239	73,061
	<hr/>	<hr/>
Total Expenditures	52,625,887	52,094,188
	<hr/>	<hr/>
Excess (Deficit) Revenue Over Expenditures	2,103,302	881,688

TOWNSHIP OF LITTLE FALLS, N.J.

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

Current Fund

Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Emergency Authorizations	75,000	325,000
Special Emergency Authorizations		150,000
	<u>75,000</u>	<u>475,000</u>
Statutory Excess to Surplus	2,178,302	1,356,688
Fund Balance, January 1,	<u>2,039,657</u>	<u>1,757,969</u>
	4,217,959	3,114,657
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>1,400,000</u>	<u>1,075,000</u>
Fund Balance, December 31,	\$ <u><u>2,817,959</u></u>	<u><u>2,039,657</u></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, 2019**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 1,400,000	1,400,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	34,000	31,130	(2,870)
Other	38,000	50,718	12,718
Fees and Permits			
Other	136,328	162,497	26,169
Fines and Costs:			
Municipal Court	325,000	339,353	14,353
Interest and Costs on Taxes	122,843	130,947	8,104
Interest on Investments and Deposits	40,000	53,278	13,278
Recreation Program Fees	75,000	72,805	(2,195)
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	314,034	355,143	41,109
EMS Fees - Little Falls	260,000	403,711	143,711
Special Items of General Revenue			
Anticipated With Prior Written Consent			
of Director of the Division of Local Government Services			
State and Federal Revenues Offset with Appropriations			
Clean Communities	20,362	20,362	
Municipal Alliance	22,440	22,440	
Body Armor Grant	3,048	3,048	
Drunk Driving Enforcement Fund	34,310	34,310	
Safe Corridor's Grant	30,110	30,110	
NJ American Water Fire Grant	870	870	
Other Special Items:			
Uniform Fire Safety Act	21,791	24,057	2,266
Sewer Service Fees	95,000	95,165	165
Cable TV Franchise Fee	180,000	180,968	968
General Capital Fund Balance	200,000	200,000	
Due from Other Trust Fund	132,000	132,000	
Montclair University Sewer Fees	149,000	168,198	19,198
Floyd Hall Pilot Payments	47,000		(47,000)
IRS Contribution - Debt Service	39,000	64,796	25,796
Montclair University Fire Alarm Fees	5,000	19,040	14,040
Total Miscellaneous Revenues	3,613,165	3,882,975	269,810
Receipts from Delinquent Taxes	399,862	465,349	65,487
Subtotal General Revenues	5,413,027	5,748,324	335,297

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2019**

	<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	13,141,499	13,690,572	549,073
Library Purposes	<u>545,011</u>	<u>545,011</u>	
	<u>13,686,510</u>	<u>14,235,583</u>	<u>549,073</u>
 Budget Totals	 19,099,537	 19,983,907	 884,370
 Non-Budget Revenue	 <u>                    </u>	 <u>669,102</u>	 <u>669,102</u>
	<u>\$ 19,099,537</u>	<u>20,653,009</u>	<u>1,553,472</u>

Analysis of Realized Revenues

Revenue from Current Tax Collections		\$ 47,646,895	
Allocated to County and Local and Regional School Taxes		<u>34,335,220</u>	
 Balance for Support of Municipal Budget Appropriations		 13,311,675	
 Add : Appropriation - Reserve for Uncollected Taxes		 <u>923,908</u>	
 Amount for Support of Municipal Budget Appropriations		 <u>\$ 14,235,583</u>	
 Receipts from Delinquent Taxes:			
Taxes Receivable		393,548	
Tax Title Liens Receivable		<u>71,801</u>	
Delinquent Taxes		<u>\$ 465,349</u>	
 Non-Budget Revenue:			
Miscellaneous Revenue	\$ 7,813		
Bounced Checks	20		
Elections	1,000		
DMV Inspection Fines	1,100		
Garage Sale	195		
Insurance Reimbursements	27,978		
Health Benefits	310,550		
Billboard Leases	50,788		
Event Reimbursements	48,810		
FEMA Reimbursement	85,260		
Library Reimbursements	9,450		
Offsets not applied	<u>126,138</u>		
		<u>\$ 669,102</u>	
	Cash Receipts	583,842	
	Due from General Capital Fund	<u>85,260</u>	
		<u>\$ 669,102</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, 2019

	<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	\$ 80,831	80,831	75,691	5,140	
Other Expenses	50,800	46,300	46,017	283	
Mayor and Council:					
Salaries and Wages	17,500	17,500	17,500		
Other Expenses	1,500	2,500	1,875	625	
Municipal Clerk:					
Salaries and Wages	163,969	163,969	163,855	114	
Other Expenses	78,500	80,500	80,413	87	
Financial Administration:					
Salaries and Wages	142,401	142,401	141,177	1,224	
Other Expenses	66,600	66,600	54,648	11,952	
Audit Services	50,000	50,000	37,500	12,500	
Collection of Taxes:					
Salaries and Wages	97,363	97,363	96,881	482	
Other Expenses	39,500	39,500	26,486	13,014	
Assessment of Taxes:					
Salaries and Wages	55,691	55,691	54,773	918	
Other Expenses	30,900	30,900	21,189	9,711	
Legal Services and Cost:					
Salaries and Wages					
Other Expenses	175,000	180,000	170,248	9,752	



TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<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:					
Salaries and Wages					
Other Expenses	75,000	70,000	69,660	340	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	4,918	4,918	4,849	69	
Other Expenses	16,500	16,500	9,065	7,435	
Insurance:					
Liability	23,500	19,500	7,274	12,226	
Liability - NJIF	245,000	245,000	240,590	4,410	
Workers Compensation	245,000	245,000	245,000		
Employee Group Insurance	1,350,000	1,350,000	1,349,196	804	
Unemployment Insurance	15,000	15,000	15,000		
Public Safety:					
Police:					
Salaries and Wages - Regular	3,447,609	3,447,609	3,390,791	56,818	
Other Expenses	203,648	203,648	203,332	316	
Acquisition of Police Vehicles	172,279	172,279	171,855	424	
Salaries and Wages - Dispatchers/911	169,650	174,650	173,388	1,262	
Salaries and Wages - Police Civilian	85,000	85,000	85,000		
Emergency Management:					
Salaries and Wages	15,000	15,000	15,000		
Other Expenses	15,000	20,000	18,999	1,001	

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

	<b>Current Fund</b>				<b>Unexpended</b>
	<u>Budget</u>	<u>Budget after</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
		<u>and Transfer</u>			
<b>Year Ended December 31, 2019</b>					
EMS/Ambulance					
Salaries and Wages	40,006	40,006	39,201	805	
Other Expenses	62,850	62,850	42,102	20,748	
Fire Hydrant Service					
Other Expenses	150,000	140,000	139,061	939	
Fire Department					
Salaries and Wages	191,707	191,707	151,441	40,266	
Other Expenses - Miscellaneous	166,865	166,865	157,573	9,292	
Other Expenses - Flood					
Fire Prevention					
Salaries and Wages	82,085	82,085	81,562	523	
Other Expenses	5,000	5,000	4,621	379	
Municipal Prosecutor:					
Salaries and Wages	18,819	18,819	18,769	50	
Other Expenses					
Municipal Court					
Salaries and Wages	141,946	141,946	141,621	325	
Other Expenses	33,600	33,600	31,080	2,520	
Public Defender:					
Other Expenses	7,500	7,500	5,700	1,800	
Public Works:					
Road Repairs and Maintenance:					
Salaries and Wages	1,070,411	1,070,411	1,070,040	371	
Other Expenses	227,300	227,300	223,400	3,900	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<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	17,425	18,425	18,268	157	
Salaries and Wages					
Electric Inspector	17,425	18,425	18,102	323	
Salaries and Wages					
Shade Tree	1,200	1,200	1,200		
Salaries and Wages	19,870	19,870	19,609	261	
Other Expenses					
Solid Waste Collection	65,000	65,000	35,822	29,178	
Salaries and Wages	544,000	544,000	526,881	17,119	
Other Expenses					
Sanitation:					
Landfill & Solid Waste Disposal Costs:					
Other Expenses	385,550	385,550	350,156	35,394	
Public Building and Grounds					
Salaries and Wages	120,000	120,000	119,319	681	
Other Expenses					
Vehicle Maintenance:					
Salaries and Wages	85,000	85,000	82,694	2,306	
Other Expenses	123,500	123,500	123,096	404	
Community Services Act:					
Other Expenses	15,000	15,000		15,000	
Health and Welfare:					
Public Health Services:					
Other Expenses	120,025	120,025	113,473	6,552	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Floor Board					
Other Expenses	500	500		500	
Administration of Public Assistance					
Salaries and Wages	13,750	13,750	13,750		
Other Expenses	550	550	264	286	
Parks and Recreation:					
Recreation Services and Programs:					
Salaries and Wages	193,603	193,603	178,859	14,744	
Other Expenses	72,600	72,600	71,001	1,599	
Senior Citizen Transportation					
Other Expenses	2,900	2,900	1,724	1,176	
Celebration of Public Events:					
Other Expenses	7,500	7,500	6,792	708	
Senior Citizen Activities					
Salaries and Wages	23,050	23,050	22,545	505	
Other Expenses	3,000	4,500	4,071	429	
PEOSHA Mandated Costs					
Other Expenses	7,500	7,500	500	7,000	
Utility Expenses and Bulk Purchases					
Street Lighting	80,000	80,000	79,431	569	
Telephone	130,000	125,000	112,987	12,013	
Gas (Natural or Propane)	220,000	235,000	233,498	1,502	
Water	35,000	35,000	25,285	9,715	
Fuel Oil	50,000	40,000	39,314	686	
Gasoline	80,000	80,000	79,344	656	

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

	<u>Current Fund</u>				<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>Year Ended December 31, 2019</b>					
Uniform Construction Code:					
Construction Code Official:					
Salaries and Wages	195,390	191,390	191,384	6	
Other Expenses	<u>20,300</u>	<u>22,300</u>	<u>21,698</u>	<u>602</u>	
<b>Total Operations within "CAPS"</b>	<u>11,981,386</u>	<u>11,977,386</u>	<u>11,584,490</u>	<u>392,896</u>	
<b>B. Contingent</b>					
<b>Total Operations Including Contingent-within "CAPS"</b>	<u>11,981,386</u>	<u>11,977,386</u>	<u>11,584,490</u>	<u>392,896</u>	
Detail:					
Salaries & Wages	6,436,749	6,439,749	6,284,163	155,586	
Other Expenses (Including Contingent)	5,544,637	5,537,637	5,300,327	237,310	

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	294,000	294,000	293,204	796	
Social Security System (O.A.S.I.)	307,500	307,500	304,055	3,445	
Police and Firemen's Retirement System of NJ	855,000	855,000	853,656	1,344	
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"	<u>1,466,500</u>	<u>1,466,500</u>	<u>1,455,915</u>	<u>10,585</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>13,447,886</u>	<u>13,443,886</u>	<u>13,040,405</u>	<u>403,481</u>	
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	545,011	545,011	545,011		
LOSAP Program:	105,000	105,000		105,000	
Recycling Tax	15,500	15,500	14,098		1,402

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

**Current Fund**

Year Ended December 31, 2019

	<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	935,000	935,000	934,980	20	
Operating and Maintenance Costs	6,000	9,000	8,744	256	
Second River Joint	1,500	2,500	2,469	31	
Third River Joint	25,000	25,000		25,000	
Township of Montclair	7,500	7,500		7,500	
City of Clifton					
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>1,640,511</b>	<b>1,644,511</b>	<b>1,505,302</b>	<b>139,209</b>	
<b>Additional Appropriations Offset by Revenues</b>					
Emergency Medical Services	260,000	260,000	260,000		
Salaries and Wages					
<b>Total Additional Appropriations Offset by Revenues</b>	<b>260,000</b>	<b>260,000</b>	<b>260,000</b>		

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public and Private Programs Offset by Revenues					
Municipal Alliance	22,440	22,440	22,440		
Clean Communities Grant (N.J.S.A. 13:1e-99.2)	20,362	20,362	20,362		
NJ American Water Fire Grant	870	870	870		
Body Armor Replacement Fund	3,048	3,048	3,048		
Safe Corridors	30,110	30,110	30,110		
Drunk Driving Enforcement	34,310	34,310	34,310		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>111,140</b>	<b>111,140</b>	<b>111,140</b>		
<b>Total Operations-Excluded from "CAPS"</b>	<b>2,011,651</b>	<b>2,015,651</b>	<b>1,876,442</b>	<b>139,209</b>	
Detail:					
Salaries and Wages	260,000	260,000	260,000		
Other Expenses	1,751,651	1,755,651	1,616,442	139,209	



