

**BOROUGH OF LITTLE FERRY**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF LITTLE FERRY**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2023**

# BOROUGH OF LITTLE FERRY

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# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA  
ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA, PSA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

## **INDEPENDENT AUDITOR'S REPORT**

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

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

#### ***Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Little Ferry, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the Current Fund for the year ended December 31, 2023, and the related notes to the financial statements.

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

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Little Ferry as of December 31, 2023 and 2022, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the Current Fund for the year ended December 31, 2023 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Little Ferry as of December 31, 2023 and 2022, or changes in financial position for the years then ended.

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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Little Ferry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 65 percent and 57 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2023 and 2022, respectively.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Little Ferry's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Little Ferry's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Little Ferry's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Little Ferry as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by NJ OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Little Ferry. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

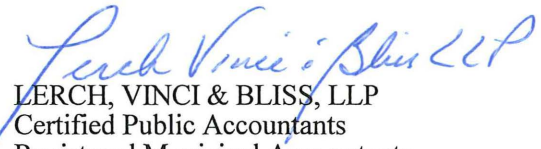
### ***Other Information***

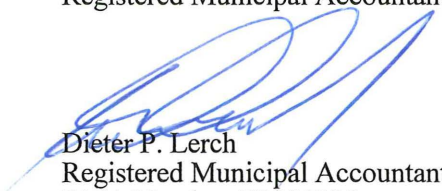
Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 7, 2024 on our consideration of the Borough of Little Ferry's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Little Ferry's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Little Ferry's internal control over financial reporting and compliance.

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

  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR000398

Fair Lawn, New Jersey  
August 7, 2024

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash	A-4	\$ 18,223,361	\$ 18,250,588
Grants Receivable	A-6	36,804	52,294
Due from State- Senior Citizens and Veterans Deductions	A-7	<u>15,124</u>	<u>12,374</u>
		<u>18,275,289</u>	<u>18,315,256</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-8	461,510	443,419
Tax Title Liens Receivable	A-9	68,274	57,934
Property Acquired for Taxes - Assessed Valuation	A-10	1,062,600	1,062,600
Revenue Accounts Receivable	A-11	7,858	7,488
Due from General Capital Fund	C-4		47,159
Due from Community Development Block Grant Trust Fund	B-17	45	38
Due from Animal Control Trust Fund	B-6	<u>9,847</u>	<u>8,586</u>
		<u>1,610,134</u>	<u>1,627,224</u>
Total Assets		<u>\$ 19,885,423</u>	<u>\$ 19,942,480</u>

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 913,629	\$ 1,454,807
Encumbrances Payable	A-15	771,848	616,144
Accounts Payable	A-22	196,147	3,072
Due to State - Marriage License Fees	A-25	225	
Due to State - DCA Training Fees	A-26	220	
Local School District Taxes Payable	A-17	4,324,445	4,112,537
Prepaid Taxes	A-18	144,450	190,940
County Taxes Payable	A-16		4,744
Reserve for Tax Appeals	A-19	311,577	311,577
Reserve for Grants Appropriated	A-20	89,818	200,565
Reserve for Grants - Unappropriated	A-21	25,100	418,801
Reserve for Tax Map	A-13	31,338	31,338
Reserve for Tax Rate Stabilization	A-14	2,150,000	2,450,000
Reserve for Municipal Relief Fund	A-23	97,875	48,948
Reserve for Library Expenses	A-24		105,139
Reserve for Capital Improvements - ARPA	A-28	65,529	
Tax Overpayments	A-27	6,819	4,022
Due to General Capital Fund	C-4	186,927	
Due to Length of Service Awards Program (LOSAP) Trust Fund	B	73,471	59,431
Due to Other Trust Fund	B-2	484,180	388,661
		9,873,598	10,400,726
Reserve for Receivables	A	1,610,134	1,627,224
Fund Balance	A-1	8,401,691	7,914,530
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,885,423</u>	<u>\$ 19,942,480</u>