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

	<b>Current Fund</b>				
	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<b>Year Ended December 31, 2019</b>					
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	100,000	175,000	175,000		
Acquisition of Computers	75,000	75,000	75,000		
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>175,000</b>	<b>250,000</b>	<b>250,000</b>		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	1,120,000	1,120,000	1,120,000		183
Payment of BANS and Capital Notes	250,000	250,000	249,817		1,278
Interest on Bonds	530,000	530,000	528,722		1
Interest on Notes	285,000	285,000	284,999		
<b>Total Municipal Debt Service-Excluded from "CAPS"</b>	<b>2,185,000</b>	<b>2,185,000</b>	<b>2,183,538</b>		<b>1,462</b>
Deferred Charges and Statutory Expenditures- Municipal excluded from "CAPS"					
Emergency Authorization	325,000	325,000	325,000		
Special Emergency - 5 Year	30,000	30,000	30,000		
<b>(1) DEFERRED CHARGES:</b>					
Overexpenditure of Capital Ordinance	1,091	1,091	1,091		
<b>Total Deferred Charged and Statutory Expenditures-Municipal excluded from "CAPS"</b>	<b>356,091</b>	<b>356,091</b>	<b>356,091</b>		

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2019

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,727,742</u>	<u>4,806,742</u>	<u>4,666,071</u>	<u>139,209</u>	<u>1,462</u>
Subtotal General Appropriations	18,175,628	18,250,628	17,706,476	542,690	1,462
Reserve for Uncollected Taxes	<u>923,908</u>	<u>923,908</u>	<u>923,908</u>		
Total General Appropriations	<u>\$ 19,099,536</u>	<u>19,174,536</u>	<u>18,630,384</u>	<u>542,690</u>	<u>1,462</u>

Appropriation by 40A:4-87 \$ 3,918  
 Emergency Appropriation 75,000  
 Adopted Budget 19,095,618  
 \$ 19,174,536

Reserve for Uncollected Taxes \$ 923,908  
 Federal and State Grants 111,140  
 Deferred Charges 356,091  
 Due to Unemployment Trust Fund 15,000  
 Due to General Capital Fund 709,816  
 Encumbrances 280,151  
 Cash 16,234,278  
 \$ 18,630,384

See accompanying notes to the financial statements.

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

**Trust Funds**

**December 31, 2019 and 2018**

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Animal Control Trust Fund			
Cash	B-1	\$ <u>16,600</u>	<u>14,065</u>
Other Trust Fund			
Cash	B-1	846,638	939,493
Due from Net Payroll	B-2	<u>61,980</u>	<u>61,980</u>
		<u>908,618</u>	<u>1,001,473</u>
Unemployment Compensation Insurance Trust Fund			
Cash	B-1	9,762	7,133
Due from Current Fund	B-2	<u>32,958</u>	<u>27,958</u>
		<u>42,720</u>	<u>35,091</u>
Affordable Housing Trust Fund			
Cash	B-1	<u>656,187</u>	<u>549,135</u>
Open Space Trust Fund			
Cash	B-1	386,729	505,232
Due from Current Fund	B-2	<u>76,124</u>	<u>467</u>
		<u>462,853</u>	<u>505,699</u>
Length of Service Award Program Trust Fund (Unaudited)			
Investments	B-1	1,402,772	1,235,564
Contribution Receivable	B-12	<u>54,675</u>	<u>66,150</u>
		<u>1,457,447</u>	<u>1,301,714</u>
		<u>\$ 3,544,425</u>	<u>3,407,177</u>

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

**Trust Funds**

**December 31, 2019 and 2018**

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b>Animal Control Trust Fund</b>			
Due to Current Fund	B-2	\$ 11,073	8,269
Reserve for Animal Control Fund Expenditures	B-4	5,496	5,776
Due to State of New Jersey	B-3	31	20
		<u>16,600</u>	<u>14,065</u>
<b>Other Trust Fund</b>			
Interfunds Payable:			
Due to Current Fund	B-2	42,609	145,072
Due to General Capital Fund	B-2	181,000	
Due to Current Fund - Escrow	B-2	175	
Due to Current Fund - Tax Title Liens	B-2	29,408	
Reserve for Escrow Deposits	B-5	133,235	128,360
Reserve for Inspection Fees	B-5	10,079	10,163
Miscellaneous Reserves	B-6	462,500	668,266
Building Surcharge Fees - Due to State of New Jersey	B-7	49,612	49,612
		<u>908,618</u>	<u>1,001,473</u>
<b>Unemployment Compensation Insurance Trust Fund</b>			
Reserve for Unemployment Compensation Insurance	B-9	38,403	34,478
Due to the State of New Jersey	B-8	4,317	613
		<u>42,720</u>	<u>35,091</u>
<b>Affordable Housing Trust Fund</b>			
Reserve for Affordable Housing	B-10	<u>656,187</u>	<u>549,135</u>
<b>Open Space Trust Fund</b>			
Due to General Capital Fund	B-2	179,900	
Reserve for Open Space	B-11	<u>282,953</u>	<u>505,699</u>
		<u>462,853</u>	<u>505,699</u>
<b>Length of Service Award Program Trust Fund (Unaudited)</b>			
Reserve for LOSAP	B-13	<u>1,457,447</u>	<u>1,301,714</u>
		<u>\$ 3,544,425</u>	<u>3,407,177</u>

See accompanying notes to financial statements.

## TOWNSHIP OF LITTLE FALLS, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2019 and 2018

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash	C-2/C-3	\$ 2,704,689	2,986,662
Due from Current Fund	C-4		1,542,179
Interfunds Receivable			
Federal and State Grant Fund	C-5	36,897	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	12,294,000	13,414,000
Unfunded	C-9	13,668,763	11,430,501
Grants Receivable	C-14	7,292,527	9,086,470
Overexpenditure of Ordinance Appropriation	C-19	16,572	
		<u>\$ 36,374,348</u>	<u>38,496,709</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-10	12,294,000	13,414,000
Bond Anticipation Notes Payable	C-11	8,478,638	8,793,621
Due to/from Current Fund	C-4	61,557	
Contracts Payable	C-12	1,579,817	1,461,265
Improvement Authorizations:			
Funded	C-13	6,712,358	7,888,854
Unfunded	C-13	5,598,444	4,733,084
Capital Improvement Fund	C-15	38,500	27,000
Reserve for Grants Receivable	C-16	967,683	1,374,104
Reserve for I & I	C-17	21,696	40,696
Reserve for Payment of Debt	C-18	537,147	537,147
Fund Balance	C-1	84,508	226,938
		<u>\$ 36,374,348</u>	<u>38,496,709</u>

There were \$5,190,125 and \$4,202,046 of Bonds and Notes Authorized But Not Issued on December 31, 2019 and 2018 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, 2019

	<u>2019</u>	<u>2018</u>
Balance - December 31,	\$ 226,938	230,937
Increased By:		
Cancelled-Old Outstanding Checks		14,898
Miscellaneous Cash Receipts		993
Premium on Sale of Notes	<u>57,570</u>	<u>80,110</u>
	57,570	96,001
Decreased By:		
Utilized as Revenue in Current Fund	<u>200,000</u>	<u>100,000</u>
Balance - December 31,	<u>\$ 84,508</u>	<u>226,938</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, 2019 and 2018**

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>Assets</u>			
Public Assistance Fund:			
Cash	D-1	\$ <u>18,268</u>	<u>15,757</u>
<u>Reserves</u>			
Public Assistance Fund:			
Reserve for Public Assistance	D-2	\$ <u>18,268</u>	<u>15,757</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Cash - Payroll Agency	\$ 45,466	43,357
Cash - Net Payroll	29,767	21,034
Due from Payroll Agency - Net Payroll	<u>41,035</u>	<u>41,035</u>
	<u>\$ 116,268</u>	<u>105,426</u>
<u>Reserves</u>		
Due to Other Trust Fund - Net Payroll	\$ 61,980	61,980
Due to Net Payroll - Payroll Agency	41,035	41,035
Reserve for Net Payroll	8,822	89
Payroll Deductions and Withholdings	<u>4,431</u>	<u>2,322</u>
	<u>\$ 116,268</u>	<u>105,426</u>

See accompanying notes to financial statements.



TOWNSHIP OF LITTLE FALLS, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<u>General Fixed Assets:</u>		
Land and Improvements	\$ 16,199,316	13,687,430
Buildings and Building Improvements	9,404,810	9,394,210
Vehicles and Equipment	<u>11,320,130</u>	<u>10,701,034</u>
	<u>\$ 36,924,256</u>	<u>33,782,674</u>
Investment in Fixed Assets	<u>\$ 36,924,256</u>	<u>33,782,674</u>

See accompanying notes to financial statements.

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018**

**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, 2019 and 2018  
(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, 2019 and 2018  
(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, 2019 and 2018**  
**(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, 2019 and 2018**  
**(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, 2019 and 2018, the Governing Body approved additional revenues and appropriations of \$3,918 and \$12,678, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2019 and 2018. The Mayor and Council approved Emergency appropriations of \$75,000 in 2019 to increase the amount appropriated for 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, 2019 and 2018**  
**(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, 2019 and 2018  
(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, 2019 and 2018**  
**(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 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, 2019 and 2018**  
**(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, 2019 and 2018  
 (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, 2019 and 2018  
(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, 2019 and 2018  
 (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, 2019 was \$189,944.

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>
2019	\$280,545	\$821,225
2018	292,476	614,126
2017	278,374	605,999

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019, the Township had a liability of \$5,488,021 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Township's proportion was .0304577305 percent, which was an increase of .0022530905 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Township recognized pension expense of \$280,545. At December 31, 2019, 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	\$98,503	\$24,244
Changes of assumptions	547,999	1,904,875
Net difference between projected and actual earnings on pension plan investments		86,631
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>427,156</u>	<u>298,940</u>
Total	<u>\$1,073,658</u>	<u>\$2,314,690</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2018) 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:	
2020	\$(158,469)
2021	(514,071)
2022	(459,035)
2023	(215,541)
2024	(22,132)

**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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 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, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$3,149,522,616	\$4,684,852,302
Collective deferred inflows of resources	7,645,087,574	7,646,736,226
Collective net pension liability	18,018,482,972	19,689,501,539
Township's Proportion	.0304577305%	0.0282046400%

**TOWNSHIP OF LITTLE FALLS  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2019 and 2018  
 (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, 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 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, 2018 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-2019.



**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining 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, 2019, respectively, 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:

	<u>June 30, 2019</u>		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Township's proportionate share of the pension liability	\$6,942,309	\$5,488,021	\$4,262,577

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019, the Township had a liability of \$10,647,275 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the Township's proportion was .0870030473 percent, which was an increase of .003002920 percent from its proportion measured as of June 30, 2018.

For the year ended December 31, 2019, the Township recognized pension expense of \$821,225. At December 31, 2019, 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	\$89,877	\$67,410
Changes of assumptions	364,834	3,441,102
Net difference between projected and actual earnings on pension plan investments		144,267
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>2,298,859</u>	<u>366,682</u>
Total	<u>\$2,753,570</u>	<u>\$4,019,461</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019) 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:	
2020	\$(558,190)
2021	(1,171,729)
2022	(829,830)
2023	(409,050)
2024	(229,269)

**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 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 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, 2019 and June 30, 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Collective deferred outflows of resources	\$1,198,936,924	\$1,988,215,695
Collective deferred inflows of resources	4,874,748,912	4,286,994,294
Collective net pension liability	12,237,818,793	13,531,648,591
Township's Proportion	.0870030473%	0.084001269%

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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-2019.

The actuarial assumptions used in the July 1, 2018 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, 2019 and 2018  
(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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment grade credit	10.00%	4.25%
High yield	2.00%	5.37%
Private credit	6.00%	7.92%
Real assets	2.50%	9.31%
Real estate	7.50%	8.33%
U.S. equity	28.00%	8.26%
Non-U.S. developed markets equity	12.50%	9.00%
Emerging markets equity	6.50%	11.37%
Private equity	12.00%	10.85%

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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 6.51% as of June 30, 2019. The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. 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 non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining 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, 2019 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, 2019		
	1% Decrease <u>5.85%</u>	At Current Discount Rate <u>6.85%</u>	1% Increase <u>7.85%</u>
Township's proportionate share of the pension liability	\$14,982,415	10,647,275	\$7,059,323

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019 and 2018, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,681,225 and \$1,543,965, respectively. For the years ended December 31, 2019 and 2018, 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 \$195,345 and \$182,880, respectively, which is more than the actual contributions the State made on behalf of the Township of \$113,280 and \$91,440, 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, 2019 and 2018  
(CONTINUED)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2019 consisted of the following:

	<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>
	<u>Balance Dec. 31, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2018</u>	<u>Amounts Due Within One Year</u>
Bonds Payable - General Obligation Debt	\$ 14,787,000	\$	\$ 1,373,000	\$ 13,414,000	\$ 1,120,000
Other Liabilities:					
Compensated Absences	525,559	222,070		747,629	
Deferred PERS/PFRS Pension Contribution	<u>237,006</u>		<u>22,477</u>	<u>214,529</u>	<u>24,585</u>
	<u>\$ 15,549,565</u>	<u>\$ 222,070</u>	<u>\$ 1,395,477</u>	<u>\$ 14,376,158</u>	<u>\$ 1,144,585</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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 2019</u>	<u>Year 2018</u>	<u>Year 2017</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 20,772,638	\$ 22,207,621	\$ 22,507,000
	<u>20,772,638</u>	<u>22,207,621</u>	<u>22,507,000</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	5,190,125	4,202,046	2,592,089
	<u>5,190,125</u>	<u>4,202,046</u>	<u>2,592,089</u>
 Total Bonds, Notes and Loans Issued and Authorized Not Issued	 25,962,763	 26,409,667	 25,099,089
Less: Deductions	537,147	2,102,313	2,102,313
Net Debt	<u>\$ 25,425,616</u>	<u>\$ 24,307,354</u>	<u>\$ 22,996,776</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 1.558 % 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%.

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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 1.506% for 2018.

<u>2018</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$4,484,395	\$4,484,395	\$0
General Debt	<u>26,409,667</u>	<u>2,102,313</u>	<u>24,307,354</u>
	<u>\$30,894,062</u>	<u>\$6,586,708</u>	<u>\$24,307,354</u>

Net debt of \$24,307,354 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,614,421,215 equals 1.506%.

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

	<u>2019</u>	<u>2018</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$57,115,044	\$56,504,743
Net Debt	<u>25,425,646</u>	<u>24,307,354</u>
Remaining Borrowing Power	<u>\$31,689,398</u>	<u>\$32,197,389</u>

The Township's long-term debt consisted of the following at December 31, 2019:

General Obligation Bonds

	<u>2019</u>	<u>2018</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	\$345,000
\$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%*	2,400,000	2,555,000
\$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%	7,754,000	8,004,000
\$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>1,970,000</u>	<u>2,510,000</u>
	<u>\$12,294,000</u>	<u>\$13,414,000</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, 2019 and 2018  
(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>
2020	\$1,601,076	\$1,118,000	\$483,076
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
2025-2029	4,833,051	3,704,000	1,129,051
2030-2034	3,219,776	2,789,000	430,776
2035-2036	<u>1,051,875</u>	<u>1,000,000</u>	<u>51,875</u>
	<u>\$15,918,754</u>	<u>\$12,294,000</u>	<u>\$3,624,754</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, 2019, the Township had authorized but not issued debt as follows:

	<u>2019</u>	<u>2018</u>
General Capital Fund	<u>\$5,190,125</u>	<u>\$4,202,046</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, 2019 and 2018  
(CONTINUED)**

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

On December 31, 2019 and 2018, the Township had \$8,478,638 and \$8,793,621 in General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2019 and 2018:

<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>
<u>2018</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
General Capital Fund				
TD Securities LLC	<u>\$7,720,000</u>	<u>\$8,793,621</u>	<u>\$7,720,000</u>	<u>\$8,793,621</u>
	<u>\$7,720,000</u>	<u>\$8,793,621</u>	<u>\$7,720,000</u>	<u>\$8,793,621</u>

**NOTE 5. FUND BALANCE APPROPRIATED**

The fund balances at December 31, 2019 and 2018, which have been appropriated as revenue in the 2020 and 2019 budgets, are as follows:

	<u>2020</u>	<u>2019</u>
Current Fund	<u>\$1,950,000</u>	<u>\$1,400,000</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 \$1,799,965 as of December 31, 2019. This amount is not reported either as an expenditure or liability.

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019 and 2018, the Township's bank balance of \$9,262,355 and \$10,264,356, respectively, 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, 2019 and 2018  
(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, 2019 and 2018 amounted to \$1,402,772 and \$1,235,564, respectively.

The following investments represent 5% or more of the total invested with the Variable Annuity Life Insurance Company (VALIC) on December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Fixed Accounts Plus	\$398,242	\$401,562
Government Money Market	80,792	86,966
Health Sciences Fund	89,745	64,649
Stock Index Fund	656,013	518,426
All Others	<u>177,980</u>	<u>163,961</u>
Total	<u>\$1,402,772</u>	<u>\$1,235,564</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, 2019 and 2018  
(CONTINUED)**

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

**Pending Tax Appeals**

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2019 and 2018. 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, 2019 and 2018:

	<u>Balance Dec. 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 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>11,320,130</u>
	<u>\$33,782,674</u>	<u>\$3,141,582</u>	<u>\$</u> _____	<u>\$36,924,256</u>
	<u>Balance Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Dec. 31, 2018</u>
Land and Improvements	\$8,943,483	\$4,743,947	\$	\$13,687,430
Building Improvements	9,394,210			9,394,210
Machinery and Equipment	<u>10,621,656</u>	<u>79,378</u>	_____	<u>10,701,034</u>
	<u>\$28,959,349</u>	<u>\$4,823,325</u>	<u>\$</u> _____	<u>\$33,782,674</u>



**TOWNSHIP OF LITTLE FALLS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2019 and 2018**  
**(CONTINUED)**

**NOTE 10. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2019 consist of the following:

327,407	Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid.
36,897	Due to the General Capital Fund from the Federal and State Grant Fund to reimburse expenditures paid by Capital that should have been charged to the Recycling Tonnage Grant.
32,958	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.
11,073	Due to the Current Fund from the Animal License Trust Fund for the accumulated statutory excess calculation and reimbursement of expenses paid.
42,609	Due to the Current Fund from the Other Trust Fund for reimbursement of expenses paid, revenue deposited in error and interest earned on investments.
175	Due to the Current Fund from the Escrow Trust Fund for interest earned on investments.
29,408	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.
76,124	Due to the Municipal Open Space Trust Fund for the balance of taxes collected not transferred.
61,980	Due to the Other Trust Fund from the Net Payroll Account to correct previous disbursement errors.
61,557	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.
181,000	Due to the General Capital Fund from the Other Trust Fund for sewer fees appropriated as a funding source in Ordinance 1350.
179,900	Due to the General Capital Fund from the Municipal Open Space Trust Fund for open space taxes appropriated as a funding source in Ordinance 1354 less expenditures paid in error.
<u>41,035</u>	Due to the Net Payroll Account from the Payroll Agency Account to correct transfers made to the incorrect accounts.

\$1,082,123

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, 2019 and 2018  
(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, 2019 and 2018, the following deferred charges are shown on the balance sheets of the various funds:

	<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>
	<u>2018</u>	<u>Balance Dec. 31, 2018</u>	<u>Subsequent Year Required Budget Appropriation</u>	<u>Balance to Succeeding Year's Budget</u>
Current Fund:				
Special Emergency Authorizations (40A4:55)		\$150,000	\$30,000	\$120,000
Emergency Authorizations		325,000	325,000	
Federal and State Grant Fund:				
Overexpenditure of Appropriated Grant		<u>1,091</u>	<u>1,091</u>	<u>      </u>
Total Current Fund		<u>\$476,091</u>	<u>\$356,091</u>	<u>\$120,000</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(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, 2019 and 2018 are as follows:

	2019 Regional <u>High School</u>	2018 Regional <u>High School</u>
Balance of Tax	\$3,721,342	\$3,606,047
Deferred Liability	<u>3,721,342</u>	<u>3,606,047</u>
Taxes Payable	<u>\$0</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 2019 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, 2019 and 2018  
(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>
2019	\$15,000	\$10,133	\$21,208	\$38,403
2018	15,000	9,721	15,084	34,478
2017	15,000	9,174	24,474	23,792

**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, 2019</b>	<b>Balance Dec 31, 2018</b>
Prepaid Taxes	<u>\$295,133</u>	<u>\$245,714</u>
Cash Liability for Taxes Collected in Advance	<u>\$295,133</u>	<u>\$245,714</u>

**TOWNSHIP OF LITTLE FALLS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2019 and 2018  
(CONTINUED)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 2, the Township does not provided 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, 2019, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$7,228,745 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$95,819.

**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, 2019 and 2018**  
**(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 2019 and 2018, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Township contributions were \$54,675 and \$66,150 for 2019 and 2018, 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, 2019 and 2018  
(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. SUBSEQUENT EVENT**

The Township has evaluated subsequent events through July 9, 2020, the date which the financial statements were available to be issued and the following item was noted for disclosure.

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 overall effects of the COVID-19 pandemic are unknown. 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 a possible delay in collection of real estate taxes and cash flow shortages as the result of these delayed collections. The Township will continue to monitor the situation closely.

## **SUPPLEMENTARY DATA**



**TOWNSHIP OF LITTLE FALLS**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax rate	\$ <u>3.181</u>	<u>3.160</u>	<u>3.163</u>
Apportionment of tax rate:			
Municipal (Including Library)	0.906	0.881	0.865
Municipal Open Space	0.005	0.006	0.005
County	0.771	0.798	0.809
Local School	0.997	0.985	0.973
Regional High School	<u>0.502</u>	<u>0.490</u>	<u>0.510</u>

Assessed valuation	
2019	\$ 1,509,081,000
2018	1,497,257,100
2017	1,488,978,400

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2019	\$ 48,129,148	47,646,895	99.00%
2018	47,545,795	47,007,072	98.87%
2017	47,349,399	46,813,152	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.

<u>Dec. 31,</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2019	\$ 182,718	1,155,492	1,338,210	2.78%
2018	195,304	1,211,304	1,406,608	2.96%
2017	144,785	1,296,283	1,441,068	3.04%

**TOWNSHIP OF LITTLE FALLS**

**Supplementary Data**

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2019 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>
2019	\$	825,100
2018		825,100
2017		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:	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
	2015		508,441	350,000

**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	
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	(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, 2019

		Current <u>Fund</u>
Balance - December 31, 2018		\$ 5,004,359
Increased by Receipts:		
Tax Collector	\$ 47,720,209	
Miscellaneous Revenue Not Anticipated	583,842	
Municipal Liens Redeemed	71,801	
Petty Cash	1,850	
Due from State - Senior Citizen and Veteran Deductions	69,546	
Revenue Accounts Receivable	3,407,306	
Tax Overpayments	62,239	
Interfunds	334,194	
Prepaid Taxes	295,133	
State Fees Payable	20,267	
Grants Receivable	23,525	
Unappropriated Grant Reserves	<u>108,142</u>	
		<u>52,698,054</u>
		57,702,413
Decreased by Disbursements:		
Current Year Budget Appropriations	16,235,278	
Prior Year Appropriation Reserves	528,561	
Petty Cash	1,850	
Interfunds	2,067,607	
Reserve for Other Expenditures	24,593	
Tax Overpayment Refunds	62,900	
Local District School Taxes	15,034,497	
Regional School District Taxes	7,453,776	
County Taxes Payable	11,687,617	
State Fees Payable	20,187	
Refund of Prior Year Revenue	95,239	
Appropriated Grant Reserves	99,394	
Expenditures without Appropriations - Grants	<u>2,664</u>	
		<u>53,314,163</u>
Balance - December 31, 2019		<u>\$ 4,388,250</u>

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

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Office:		
Tax Collector	\$ 275	275
Township Clerk	125	125
Court Clerk	<u>100</u>	<u>100</u>
	<u>\$ 500</u>	<u>500</u>

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2019**

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, 2019

Balance - December 31, 2018		\$	1,524
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	12,750	
Veterans' Deductions Per Tax Billing		59,250	
Senior Citizen's and Veteran's Allowed - 2019		<u>4,750</u>	
			<u>76,750</u>
			78,274
Decreased by:			
State Share of Senior Citizens and Veteran			
Deductions Received in Cash		69,546	
Senior Citizen's and Veteran's Disallowed - 2019		<u>2,230</u>	
			<u>71,776</u>
Balance - December 31, 2019		\$	<u><u>6,498</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Municipal Liens

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		\$	195,304
Increased by:			
2019 Tax Sale	\$	5,250	
Interest and Costs		1,202	
Transferred from Current Year Taxes		<u>52,763</u>	
			<u>59,215</u>
			254,519
Decreased by:			
Redeemed			<u>71,801</u>
Balance - December 31, 2019		\$	<u><u>182,718</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2019