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,700,000	\$ 2,500,000
Miscellaneous Revenue Anticipated	A-2	3,379,698	3,311,740
Receipts from Delinquent Taxes	A-2	442,354	724,434
Receipts from Current Taxes	A-2	37,229,528	36,363,264
Non-Budget Revenue	A-2	1,304,652	660,180
Other Credits to Income			
Statutory Excess - Animal Control	B-6	1,296	3,310
Interfunds Returned	A	45,891	
Cancelled Accounts Payable	A-22	312	
Unexpended Balance of Appropriation Reserves	A-12	677,636	1,234,016
		<u>45,781,367</u>	<u>44,796,944</u>
Total Revenues			
<b>EXPENDITURES</b>			
Operations			
Salaries and Wages	A-3	6,080,217	5,740,636
Other Expenses	A-3	7,843,005	7,633,989
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	1,619,946	1,408,412
Capital Improvements	A-3	400,000	1,319,761
Municipal Debt Service	A-3	1,553,989	1,404,384
Transferred to B.O.E. for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	A-3	77,940	77,881
County Taxes Payable	A-16	3,463,548	3,146,238
Due County for Added and Omitted Taxes	A-16	18,823	4,744
Local District School Taxes Payable	A-17	21,536,738	21,112,980
Other Debits to Income			
Establish Reserve for Interfunds - Net	A		50,507
Refund Prior Year Revenue	A	-	31,622
		<u>42,594,206</u>	<u>41,931,154</u>
Total Expenditures			
Statutory Excess to Fund Balance		3,187,161	2,865,790
Fund Balance, January 1	A	7,914,530	7,548,740
		11,101,691	10,414,530
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	2,700,000	2,500,000
Fund Balance, December 31	A	<u>\$ 8,401,691</u>	<u>\$ 7,914,530</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF LITTLE FERRY  
STATEMENT OF REVENUES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Added by N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b>FUND BALANCE ANTICIPATED</b>	A-1	<u>\$ 2,700,000</u>	<u>-</u>	<u>\$ 2,700,000</u>	<u>-</u>
<b>MISCELLANEOUS REVENUES</b>					
Licenses					
Alcoholic Beverages	A-11	33,000		35,726	\$ 2,726
Other	A-2	50,000		57,828	7,828
Fees and Permits	A-2	24,000		18,762	(5,238)
Fines and Costs					
Municipal Court	A-11	90,000		92,205	2,205
Interest and Costs on Taxes	A-11	140,000		111,218	(28,782)
Energy Receipts Tax	A-11	944,835		944,835	-
Reserve for Municipal Relief Fund	A-23	48,948		48,948	-
Uniform Fire Safety Act	A-11	20,000		45,152	25,152
Uniform Construction Code Fees	A-11	350,000		974,774	624,774
State and Federal Revenues Offset with					
Appropriations					
Municipal Recycling Assistance	A-6	13,293		13,293	
Clean Communities Grant	A-6		\$ 20,517	20,517	
National Opioid Settlement Grant	A-6		9,113	9,113	
Body Armor Grant	A-6	1,950		1,950	
Municipal Alliance	A-6	9,014		9,014	
Other Special Items:					
Reserve for Payment of Debt	C-13	80,000		80,000	
Reserve for Tax Rate Stabilization	A-14	300,000		300,000	
Hotel Tax	A-11	60,000		86,744	26,744
Cell Tower Rents	A-11	56,300		57,777	1,477
General Capital Surplus	C-1	50,000		50,000	
Summer Recreation	A-11	60,000		94,469	34,469
Shared Service Agreement - Bogota Court	A-11	88,863		66,647	(22,216)
Shared Service Agreement - Park Ridge - Construction Official	A-11	45,000		43,186	(1,814)
Shared Service Agreement- School Resource Office	A-11	51,690		51,690	
Interlocal Agreement - BCUA	A-11	165,000	-	165,850	850
 Total Miscellaneous Revenues	A-1	<u>2,681,893</u>	<u>29,630</u>	<u>3,379,698</u>	<u>668,175</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	A-1,A-8	<u>465,000</u>	<u>-</u>	<u>442,354</u>	<u>(22,646)</u>
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>					
Local Tax For Municipal Purposes	A-2,A-8	11,989,666		12,501,260	511,594
Minimum Library Tax	A-2,A-8	509,159	-	509,159	-
 Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>12,498,825</u>	<u>-</u>	<u>13,010,419</u>	<u>511,594</u>
 Total General Revenues	A-3	<u>\$ 18,345,718</u>	<u>\$ 29,630</u>	19,532,471	<u>\$ 1,157,123</u>
<b>Non-Budget Revenue</b>	A-1,A-2			<u>1,304,652</u>	
				<u>\$20,837,123</u>	

**BOROUGH OF LITTLE FERRY  
STATEMENT OF REVENUES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 37,229,528
Allocated to School and County Taxes	A-16,A-17	<u>25,019,109</u>
		12,210,419
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>800,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,010,419</u>
<b>OTHER LICENSES</b>		
Borough Clerk		\$ 42,180
Board of Health/Registrar		<u>15,648</u>
	A-2,A-11	<u>\$ 57,828</u>
<b>FEES AND PERMITS</b>		
Borough Clerk		\$ 14,272
Board of Health/Registrar		950
Police		140
Planning/Zoning		<u>3,400</u>
	A-2,A-11	<u>\$ 18,762</u>
<b>ANALYSIS OF NON-BUDGET REVENUES</b>		
Cable Franchise Fees		\$ 95,243
Library Reimbursements		17,022
PILOT Payments		31,854
Sewer Charges		66,509
Excess Payroll Agency Transfers		18,989
Bergen County SWAT Reimbursement		3,000
Interest on Deposits and Investments		1,007,071
Sokol Rent		2,700
LOSAP Reimbursements		13,006
Senior Citizen 2% Administrative Payments		580
Park Ridge Shared Services - Prior Years		14,113
Miscellaneous/Refunds/Other		<u>34,565</u>
	A-2	<u>\$ 1,304,652</u>
Cash Collected	A-4	\$ 1,169,890
Due from Other Trust Fund	B-2	39,343
Due from Animal Control Trust Fund	B-6	782
Due from Community Development Block Grant Trust Fund	B-17	7
Due from General Capital Fund	C-4	<u>94,630</u>
		<u>\$ 1,304,652</u>