Year	Balance, Dec. 31, 2018	2019 Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2019
				2018	2019				
2016	817,596				3,122				817,596
2017	3,122				390,426		5,250	1	
2018	390,586		5,091						
	1,211,304		5,091		393,548		5,250	1	817,596
2019		48,129,148		245,714	47,326,661	74,520	52,763	91,594	337,896
	\$ 1,211,304	48,129,148	5,091	245,714	47,720,209	74,520	58,013	91,595	1,155,492
				Cash	47,720,209				

Analysis of 2019 Tax Levy

Tax yield:	
General Purpose Tax	\$ 48,003,868
Added Tax (R.S. 54:4-63.1 et seq.)	125,280
	\$ 48,129,148

Tax Levy:

Local District School Tax	15,034,497
Regional School Taxes	7,569,071
County Tax	\$ 11,490,605
County Open Space Tax	165,390
	11,655,995

Local Tax for Municipal Purposes	\$ 13,141,499
Municipal Open Space Taxes	75,454
Municipal Open Space - Added Taxes	203
Minimal Library Tax	545,011
Add: Additional Taxes Levied	107,418

Local Tax for Municipal Purposes	13,869,585
	\$ 48,129,148



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

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

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ <u>825,100</u>
Balance - December 31, 2019	\$ <u><u>825,100</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2019

	Balance <u>Dec. 31, 2018</u>	<u>Accrued</u>	<u>Collected</u>	Balance <u>Dec. 31, 2019</u>
Township Clerk				
Licenses				
Alcoholic beverages	\$	31,130	31,130	
Other		50,718	50,718	
Fees and Permits		162,497	162,497	
Municipal Court				
Fines and Costs	22,261	333,728	339,353	16,636
Construction Code Official				
Fees and Permits		355,143	355,143	
Interest and Costs on Taxes		130,947	130,947	
Interest on Investments and Deposits		53,278	53,278	
EMS Fees		403,711	403,711	
Recreation Fees		72,805	72,805	
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		24,057	24,057	
Sewer Service Fees		95,165	95,165	
Cable TV Franchise Fee		180,968	180,968	
General Capital Fund - Fund Balance		200,000	200,000	
Due from Other Trust Fund		132,000	132,000	
Montclair University Sewer Fees		168,198	168,198	
IRS Contribution - Debt Service		64,796	64,796	
Montclair University Fire Alarm Fees		19,040	19,040	
	<u>\$ 22,261</u>	<u>3,766,210</u>	<u>3,771,835</u>	<u>16,636</u>

Cash	3,407,306
Interest on Investments	32,529
Interfunds	332,000
	<u>\$ 3,771,835</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, 2019

<u>Date Authorized</u>	<u>Purpose</u>	Amount Authorized	1/5 of Net Amount Authorized	Balance, Dec. 31, 2018	Reduced in 2019	Balance, Dec. 31, 2019
May 8, 2018	Preparation of Tax Map	\$ 150,000	30,000	150,000.00	30,000	120,000

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Authorized <u>in 2019</u>	Reduced <u>in 2019</u>	Balance, Dec. 31, <u>2019</u>
Emergency Appropriations:				
DPW - Salaries and Wagers	\$ 25,000		25,000	
DPW - Other Expenses	200,000		200,000	
Fire Department - Other Expenses	15,000		15,000	
Police Department - Salaries and Wages	30,000		30,000	
Police Department - Other Expenses	15,000		15,000	
Construction Code Official - Salaries and Wages	15,000		15,000	
Emergency Management - Other Expenses	25,000		25,000	
Capital Improvement Fund	<u>                    </u>	<u>75,000</u>	<u>                    </u>	<u>75,000</u>
	<u>\$ 325,000</u>	<u>75,000</u>	<u>325,000</u>	<u>75,000</u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 604	604		604
Municipal Clerk	192	192		192
Financial Administration	480	480		480
Tax Assessment Administration	220	220		220
Revenue Administration	482	482		482
Planning Board	69	69		69
Police Department - Sworn Officers	3,006	3,006		3,006
Police Department - Dispatch	943	943		943
Police Department - Civilian Employees	430	430		430
Fire Department	57,136	57,136		57,136
Fire Prevention	4,173	4,173		4,173
Ambulance	16,516	16,516		16,516
Streets and Roads Maintenance	415	415		415
Solid Waste Collection	20	20		20
Vehicle Maintenance	991	991		991
Recreation Services and Programs	407	407		407
Senior Citizens Activities	505	505		505
Construction Code Official	22,447	22,447		22,447
Electrical Inspection	239	239		239
Municipal Court	200	200		200
<b>Total Salaries and Wages Within "CAPS"</b>	<u>109,475</u>	<u>109,475</u>		<u>109,475</u>
Other Expenses Within "CAPS":				
Administrative and Executive	1,511	7,511	7,337	174
Mayor and Council	566	566		566
Municipal Clerk	11,843	20,046	17,040	3,006
Financial Administration	28,553	29,943	22,330	7,613
Audit Services	5,300	15,300	10,000	5,300
Assessment of Taxes	4,093	4,593	500	4,093
Revenue Administration	6,562	12,938	5,726	7,212
Legal Services and Costs	64,498	69,481	25,920	43,561
Engineering Services and Costs	199	199	(925)	1,124
Planning Board	5,630	8,685	3,446	5,239

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Appropriation Reserves

## Current Fund

## Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Insurance:				
General Liability	7,726	7,726		7,726
Liability Compensation	7,703	7,703		7,703
Workers Compensation	190	190		190
Employee Group Health	9,638	10,251		10,251
Police Department:				
Other Expenses	4,248	22,451	20,054	2,397
Acquisition of Police Cars	480	480		480
Fire Department - Miscellaneous	5,161	46,625	46,455	170
Fire Department - Flood	15,000	15,000	12,000	3,000
Fire Hydrant Services	43,149	43,149	27,813	15,336
Fire Prevention	1,850	2,100		2,100
Emergency Management Services	830	28,825	28,535	290
Ambulance	10,579	17,403	516	16,887
Streets and Roads Maintenance	2,604	23,983	11,264	12,719
Other Public Works Function - Shade Tree	192	3,056		3,056
Solid Waste Collection	1,673	59,526	44,731	14,795
Public Buildings and Grounds	17,555	47,090	35,722	11,368
Vehicle Maintenance	8,833	27,435	16,559	10,876
Community Services Act	15,000	15,000	11,787	3,213
Board of Health	3,080	3,080		3,080
Flood Board	150	150		150
Administration of Public Assistance	250	550		550
Recreation Services and Programs	1,935	2,196	123	2,073
Senior Citizen Expenses				
Transportation	260	260		260
Activities	1,042	1,042	195	847
Construction Code Official	3,412	3,594	525	3,069
PEOSHA Mandates Costs - Physical Exams	4,759	4,759	810	3,949
Street Lighting	37,915	37,915	34,691	3,224
Telephone	13,598	14,574	1,924	12,650
Water	10,231	10,231	1,762	8,469
Natural Gas	56,252	56,252	55,490	762
Fuel Oil (Diesel)	36,920	37,050		37,050
Gasoline	28,459	28,459		28,459
Landfill/Solid Waste Disposal Cost	18,377	31,769	31,210	559
Celebration of Public Events	2,321	2,821		2,821
Municipal Court	3,799	9,725	2,908	6,817
Public Defender	600	600	600	
Total Other expenses Within "CAPS"	<u>504,526</u>	<u>792,282</u>	<u>477,048</u>	<u>315,234</u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2019

	Balance, Dec. 31, <u>2018</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	2,512	2,512		2,512
Social Security System (O.A.S.I.)	4,076	4,076		4,076
Police and Firemen's Retire	874	874		874
Defined Contribution Pension Plan	<u>3,500</u>	<u>3,500</u>		<u>3,500</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>10,962</u>	<u>10,962</u>		<u>10,962</u>
Other Expenses Excluded From "CAPS":				
Sewer Contracts				
Passaic Valley Sewer Commission	2,234	2,234		2,234
Second River Joint Meeting	879	879		879
Township of Montclair	25,000	25,000		25,000
City of Clifton	7,500	7,500		7,500
Maintenance of Free Public Library				
LOSAP	105,000	105,000	51,095	53,905
Recycling Tax	<u>664</u>	<u>664</u>	615	49
Total Other Expenses Excluded from "CAPS"	<u>141,277</u>	<u>141,277</u>	51,710	<u>89,567</u>
Capital Improvements Excluded from "CAPS"				
Acquisition of Computers	<u>86</u>	<u>86</u>	(197)	283
Total Capital Improvements Excluded from "CAPS"	<u>86</u>	<u>86</u>	(197)	283
Total Reserves	<u>\$ 766,326</u>	<u>1,054,082</u>	<u>528,561</u>	<u>525,521</u>
Appropriation Reserves		766,326		
Encumbrances		<u>287,756</u>		
		<u>\$ 1,054,082</u>		



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

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 287,756
Increased by:	
Transferred from Current Year Budget	<u>280,151</u>
	567,907
Decreased by:	
Transferred to Appropriation Reserves	<u>287,756</u>
Balance - December 31, 2019	<u><u>\$ 280,151</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Reserve for Other Expenditures**

		<b>Current Fund</b>				
		<b>Year Ended December 31, 2019</b>				
	Balance - December 31, 2018	<u>Watershed Moratorium Aid</u>	<u>JIF Retro Assessment</u>	<u>Revision of Tax Map</u>	<u>Miscellaneous</u>	<u>Total</u>
	\$	1,457	100,000	100,819	5,358	207,634
Decreased by:						
Cash Disbursements				24,593		24,593
	\$	<u>1,457</u>	<u>100,000</u>	<u>76,226</u>	<u>5,358</u>	<u>183,041</u>

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

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	661
Increased by:		
Cash Collections		<u>62,239</u>
		62,900
Decreased by:		
Payments	\$	<u><u>62,900</u></u>

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2019**

Increased by:		
2019 Levy	\$	<u>15,034,497</u>
		15,034,497
Decreased by:		
Payments	\$	<u><u>15,034,497</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Regional High School Taxes Payable

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		
School Tax Payable	\$	
School Tax Deferred		<u>3,606,047</u>
		3,606,047
Increased by:		
2019 Levy		<u>7,569,071</u>
		11,175,118
Decreased by:		
Cash Disbursements		<u>7,453,776</u>
Balance - December 31, 2019		
School Tax Deferred	\$	<u><u>3,721,342</u></u>
2019 Liability for Regional High School Tax		
Tax Liability	\$	7,569,071
Increased by:		
Balance Deferred - December 31, 2018,		<u>3,606,047</u>
		11,175,118
Decreased by:		
Balance Deferred - December 31, 2019		<u>3,721,342</u>
Amount Charged to 2019 Operations	\$	<u><u>7,453,776</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018		\$	62,812
Increased by:			
2019 Levy	\$	11,459,415	
2019 Open Space		165,390	
2019 Added Assessments		<u>31,190</u>	
			<u>11,655,995</u>
			11,718,807
Decreased by:			
Payments			<u>11,687,617</u>
Balance - December 31, 2019		\$	<u><u>31,190</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2019

Balance - December 31, 2018	\$	245,714
Increased by:		
Collections		<u>295,133</u>
		540,847
Decreased by:		
Applied to 2019 Taxes Receivable		<u>245,714</u>
Balance - December 31, 2019	\$	<u><u>295,133</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Statement of State Fees Payable

Current Fund

Year Ended December 31, 2019

	<u>UCC - DCA Fees</u>	<u>Marriage License Fees</u>	<u>Totals</u>
Balance - December 31, 2018	\$ 2,469	1,043	3,512
Increased by:			
Cash Receipts	<u>19,135</u>	<u>1,132</u>	<u>20,267</u>
	21,604	2,175	23,779
Decreased by:			
Cash Disbursements	<u>18,387</u>	<u>1,800</u>	<u>20,187</u>
Balance - December 31, 2019	<u>\$ 3,217</u>	<u>375</u>	<u>3,592</u>

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

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

**Current Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$	(296,707)
Increased by:			
Deferred Charge Raised in Budget	\$	1,091	
Grants Received - Unappropriated		108,142	
Grants Received - Appropriated		<u>23,525</u>	
			<u>132,758</u>
			(429,465)
Decreased by:			
Expenditures without Appropriations	\$	2,664	
Appropriated Reserves - Disbursements		<u>99,394</u>	
			<u>102,058</u>
Balance - December 31, 2019		\$	<u><u>(327,407)</u></u>



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2019</u>
Current Fund	\$ 296,707	132,758	102,058	327,407
General Capital Fund	<u>(36,897)</u>	<u>                    </u>	<u>                    </u>	<u>(36,897)</u>
	<u>\$ 259,810</u>	<u>132,758</u>	<u>102,058</u>	<u>290,510</u>
		Grants Receivable 23,525		
		Grants Received - Unappropriated 108,142		
		Prior Year Deferred Charge Raised in 2019 Budget 1,091		
			Expenditures without Appropriations 2,664	
			<u>Reimbursement for Expenditures Paid 99,394</u>	
		<u>\$ 132,758</u>	<u>102,058</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	Balance, Dec. 31, <u>2018</u>	2019 Budget Revenue <u>Realized</u>	<u>Received</u>	Balance, Dec. 31, <u>2019</u>
Clean Communities		20,362	20,362	
Municipal Alliance - 7/1/18-6/30/19		22,440	20,155	2,285
Body Armor Grant		3,048	3,048	
Drunk Driving Enforcement Fund		34,310	34,310	
Safe Corridors Grant		30,110	30,110	
NJAWC FF		870	870	
Bulletproof Vest Fund	<u>2,532</u>			<u>2,532</u>
	<u>\$ 2,532</u>	<u>111,140</u>	<u>108,855</u>	<u>4,817</u>
		Adopted Budget 107,222		
		Added by N.J.S.A. 40A:4-87 <u>3,918</u>		
		<u>\$ 111,140</u>		
		Cash Receipts 23,525		
		Reallocated from Unappropriated Reserves 548		
		Unappropriated Reserves <u>84,782</u>		
			<u>\$ 108,855</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	Balance, Dec. 31, 2018	Transfer From 2019 Budget	<u>Expended</u>	Balance, Dec. 31, 2019
Municipal Alliance on Alcohol and Drug Abuse	\$ 16,031		16,031	
Drunk Driving Enforcement	25,247		17,565	7,682
Clean Communities Program Grant	28,960		21,930	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	13,374		11,257	2,117
Legislative Grant:	7,689			7,689
Drunk Driving Enforcement Fund	12,275			12,275
Safe Corridors	34,173		19,567	14,606
Alcohol Education and Rehabilitation	10,253			10,253
FM Global Fire Prevention Grant	1,500			1,500
NJ American Fire Grant	925		925	
Clean Communities Program Grant		20,362		20,362
Municipal Alliance on Alcohol and Drug Abuse		22,440	9,075	13,365
Drunk Driving Enforcement Fund		34,310		34,310
Safe Corridors		30,110		30,110
Body Armor Replacement Grant		3,048	2,174	874
NJAWC FF		870	870	
	<u>\$ 177,103</u>	<u>111,140</u>	<u>99,394</u>	<u>188,849</u>
		Budget 107,222		
		Appropriated by 40a:4-87 3,918		
		<u>\$ 111,140</u>		
		Cash Disbursements	<u>99,394</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2019

<u>Grant</u>	Balance, Dec. 31, 2018	Transfer To 2019 Budget	Received	Balance, Dec. 31, 2019
Drunk Driving Enforcement Fund	\$ 34,310	34,310	12,908	12,908
Recycling Tonnage Grant			41,477	41,477
Alcohol Education and Rehabilitation			16,899	16,899
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	30,110	30,110		
Clean Communities Grant	20,362	20,362	22,723	22,723
Municipal Alliance Grant	548	548		
Fire Prevention Grant	1,000			1,000
	<u>\$ 86,330</u>	<u>85,330</u>	<u>108,142</u>	<u>109,142</u>

Transferred to 2019 Budget	84,782
Reallocated to Grants Receivable	548
	<u>\$ 85,330</u>

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

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

**Federal and State Grant Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	1,091
Increased by:		
Expenditure without Appropriation		<u>2,664</u>
		3,755
Decreased by:		
Due from Current - Raised in 2019 Budget		<u>1,091</u>
Balance - December 31, 2019	\$	<u><u>2,664</u></u>

## TOWNSHIP OF LITTLE FALLS, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2019

	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, 2018	\$ 14,065	939,493	7,133	549,135	505,232	1,235,564
Increase by Receipts:						
Employee Payroll Deductions			10,133			
Interest on Deposits		23,489		4,507	3,019	
Due to/from Current			10,000			
Escrow Deposits		112,273				
Inspection Fees		13,414				
Miscellaneous Reserves		553,358				
Dog License Fees	2,203					
Other (Cat Licenses)	195					
Miscellaneous	125					
Due to State of New Jersey	497					
Affordable Housing Receipts				107,448		
LOSAP Contributions						292,409
Total Receipts	3,020	702,534	20,133	111,955	3,019	292,409
	17,085	1,642,027	27,266	661,090	508,251	1,527,973
Decreased by Disbursements:						
Escrow Deposits		107,398				
Miscellaneous Reserves		542,493				
Due to State of New Jersey	482		17,504			
Inspection Fees		13,498				
Due to Current Fund	3	132,000				
Due from General Capital Fund					20,100	
Affordable Housing Expenditures				4,903		
Open Space Expenditures					101,422	
LOSAP Distributions						125,201
Total Disbursements	485	795,389	17,504	4,903	121,522	125,201
Balance - December 31, 2019	\$ 16,600	846,638	9,762	656,187	386,729	1,402,772

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

**Trust Funds**

**Year Ended December 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Other Trust Fund				
Current Fund	\$ (132,141)	149,820	60,288	(42,609)
Net Payroll	61,980			61,980
Capital Fund			181,000	(181,000)
	<u>(70,161)</u>	<u>149,820</u>	<u>241,288</u>	<u>(161,629)</u>
Total Other Trust Fund				
Escrow Trust Fund				
Current Fund	(134)		41	(175)
Tax Title Lien Premium Trust Fund				
Current Fund	(12,797)		16,611	(29,408)
Unemployment Compensation Insurance Trust Fund				
Current Fund	27,958	15,000	10,000	32,958
Open Space Trust Fund				
Current Fund	467	75,657		76,124
Capital Fund		20,100	200,000	(179,900)
	<u>467</u>	<u>95,757</u>	<u>200,000</u>	<u>(103,776)</u>
Total Open Space Trust Fund				
Animal Trust Fund				
Current Fund	(8,269)	3	2,807	(11,073)
	<u>\$ (62,936)</u>	<u>260,580</u>	<u>470,747</u>	<u>(273,103)</u>

Cash Receipts		10,000
Cash Disbursements	152,103	
Budget Appropriation	15,000	
Public Defender fees collected	17,820	
Tax Sale Premium - Forfeited		15,100
Interest on Deposits		23,489
Reimbursement for expenditures paid		38,355
Funding Appropriation - Ordinance 1354		200,000
Funding Appropriation - Ordinance 1350		181,000
Statutory Excess		2,803
Added and Omitted Open Space Taxes	203	
Open Space Tax Levy	75,454	
	<u>\$ 260,580</u>	<u>470,747</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Due to State of New Jersey

Animal Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018		\$	20
Increased by:			
Cash Receipts			<u>497</u>
			517
Decreased by:			
Paid by Current Fund	\$	4	
Cash Disbursements		<u>482</u>	
			<u>486</u>
Balance - December 31, 2019		\$	<u><u>31</u></u>



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2019

Balance - December 31, 2018		\$	5,776
Increased by:			
Dog License Fees	\$	2,203	
Cat License Fees		195	
Miscellaneous Revenue:			
Other		8	
Interest Earnings		<u>117</u>	
			<u>2,523</u>
			8,299
Decreased by:			
Statutory Excess			<u>2,803</u>
Balance - December 31, 2019		\$	<u><u>5,496</u></u>

Animal License Fees Collected

<u>Year</u>	<u>Amount</u>
2017	2,837
2018	<u>2,659</u>
	\$ <u><u>5,496</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Various Reserves and Deposits**

**Trust Funds**

**Year Ended December 31, 2019**

	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Escrow Deposits	\$ 128,360	112,273	107,398	133,235
Inspection Fees	<u>10,163</u>	<u>13,414</u>	<u>13,498</u>	<u>10,079</u>
	<u>\$ 138,523</u>	<u>125,687</u>	<u>120,896</u>	<u>143,314</u>
Cash Receipts \$ 125,687				
Cash Disbursements <u>120,896</u>				
		<u>\$ 125,687</u>	<u>120,896</u>	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Miscellaneous Reserves

Trust Funds

Year Ended December 31, 2019

	Balance Dec. 31, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balances, Dec. 31, <u>2019</u>
Tax Sale Premium	\$ 227,700	75,400	106,800	196,300
Tax Title Lien Redemptions		345,085	345,085	
Street Permit Bonds	10,670			10,670
Uniform Fire Code Enforcement	4,896		63	4,833
Recycling Program	156,895	42,012	49,628	149,279
Public Defender Fees	6,237	17,820		24,057
Traffic Signal	23,138			23,138
Civic Activities - Donations	8,200	225		8,425
Municipal Alliance - Contributions	4	217		221
Unclaimed Property		660		660
Recreation		160		160
Federal Forfeiture		933		933
Prosecutor		11,002		11,002
5K Run		10,040	5,718	4,322
Defibulator Fund - Donations	228			228
Police Outside Duty Employment	41,365			41,365
Bequests	1,920	1,250		3,170
Sewer Fees	181,000	66,000	269,000	(22,000)
Parking Offenses Adjudication Act	6,013	374	650	5,737
	<u>\$ 668,266</u>	<u>571,178</u>	<u>776,944</u>	<u>462,500</u>
Cash Receipts		553,358		
Interfunds		17,820	234,451	
Cash Disbursements			542,493	
		<u>\$ 571,178</u>	<u>776,944</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, 2019

Balance - December 31, 2018	\$ <u>49,612</u>
Balance - December 31, 2019	\$ <u><u>49,612</u></u>

**TOWNSHIP OF LITTLE FALLS**

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

**Unemployment Compensation Insurance Trust Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 613
Increased by:	
Unemployment and Disability Claims Payable	<u>21,208</u>
	21,821
Decreased by:	
Cash Disbursements	<u>17,504</u>
Balance - December 31, 2019	<u><u>\$ 4,317</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Expenditures

Unemployment Compensation Insurance Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018		\$	34,478
Increased by:			
Employee Payroll Deductions	\$	10,133	
Budget Appropriations		<u>15,000</u>	
			<u>25,133</u>
			59,611
Decreased by:			
Unemployment Claims			<u>21,208</u>
Balance - December 31, 2019		\$	<u><u>38,403</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Affordable Housing

Affordable Housing Trust Fund

Year Ended December 31, 2019

Balance - December 31, 2018		\$	549,135
Increased by:			
COAH Development Fees collected	\$	107,448	
Interest earned on Investments		<u>4,507</u>	
			<u>111,955</u>
			661,090
Decreased by:			
Cash Disbursements			<u>4,903</u>
Balance - December 31, 2019		\$	<u><u>656,187</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Open Space Expenditures

Open Space Trust Fund

Year Ended December 31, 2019

	<u>Designated Projects</u>	<u>Unallocated Reserve</u>	<u>Total</u>
Balance - December 31, 2018	\$ 95,927	409,772	505,699
Increased by:			
Receipts		3,019	3,019
Open Space Tax Levy		75,454	75,454
Oper Space Tax Levy - Added		203	203
Transfers	5,495		5,495
	<u>5,495</u>	<u>78,676</u>	<u>84,171</u>
	101,422	488,448	589,870
Decreased by:			
Cash Disbursements	101,422		101,422
Due to General Capital - Ord. 1354		200,000	200,000
Transfers		5,495	5,495
	<u>101,422</u>	<u>205,495</u>	<u>306,917</u>
Balance - December 31, 2019	<u>\$ -</u>	<u>282,953</u>	<u>282,953</u>



TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Contributions Receivable - Length of Service Awards Program

Trust Funds

Year Ended December 31, 2019

Balance - December 31, 2018	\$	66,150
Increased by:		
2019 Contributions		<u>54,675</u>
		120,825
Decreased by:		
Cash Received		<u>66,150</u>
Balance - December 31, 2019	\$	<u><u>54,675</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Reserve for Expenditures - Length of Service Award Program

Trust Funds

Year Ended December 31, 2019

Balance - December 31, 2018		\$	1,301,714
Increased by:			
Contributions	\$	54,675	
Interest Earned		10,959	
Investment Income		<u>215,300</u>	
			<u>280,934</u>
			1,582,648
Decreased by:			
Distributions			<u>125,201</u>
Balance - December 31, 2019		\$	<u><u>1,457,447</u></u>

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

**Schedule of Cash**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018		\$ 2,986,662
Increased by Receipts:		
Grants Receivable	\$ 2,758,943	
Due to Current Fund	2,094,301	
Bond Anticipation Notes	8,478,638	
Premium on Sale of Notes	57,570	
Deferred Charges - Unfunded - Grant Proceeds	<u>20,000</u>	
		<u>13,409,452</u>
		16,396,114
Decreased by Disbursements:		
Improvement Authorizations	3,134,968	
Over-Expenditure of Ord. 1326	16,572	
Contracts Payable	1,461,265	
Due from Current Fund	534,816	
Bond Anticipation Notes	<u>8,543,804</u>	
		<u>13,691,425</u>
Balance - December 31, 2019		<u><u>\$ 2,704,689</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2019

Due to Current Fund	\$	61,557
Due from Federal and State Grant Fund		(36,897)
Due from Open Space Trust Fund		(179,900)
Due from Other Trust Fund		(181,000)
Grants Receivable		(7,292,527)
Over-Expenditure of Improvement Authorization		(16,572)
Capital Improvement Fund		38,500
Reserve for:		
Contracts Payable		1,579,817
Grants Receivable		967,683
I & I		21,696
Reserve for Payment of Debt		537,147
Fund Balance		84,508

Improvement Authorizations:

<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
721/802	Improvements to Various Roads	(50)
856	Morris Canal Pedestrian Way & Preserve	6,679
904/935/947	Construction New Municipal Building	1,055
991/1171	New Pump Station at Louis Street	81,086
1020/1086/1149/1155	Construction of a New Justice Complex	1,582
1043	Acquisition of Fire Pumper	33,765
1070	Sanitary Sewer Improvements	691
1071	Sanitary Sewer Improvements	3,646
1092	Improvement Fairfield Pump Station	(268,913)
1098	Various Road Improvements	50,143
1099	2010 Road Program	14,863
1100	Sanitary Sewer Improvements	(142,500)
1101	Acquisition of Trucks with Plows	1,051
1102	Strom Drain System Improvements	200,403
1110	Morris Canal Bikeway 3	32,083
1121	Elevation of Homes	10,819
1126/1160	Paving of Stanley Street	(39,928)
1133	Instillation of New Roof on the Public Library	8,940
1150	Refunding Ordinance - Hurricane Irene	(24)
1151	FEMA Flood Mitigation Project	856,400
1166	Refunding of Tax Appeals	14
1174	Improvements to Ridge Avenue	78,733
1175	Various Park Improvements	316
1180	Refunding of Tax Appeals	28,775

## TOWNSHIP OF LITTLE FALLS, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2019

1183	Various Capital Improvements	11,408
1185	Improvements to Inwood Park	43,754
1187	Remediation of the Passaic River in Little Falls	
1199	2014 Road Improvement Program	1,180
1204/1267	Stormwater Improvements - Morningside Circle	(495,411)
1212	Acquisition of Fire Engine	6,739
1213	Acquisition of Public Works Vehicle	23,342
1214	Replacement of Storm Drains	(61,652)
1215	2015 Road Improvement Program	1,105
1221	Crane Street Project	133,172
1234	Acquisition of Self Contained Breathing Apparatus	7,567
1253	2016 Road Resurfacing Program	43,593
1254	Various Capital Improvements	18,232
1255	Acquisition of Integrated Body and Car Camera System	27,964
1264	Acquisition of Generator at Recreation Center	(24,665)
1272	Duva Park Improvements	17,451
1286	Acquisition and Demolition of Flood Prone Properties in the Singac Section	4,995,180
1287	2017 Road Improvement Programs	15,641
1288	Various Public Improvements	10,977
1289	Undertaking of Public Improvement and the Acquisition of New Automotive Vehicles	84,605
1290	Acquisition of New Additional or Replacement Equipment and Machinery	6,373
1295	Acquisition of Real Property	8,894
1300	Reconstruction of Woodcliff Avenue	126,579
1321	Sanitary Sewer Improvements	(87,117)
1322	Reconstruction of the Ridge Avenue Dead End	124,947
1323	2018 Road Improvement Program	19,644
1324	Stormwater Drainage Improvement	(105,130)
1325	Various Public Improvements	(361,014)
1326/1337	Public Improvements & Acquisition of New Automotive Vehicles	1
1331	Reconstruction of Donato Drive	(204,782)
1336	Acquisition of Real Property	1,145
1350	Sanitary Sewer Improvements	170,888
1351	Reconstruction of Coney Road and Veranda Street	4,841
1352	2019 Road Improvement Program	597,466
1353	Various Public Improvements	(14,798)
1354	Various Public Improvements	84,708

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

**Analysis of Cash**

**General Capital Fund**

**Year Ended December 31, 2019**

1356	Streetscape Improvements Project, Phase I	700,000
1359	Acquisition of Property for Construction of Stormwater Pump Station	225,000
1360	Acquisition of Property for Public Parking	<u>3,221</u>
		<u>\$ 2,704,689</u>

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

**Schedule of Due from/(to) Current Fund**

**General Capital Fund**

**Year ended December 31, 2019**

Balance - December 31, 2018		\$	1,542,179
Increased by:			
Budget Appropriations:			
Capital Improvement Fund	\$	175,000	
Cash Disbursements		<u>534,816</u>	
			<u>709,816</u>
			2,251,995
Decreased by:			
Interest on Deposits		9,040	
Reimbursement for Expenditures Paid		19,251	
Fund Balance - Anticipated Revenue			
Due to Current Fund		200,000	
Cash Receipts		<u>2,085,261</u>	
			<u>2,313,552</u>
Balance - December 31, 2019		\$	<u><u>(61,557)</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Due from Federal and State Grant Fund**  
**General Capital Fund**  
**Year Ended December 31, 2019**

Balance - December 31, 2018	\$	<u>36,897</u>
Balance - December 31, 2019	\$	<u><u>36,897</u></u>

**Schedule of Due from Open Space Trust Fund**  
**General Capital Fund**  
**Year Ended December 31, 2019**

Increased by:		
Funding for Ordinance 1354	\$	<u>200,000</u>
		200,000
Decreased by:		
Reimbursement for Expenses Paid		<u>20,100</u>
Balance - December 31, 2019	\$	<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, 2019**

Increased by:	
Funding for Ordinance 1350	\$ <u>181,000</u>
 Balance - December 31, 2019	 \$ <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, 2019**

Balance - December 31, 2018	\$ 13,414,000
Decreased by:	
Current year Budget Appropriations:	
Bonds Paid by Budget Appropriations	<u>1,120,000</u>
Balance - December 31, 2019	\$ <u><u>12,294,000</u></u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Balance			Decreased By	Analysis of Balance		
		Dec. 31, 2018	2019 Authorizations	Balance Dec. 31, 2019		Financed by Bond Anticipation Notes	Expenditures	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			268,913	1,031,087
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	429,837		326,497	103,340		326,497	
1150	Refunding Ordinance - Hurricane Irene	24		24			24	
1151	FEMA Flood Mitigation Project	562,847		552,796	10,051		552,796	
1199	2014 Road Improvement Program	278,379		260,889	17,490		260,889	
1204/1267	Stormwater Improvements - Morningside Circle	504,200		504,200			495,411	8,789
1212	Acquisition of Fire Engine	617,500		585,000	32,500		585,000	
1213	Acquisition of Public Works Vehicle	307,800		273,600	34,200		273,600	
1214	Replacement of Storm Drains	380,000		380,000			61,652	318,348
1215	2015 Road Improvement Program	285,000		270,000	15,000		270,000	
1216	Railroad Avenue Park Improvements	64,800		62,565	2,235		62,565	
1221	Crane Street Project	80,000		80,000				80,000
1234	Acquisition of Self Contained Breathing Apparatus	518,000		490,736	27,264		490,736	
1253	2016 Road Resurfacing Program	304,000		304,000			304,000	
1254	Various Capital Improvements	199,000		199,000			199,000	
1255	Acquisition of Integrated Body and Car Camera System	147,000		139,263	7,737		139,263	
1264	Acquisition of Generator at Recreation Center	25,957		25,957			24,665	1,292
1272	Duva Park Improvements	475,000		475,000			475,000	
1286	Acquisition and Demolition of Flood-Prone Properties in the Singac Section	300,000		300,000			300,000	
1287	2017 Road Improvement Program	285,000		285,000			285,000	
1288	Various Public Improvements	355,000		355,000			355,000	
1289	Undertaking of a Public Improvement and the Acquisition of New Automotive Vehicles	442,000		442,000			442,000	

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Analysis of Balance				Unexpended Improvement Authorization
		Balance Dec. 31, 2018	2019 Authorizations	Decreased By	Balance Dec. 31, 2019	
1290	Acquisition of New Additional or Replacement Equipment and Machinery	47,500			47,500	
1295	Acquisition of Real Property	214,000			214,000	
1300	Reconstruction of Woodcliff Avenue	191,292			191,292	
1321	Sanitary Sewer Improvements	95,000			95,000	7,883
1322	Reconstruction of the Ridge Avenue Dead End	142,500			142,500	
1323	2018 Road Improvement Program	285,000			285,000	
1324	Stormwater Drainage Improvements	380,000			380,000	
1325	Various Public Improvements	399,000		20,000	379,000	274,870
1326/1337	Public Improvements & Acquisition of New Automotive	420,000			420,000	17,986
1331	Reconstruction of Donato Drive	750,000		406,421	343,579	
1336	Acquisition of Real Property	357,000			357,000	138,797
1350	Sanitary Sewer Improvements		95,000		95,000	95,000
1351	Reconstruction of Coney Road and Veranda St.		232,500		232,500	
1352	2019 Road Improvement Program		640,000		640,000	7,500
1353	Various Public Improvements		701,000		701,000	686,202
1354	Various Public Improvements		611,000		611,000	611,000
1359	Acquisition of Property for Construction of Stormwater Pump Station		210,000		210,000	
						14,798
						204,782
						361,014
						105,130
						87,117
						47,500
						214,000
						191,292
						95,000
						142,500
						285,000
						380,000
						379,000
						420,000
						343,579
						357,000
						95,000
						232,500
						640,000
						701,000
						611,000
						210,000

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Analysis of Balance			
		Balance Dec. 31, 2018	2019 Authorizations	Decreased By:	Balance Dec. 31, 2019
1360	Acquisition of Property for Public Parking	\$ 11,430,501	425,000	676,238	13,668,763
					425,000
					8,478,638
					1,805,984
					3,384,141

Budget Appropriation	249,817
Unappropriated Grant Proceeds Received	426,421
	<u>676,238</u>
	\$

Financed by	
Bond	
Anticipation Notes	425,000
Expenditures	1,805,984
Unexpended Improvement Authorization	3,384,141

Improvement Authorizations - Unfunded \$	5,598,444
Less: Unexpended proceeds of Bond Anticipation Notes	
Ordinance:	

1151	552,796
1199	1,180
1212	6,739
1213	23,342
1215	1,105
1234	7,567
1253	43,593
1254	18,232
1255	27,964
1272	17,451
1286	300,000
1287	15,641
1288	10,977
1289	84,605
1290	6,373
1295	8,894
1300	126,579
1322	124,947
1323	19,644
1326/1337	1
1336	1,145
1351	4,841
1352	597,466
1359	210,000
1360	3,221

2,214,303

\$ 3,384,141

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance Dec. 31, 2018	Decreased	Balance Dec. 31, 2019
			Date	Amount				
Refunding of Bonds 2010	5/19/2010	2,690,000	5/1/2020	170,000	2.00-3.50%	345,000	175,000	170,000
	7/28/2010	3,599,000	8/1/2020	163,000	1.66-6.54%	2,555,000	155,000	2,400,000
General Bonds			8/1/2021	171,000	1.66-6.54%			
			8/1/2022	181,000	1.66-6.54%			
			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**  
**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

Year ended December 31, 2019

Ord. No.	Improvement Description	Date of issue notes	Date of issue	Date of Maturity	Interest rate	Balance Dec. 31, 2018	Increased	Decreased	Balance, Dec. 31, 2018
1095/1196	Flood Mitigation	12/28/2012	12/12/2019	12/11/2020	2.00%	993,463		993,463	
1147	Flood Mitigation Acquisition or Reconstruction	7/31/2013	12/12/2019	12/11/2020	2.00%	1,001,507	326,497	1,001,507	326,497
1151	FEMA Flood Mitigation Project	5/14/2014	12/12/2019	12/11/2020	2.00%	562,847	552,796	562,847	552,796
1199	Various Road Improvements	12/19/14	12/12/2019	12/11/2020	2.00%	278,412	260,889	278,412	260,889
1212	Acquisition of Fire Engine	12/15/2016	12/12/2019	12/11/2020	2.00%	617,500	585,000	617,500	585,000
1213	Acquisition of Public Works Vehicle	12/15/2016	12/12/2019	12/11/2020	2.00%	307,800	273,600	307,800	273,600
1215	2015 Road Improvement Program	12/15/2016	12/12/2019	12/11/2020	2.00%	285,000	270,000	285,000	270,000
1216	Railroad Avenue Park Improvements	12/15/2016	12/12/2019	12/11/2020	2.00%	64,800	62,565	64,800	62,565
1234	Acquisition of Self Contained Breathing Apparatus	12/15/2016	12/12/2019	12/11/2020	2.00%	518,000	490,736	518,000	490,736
1255	Acquisition of Integrated Body and Car Camera System	12/15/2016	12/12/2019	12/11/2020	2.00%	147,000	139,263	147,000	139,263
1253	2016 Road Program	12/14/2017	12/12/2019	12/11/2020	2.00%	304,000	304,000	304,000	304,000
1254	Various Improvements	12/14/2017	12/12/2019	12/11/2020	2.00%	199,000	199,000	199,000	199,000
1272	Duva Park Improvements	12/14/2017	12/12/2019	12/11/2020	2.00%	475,000	475,000	475,000	475,000
1286	FEMA Flood Mitigation (Singac Section)	12/14/2017	12/12/2019	12/11/2020	2.00%	300,000	300,000	300,000	300,000
1287	2017 Road Program	12/14/2017	12/12/2019	12/11/2020	2.00%	285,000	285,000	285,000	285,000
1288	Public Improvements and Acquisition of New Vehicle	12/14/2017	12/12/2019	12/11/2020	2.00%	355,000	355,000	355,000	355,000
1289	Public Improvements and Acquisition of New Vehicle	12/14/2017	12/12/2019	12/11/2020	2.00%	442,000	442,000	442,000	442,000
1290	Acquisition of Equipment and Machinery	12/14/2017	12/12/2019	12/11/2020	2.00%	47,500	47,500	47,500	47,500
1295	Acquisition of Real Property	12/14/2017	12/12/2019	12/11/2020	2.00%	214,000	214,000	214,000	214,000
1300	Reconstruction of Woodcliff Avenue	12/14/2017	12/12/2019	12/11/2020	2.00%	191,292	191,292	191,292	191,292
1322	Reconstruction of Ridge Avenue Dead End	12/14/2018	12/12/2019	12/11/2020	2.00%	142,500	142,500	142,500	142,500
1323	2018 Road Improvement Program	12/14/2018	12/12/2019	12/11/2020	2.00%	285,000	285,000	285,000	285,000
1326	Public Improvements and Acquisition of New Vehicle	12/14/2018	12/12/2019	12/11/2020	2.00%	420,000	420,000	420,000	420,000
1336	Acquisition of Real Property	12/14/2018	12/12/2019	12/11/2020	2.00%	357,000	357,000	357,000	357,000
1351	Reconstruction of Coney Road & Veranda Street	12/12/2019	12/12/2019	12/11/2020	2.00%	232,500	232,500	232,500	232,500
1352	2019 Road Improvement Program	12/12/2019	12/12/2019	12/11/2020	2.00%	632,500	632,500	632,500	632,500
1359	Acquisition of Property for Stormwater Pump Station	12/12/2019	12/12/2019	12/11/2020	2.00%	210,000	210,000	210,000	210,000
1360	Acquisition of Property for Public Parking	12/12/2019	12/12/2019	12/11/2020	2.00%	425,000	425,000	425,000	425,000
						\$ 8,793,621	8,478,638	8,793,621	8,478,638

Cash	1,565,166
Excess Note Proceeds used to Paydown Outstanding Note	249,817
Paydown on Notes - Budget Appropriation Renewed	6,978,638
<b>\$</b>	<b>8,793,621</b>



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

**Schedule of Contracts Payable**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 1,461,265
Increased by:	
Contracts Awarded	<u>1,579,817</u>
	3,041,082
Decreased by:	
Contracts Paid	<u>1,461,265</u>
Balance - December 31, 2019	<u><u>\$ 1,579,817</u></u>

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

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2018		2019 Authorizations	Paid or Charged	Balance Dec. 31, 2019	
				Funded	Unfunded			Funded	Unfunded
			\$						
	<b>General Improvements:</b>								
828/910	Various Capital Improvements		440,000	29	-		29	6,679	971
856	Morris Canal Pedestrian Way & Preserve		190,000	6,679	971		25,702	1,055	
904/933/947	Construction New Municipal Building		100,000	26,757	-			81,086	
991/1171	New Pump Station at Louis Street		165,000	81,086	-		1,767	1,582	
1020/1086/1149/1155	Construction of New Justice Complex		450,000	3,349	-		34	33,765	
1043	Acquisition of Fire Pumper		650,000	33,765	-				
1046	Sanitary Sewer Improvements		250,000	34	-				
1070	Sanitary Sewer Improvements		100,000	691	-		3,200	3,646	
1071	Storm Sewer Improvements		425,000	6,846	-		770		
1092	Improvement Fairfield Pump Station		1,300,000	50,143	1,031,857			50,143	1,031,087
1098	Various Road Improvements		807,000	14,863	82,344			14,863	82,344
1099	2010 Road Program		250,000	14,863	-			1,051	
1101	Acquisition of Trucks with Plows		85,000	1,051	-		1,420	200,403	
1102	Storm Drain System Improvements		400,000	201,823	-		397	32,083	
1110	Morris Canal Bikeway 3		450,000	32,480	-			10,819	
1121	Elevation of Homes		364,770	10,819	22,072				22,072
1126/1160	Paving of Stanley Street		40,000	8,940	-		46	8,940	
1133	Installation of New Roof on the Public Library		142,920	22	24		3,099	303,604	552,796
1150	Refunding Ordinance - Hurricane Irene		675,000	296,652	562,847		84	14	
1151	FEMA Flood Mitigation Project		3,924,800	98	-			78,733	
1166	Refunding Tax Appeals		790,000	78,733	-			316	
1174	Improvements to Ridge Avenue		284,500	316	-			28,775	
1175	Various Park Improvements		253,000	28,775	-			11,408	
1180	Refunding of Tax Appeals		900,000	28,775	-		378,820		
1183	Various Capital Improvements		2,560,000	390,228	-		10,332	43,754	
1185	Improvements to Inwood Park		149,000	54,086	-		2		
1187	Remediation of the Passaic River in Little Falls		100,000	2	-				
1199	2014 Road Improvement Program		350,000	1,379	1,379		199		1,180
1204/1267	Stormwater Improvements - Morningside Circle		300,000	8,789	8,789		199		8,789
1212	Acquisition of Fire Engine		650,000	6,938	6,938		(661)		6,739
1213	Acquisition of Public Works Vehicles		324,000	22,681	22,681		1,552		23,342
1214	Replacement of Storm Drains		400,000	319,900	319,900		3,162		318,348
1215	2015 Road Improvement Program		300,000	80,000	80,000		397		1,105
1221	Crane Street Program		300,000	133,569	133,569			133,172	80,000
1234	Acquisition of Self Contained Breathing Apparatus		545,000	7,567	7,567		529		7,567
1253	2016 Road Resurfacing Program		320,000	44,122	44,122		5,804		43,593
1254	Various Capital Improvements		210,000	24,036	24,036		199		18,232
1255	Acquisition of Integrated Body and Car Camera System		155,000	28,163	28,163				27,964
1264	Acquisition of Generator at Recreation Center		120,000	1,292	1,292		132,118		1,292
1272	Duva Park Improvements		700,000	149,569	149,569				17,451
1286	Acquisition and Demolition of Flood-Prone Properties in the Singac Section		11,966,155	6,366,861	6,366,861		1,671,681	4,695,180	300,000
1287	2017 Road Improvement Program		300,000	15,840	15,840		199		15,641
1288	Various Public Improvements		375,000	20,146	20,146		9,169		10,977
1289	Undertaking of a Public Improvement and the Acquisition of New Automotive Vehicles		465,000	84,804	84,804		199		84,605

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

Year Ended December 31, 2019

Ordinance Number	Improvement Description	Date Authorized	Ordinance Amount	Balance Dec. 31, 2018		2019 Authorizations	Balance Dec. 31, 2019	
				Funded	Unfunded		Funded	Unfunded
1290	Acquisition of New Additional or Replacement Equipment and Machinery		50,000	6,571	198		6,373	
1295	Acquisition of Real Property		225,000	19,486	10,592		8,894	
1300	Reconstruction of Woodcliff Avenue		675,000	191,292	105,642		126,579	
1321	Sanitary Sewer Improvements		100,000	57,082	49,199		7,883	
1322	Reconstruction of the Ridge Avenue Dead End		150,000	142,500	24,500		124,947	
1323	2018 Road Improvement Program		300,000	27,221	7,577		19,644	
1324	Stormwater Drainage Improvement		400,000	380,000	117,411		274,870	
1325	Various Public Improvements		420,000	310,850	292,864		17,986	
1326/1337	Public Improvements & Acquisition of New Automotive Vehicles		445,000	6,565	6,564		1	
1331	Reconstruction of Donato Drive		750,000	730,064	591,267		138,797	
1336	Acquisition of Real Property		375,000	41,845	40,700		1,145	
1350	Sanitary Sewer Improvements	Apr. 8 2019	300,000		300,000		95,000	
1351	Reconstruction of Coney Road and Veranda Street	Apr. 8 2019	325,000		34,112		170,888	
1352	2019 Road Improvement Program	Apr. 8 2019	675,000		675,000		4,841	
1353	Various Public Improvements	Apr. 8 2019	838,000		151,798		604,966	
1354	Various Public Improvements	Apr. 8 2019	930,000		930,000		686,202	
1356	Streetscape Improvements Project, Phase I	Apr. 8 2019	700,000		234,292		611,000	
1359	Acquisition of Property for Construction of Stormwater Pump Station	May 20, 2019					700,000	
		Jun. 10, 2019	225,000		225,000		15,000	
		Jun. 10, 2019	450,000		450,000			
1360	Acquisition of Property for Public Parking				446,779			
			\$ 7,888,854	\$ 4,733,084	\$ 4,754,136	\$ 6,712,358	\$ 5,598,444	

Capital Improvement Fund \$	163,500
Due from Open Space Trust Fund	200,000
Due from Other Trust Fund	181,000
Grants Receivable	965,000
Reserve for Sewer 1 & 1	19,000
Deferred Charges - Unfunded	2,914,500
	\$ 4,443,000
Cash Disbursed \$	3,134,968
Contracts Payable	1,579,817
Due to Current Fund	19,251
Due to Open Space Trust Fund	20,100
	\$ 4,754,136

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Grants Receivable

General Capital Fund

Year Ended December 31, 2019

Balance - December 31, 2018	\$ 9,086,470
Increased by:	
Grants Awarded	<u>965,000</u>
	10,051,470
Decreased by:	
Cash Receipts	<u>2,758,943</u>
Balance - December 31, 2019	<u>\$ 7,292,527</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)		4,774,660	4,774,660
CDBG (Ord. 1351)		80,000	80,000
CDBG (Ord. 1354)		85,000	85,000
	<u>774,104</u>	<u>5,253,652</u>	<u>6,027,756</u>
<u>State</u>			
DOT (Ord. 1300)		150,269	150,269
DOT (Ord. 1221)		53,750	53,750
DOT (Ord. 1331)	193,579		193,579
DOT (Ord. 1356)		700,000	700,000
NJDEP (Ord. 1353)		100,000	100,000
	<u>193,579</u>	<u>1,004,019</u>	<u>1,197,598</u>
<u>Local</u>			
Passaic County (Ord. 1216)		17,173	17,173
Passaic County (Ord. 1272)		50,000	50,000
	<u>-</u>	<u>67,173</u>	<u>67,173</u>
	<u>\$ 967,683</u>	<u>6,324,844</u>	<u>7,292,527</u>

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

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 27,000
Increased by:	
Due from Current Fund	<u>175,000</u>
	202,000
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>163,500</u>
Balance - December 31, 2019	\$ <u><u>38,500</u></u>

**TOWNSHIP OF LITTLE FALLS, N.J.**  
**Schedule of Reserve for Grants Receivable**  
**General Capital Fund**  
**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 1,374,104
Decreased by:	
Grant Awards Received	<u>406,421</u>
Balance - December 31, 2019	<u><u>\$ 967,683</u></u>

<u>Analysis of Balance</u>	
NJ OEM (Ord. 1147)	\$ 181,104
NJ OEM (Ord. 1151)	593,000
DOT (Ord. 1331)	<u>193,579</u>
	<u><u>\$ 967,683</u></u>

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

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

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ 40,696
Decreased by:	
Appropriated - Ord. 1350	<u>19,000</u>
Balance - December 31, 2019	<u><u>\$ 21,696</u></u>

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year Ended December 31, 2019**

Balance - December 31, 2018	\$ <u>537,147</u>
Balance - December 31, 2019	<u><u>\$ 537,147</u></u>

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

**Schedule of Overexpenditure of Ordinance Appropriation**

**General Capital Fund**

**Year Ended December 31, 2019**

Increased by:	
Cash Disbursements - Ord. 1326	\$ <u>16,572</u>
 Balance - December 31, 2019	 \$ <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, 2019

Ordinance Number	Description	Balance Dec. 31, 2018	2019 Authorizations	Decreased	Balance Dec. 31, 2019
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	399,000		20,000	379,000
1331	Reconstruction of Donato Drive	750,000		406,421	343,579
1350	Sanitary Sewer Improvements		95,000		95,000
1351	Reconstruction of Coney Road and Veranda Streets		232,500	232,500	
1352	2019 Road Improvement Program		640,000	632,500	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		210,000	210,000	
1360	Acquisition of Property for Public Parking		425,000	425,000	
		<u>\$ 4,202,046</u>	<u>2,914,500</u>	<u>1,926,421</u>	<u>5,190,125</u>

Grant Proceeds Applied:

Community Development Block Grant - Ord. 1325	20,000
State Department of Transportation Grant - Ord. 1331	406,421
Bond Anticipation Notes Issued	<u>1,500,000</u>
	<u>\$ 1,926,421</u>

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Cash

Public Assistance Fund

Year Ended December 31, 2019

	<u>PATF Account #2</u>	<u>Total</u>
Balance - December 31, 2018	\$ 15,757	15,757
Increased by Receipts:		
State Aid	36,400	36,400
Refunds of Assistance	497	497
	<u>52,654</u>	<u>52,654</u>
Decreased by Disbursements:		
Public Assistance Payments	<u>34,386</u>	<u>34,386</u>
Balance - December 31, 2019	<u>\$ 18,268</u>	<u>18,268</u>

Schedule of Reserve for Public Assistance

Public Assistance Fund

Year Ended December 31, 2019

	<u>PATF Account #2</u>	<u>Total</u>
Balance - December 31, 2018	\$ 15,757	15,757
Increased by Receipts:		
State Aid	36,400	36,400
Refunds of Assistance	497	497
	<u>52,654</u>	<u>52,654</u>
Decreased by Disbursements:		
Public Assistance Payments	<u>34,386</u>	<u>34,386</u>
Balance - December 31, 2019	<u>\$ 18,268</u>	<u>18,268</u>

**Exhibit D-3**

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

**Schedule of Revenues**

**Public Assistance Fund**

**Year Ended December 31, 2019**

	PATF Account #2 (100%)	Fund Total
State Aid	\$ 36,400	36,400
Refunds of Assistance	497	497
	<hr/>	<hr/>
Total Revenue (PATF)	36,897	36,897
	<hr/>	<hr/>
Total Receipts/Revenues	\$ 36,897	36,897
	<hr/> <hr/>	<hr/> <hr/>

**Exhibit D-4**

**Schedule of Expenditures**

**Public Assistance Fund**

**Year Ended December 31, 2019**

	PATF Account #2 (100%)	Fund Total
Current Year Assistance		
Public Assistance Payments	\$ 34,386	34,386
	<hr/>	<hr/>
Total Current Year Assistance Reported	34,386	34,386
	<hr/>	<hr/>
Total Disbursements	\$ 34,386	34,386
	<hr/> <hr/>	<hr/> <hr/>

**TOWNSHIP OF LITTLE FALLS**

**PART II**

**LETTERS ON INTERNAL CONTROL AND COMPLIANCE**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2019**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
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(973)-835-7900

**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, 2019 and the related notes to the financial statements, and have issued our report thereon dated July 9, 2020 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.

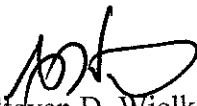
### **Compliance and Other Matters**

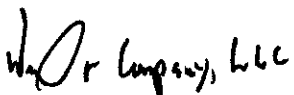
As part of obtaining reasonable assurance about whether the Township of Little Falls' financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

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

July 9, 2020



# WIELKOTZ & COMPANY <sup>CPA</sup>

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL AND 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 Federal and 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 federal and state programs for the year ended December 31, 2019. The Township of Little Falls' major federal and 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 federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Township of Little Falls' major federal and 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



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 federal and 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 federal and state program. However, our audit does not provide a legal determination on the Township of Little Falls' compliance.

### **Opinion on Each Major Federal and 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 federal and state programs for the year ended December 31, 2019.

### **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 federal and 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 federal and 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.



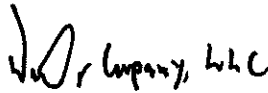
Honorable Mayor and  
Members of the Township Council  
Township of Little Falls  
Page 3.

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



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

July 9, 2020

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2019

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				2,629,608
Flood Mitigation Assistance Program (Ord. 1286)	97.029		1200-100-B90-15	2017	10,276,609		1,685,221	(298,158)	6,063,324
U.S. Department of Justice Bulletproof Vest Fund				2016	2,532				2,623
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	5,500			
U Text, U Drive, U Pay				2019	5,500	5,500			
Click it or Ticket				2019	5,000	3,135			3,135
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									
Total Federal Awards					\$	14,135	1,765,221	(298,158)	17,250,981

Note: This schedule was 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, 2019

State Grant Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustments	MEMO
							Cumulative Total Expenditures
Drunk Driving Enforcement Fund	1110-443-031020-22	2015	16,662 \$		10,536		16,662
		2016	5,361		5,361		5,361
		2017	21,625		1,668		1,668
		2018	34,310				-
		2019	12,908				-
Department of the Judiciary Alcohol Education and Rehabilitation Program	4250-760-05000-63-260	2017			11,257		13,653
		2018	10,253				
		2019	16,899				
Department of Human Services: General Welfare Assistance	7550-100-121	2019	36,477	36,477	34,386	420	34,386
		2012					122,000
Department of Environmental Protection: Blue Acres Grant (Ord. 1151) Green Trust Acquisition Grants - Office of Emergency Mgmt Ordinance 1353: Dredging of the Peckman River	1605-11-LBA 1605-11-LBA	2017	1,374,547			298,158	1,374,547
		2019	100,000				
		2016			7,682		25,046
Clean Communities Act	4900-765-178900	2017			14,248		14,248
		2018	20,362				
		2019	22,723	22,723			
Recycling Tonnage Grant	4830-752-050550-30	2018	21,882	21,882			
		2019	19,595	19,595			
Body Armor Grant	1020-718-001	2019	3,048	3,048	2,174		2,174
		2017			16,031		22,440
Municipal Alliance Program	100-082-C01-044	2018	22,440			(548)	22,440
		2019	22,440	19,607	9,075	548	9,075
		2001					90,145
Peckman River Grant	100-042-4840-091	2006	10,207				2,775
		2007	2,552				2,459
Municipal Stormwater Regulation	6100-100-051-13	2017	41,721		19,567		27,115
		2018	30,110				
Safe Corridors							
Louis Street Park Grant							2,466

TOWNSHIP OF LITTLE FALLS, N.J.

Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2019

State Grant Program	Grant number	Grant period	Award Amount	Cash Received	Budgetary Expenditures	Adjustments	MEMO Cumulative Total Expenditures
Communicable Diseases - Hep B Funds	4230-100-241-13	2013					381
New Jersey Department of Transportation							
Ordinance 1221 - Crane Street	6320-480-AL5	2015	215,000				202,462
Ordinance 1300 - Woodcliff Avenue		2017	483,708				389,636
Ordinance 1331 - Reconstruction of Donato Drive		2018	600,000		551,895		551,895
Ordinance 1356 - DOWNTOWN STEESCAPE IMPS.		2019	700,000				
Special Legislative Grant							
Main Street/Route 23 Curbs & Sidewalks	01-100-022-8030-196-FFFF-6120	2001		153,139	683,880	298,578	172,311
<i>Total State Assistance</i>							
Local Assistance							
FM Global Fire Prevention Grant			1,500				
NJ American Fire Grant			925		925		925
NJAWC FF Grant			870	870	870		870
Tennis Grant			175				
<i>Total Local Assistance</i>							
<i>Total State and Local Assistance</i>							
				\$ 870	1,795		1,795
				\$ 154,009	685,675	298,578	3,107,140

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, 2019**

**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	\$	\$97,599	\$1,795	\$99,394
General Capital Fund	1,765,221	551,895		2,317,116
Public Assistance Trust Fund		34,386		34,386
	<u>\$1,765,221</u>	<u>\$683,880</u>	<u>\$1,795</u>	<u>\$2,450,896</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, 2019**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: Adverse GAAP/unmodified regulatory

Internal control over financial reporting:

1. Material weakness(es) identified?            yes       X       no

2. Were significant deficiencies identified that are not considered to be material weaknesses?            yes       X       no

Noncompliance material to general-purpose financial statements noted?            yes       X       no

**Federal Awards Section**

Dollar threshold used to determine type A programs: \$750,000

Auditee qualified as low-risk auditee?       X       yes            no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Material weakness(es) identified?            yes       X       no

2. Were significant deficiencies identified that were not considered to be material weaknesses?            yes       X       no

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance            yes       X       no

Identification of major programs:

<b>CFDA Number(s)</b>		<b>Name of Federal Program or Cluster</b>
97.029	(A)	Flood Mitigation Assistance

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

**TOWNSHIP OF LITTLE FALLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(continued)**

*Section I - Summary of Auditor's Results  
(continued)*

**State Awards Section**

Not Applicable

**TOWNSHIP OF LITTLE FALLS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(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.

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 Paterson Avenue Fields  
Demolition of Properties  
Reiners Road Drainage Improvements  
Third-party Billing - Ambulance Services

Improvements to Donate Drive  
Sanitary Sewer Cleaning and Video Inspection  
Recreation Center HVAC upgrades  
Improvements to Veranda Avenue & Coney Road

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, 2019 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 October 1, 2019, 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>
2019	8
2018	10
2017	12

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, 2019**

**COMMENTS**

**Finance/Accounts Payable:**

1. \*There are various inter-fund balances at year end.
2. \*There is a substantial amount of appropriated grant reserves available for expenditure.
3. \*There are older general capital grant receivables outstanding at year end.
4. \*There are unfunded ordinances over five years old for which expenditures have been made that have not been funded.
5. Several deferred charges were incurred as a result of over-expenditures and/or expenditures without appropriations in the following funds:
  - a. Federal and State Grant Fund
  - b. Reserve for Sewer Fees
  - c. General Capital Fund

**Municipal Court**

1. \*The analysis of open bail per the ATS/ACS reports does not agree with the reconciled cash in the Bail Account.
2. Bail recognizance and/or bail waiver forms are not, in some instances, being filled out or retained as required by the Administrative Office of the Courts.
3. There were (3) instances where violation files were not available for review during the time of audit.
4. A review of the December monthly management report indicated the following:
  - a. There is an excess amount of tickets eligible for FTA over 14 days.
  - b. There is an excess amount of tickets assigned over 180 days.
  - c. There is an excess amount of tickets eligible for warrant.
5. A ticket control log accounting for the tickets assigned to officers is not maintained by the court office or police department.

**TOWNSHIP OF LITTLE FALLS  
COMMENTS AND RECOMMENDATIONS**

**RECOMMENDATIONS**

**Finance/Accounts Payable:**

1. \* All inter-funds be cleared of record on a regular basis and as of year-end.
2. \* Appropriated grant reserves be utilized for eligible expenditures.
3. \* The older receivables still outstanding in the General Capital Fund be investigated for possible collection or cleared of record if necessary.
4. \*Unfunded improvement authorizations that are over five years that have cash deficits be funded through either a budget appropriation or through the issuance of temporary or permanent debt.
5. Greater oversight of expenditures and available balances be exercised to prevent over-expenditures and/or expenditures without appropriations.

**Municipal Court**

1. \*Discrepancies between the reconciled bail and the analysis of open bail per ATS/ACS be investigated and corrections and/or adjustments be made to ensure the balances are in agreement.
2. Bail recognizance or waiver forms should be kept as supporting documentation in accordance with the Records Retention Schedule published by the Administrative Office of the Courts.
3. Violation files should be made available upon request.
4. Policies should be implemented to address tickets eligible for FTA over 14 days, tickets eligible for warrant and tickets assigned over 180 days be recalled and either reassigned or destroyed.
5. A log of ticket books assigned to officers be created and utilized.

## 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 “\*”.

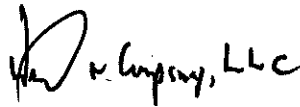
### Acknowledgment

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 9, 2020