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries & Wages	\$ 158,100	\$ 158,100	\$ 158,100		
Other Expenses - Postage	18,000	18,000	14,556	\$ 3,444	
Other Expenses - Miscellaneous	212,320	204,320	184,022	20,298	
CDL Drug Testing	5,000	5,000		5,000	
Mayor & Council					
Salaries & Wages	35,950	35,950	35,950	-	
Other Expenses	8,900	8,900	4,460	4,440	
Municipal Clerk					
Salaries & Wages	95,388	95,388	95,388	-	
Other Expenses	21,675	21,675	8,903	12,772	
Other Expenses - Elections	8,250	8,250	7,697	553	
Financial Administration (Treasury)					
Salaries & Wages	135,897	129,897	109,171	20,726	
Other Expenses	46,000	50,000	46,700	3,300	
Audit Services					
Other Expenses	47,500	49,500	48,500	1,000	
Revenue Administration (Tax Collection)					
Salaries & Wages	52,236	52,237	52,236	1	
Other Expenses	14,250	14,249	8,573	5,676	
Assessment of Taxes					
Salaries & Wages	18,186	18,186	18,185	1	
Other Expenses	63,425	63,425	39,163	24,262	
Legal Services & Costs					
Other Expenses - Fees and Costs	136,000	183,000	183,000	-	
Other Expenses - Special Counsel	15,000	15,000	12,036	2,964	
Engineering Services & Costs					
Other Expenses	35,000	35,000	26,893	8,107	
Historic Society					
Other Expenses	100	100		100	
Planning Board/ Zoning Board					
Salaries & Wages	6,030	12,882	12,882	-	
Other Expenses	17,600	10,748	9,424	1,324	
Insurance					
General Liability	588,082	588,082	553,562	34,520	
Employee Group Health	2,173,500	1,857,379	1,747,242	110,137	
PUBLIC SAFETY					
Aid to Volunteer Ambulance First Aid Squad	20,000	20,000	20,000		
Fire					
Salaries & Wages	8,474	8,474	8,066	408	
Salaries & Wages - Uniform Fire Safety	33,333	28,931	25,431	3,500	
Other Expenses - Clothing Allowance	58,140	58,140		58,140	
Other Expenses - Miscellaneous	74,400	74,400	74,399	1	
Other Expenses - Uniform Fire Safety	22,600	27,002	26,100	902	
Other Expenses - Fire Hydrant Services	100,000	100,000	94,124	5,876	

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Cont'd)					
Police					
Salaries & Wages	\$ 3,928,554	\$ 3,914,980	\$ 3,722,931	\$ 192,049	
Other Expenses - Miscellaneous	149,650	149,650	132,391	17,259	
Office of Emergency Management					
Other Expenses	19,200	19,200	18,054	1,146	
PUBLIC WORKS					
Streets & Roads Maintenance					
Salaries & Wages	907,810	896,310	861,514	34,796	
Other Expenses	126,650	134,150	131,076	3,074	
Other Public Works Functions					
Other Expenses - Sewer System	52,700	52,700	15,954	36,746	
Other Expenses - Drainage	46,000	42,000	19,935	22,065	
Other Expenses - Beautification Comm.	5,000	5,000	4,543	457	
Solid Waste Collection					
Other Expenses	250,000	250,000	249,084	916	
Buildings and Grounds					
Salaries & Wages	17,160	17,160	8,184	8,976	
Other Expenses	121,250	121,250	87,221	34,029	
Other Expenses - Environmental Testing	3,000	3,000	3,000		
Vehicle Maintenance					
Other Expenses	84,300	84,300	74,597	9,703	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries & Wages	10,200	10,200	10,000	200	
Other Expenses	60,467	60,467	58,703	1,764	
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries & Wages	37,000	50,506	50,506	-	
Other Expenses	79,600	61,613	58,646	2,967	
Maintenance of Parks and Playgrounds					
Other Expenses	32,000	32,000	22,879	9,121	
OTHER COMMON OPERATING FUNCTIONS					
Salary & Wage Adjustment	32,600	21,155	312	20,843	
Senior Citizen Program					
Other Expenses	7,100	11,581	11,581	-	
Senior Citizen / Community Busing					
Salaries & Wages	8,000	9,600	9,590	10	
Municipal Court					
Salaries and Wages	48,084	48,084	47,737	347	
Other Expenses	24,850	24,850	24,339	511	

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
OTHER COMMON OPERATING FUNCTIONS (Cont'd)					
Uniform Construction Code Enforcement Functions					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4-17)					
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions					
Construction Code Official					
Salaries & Wages	\$ 220,050	\$ 213,050	\$ 194,108	\$ 18,942	
Other Expenses	11,250	18,250	15,946	2,304	
Other Code Enforcement Functions					
Rent Leveling Board					
Other Expenses	50	50		50	
Unclassified:					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	190,000	190,000	118,137	71,863	
Street Lighting	120,000	120,000	119,884	116	
Telephone	30,000	42,000	40,075	1,925	
Water	18,350	22,350	20,350	2,000	
Gasoline	85,000	85,000	83,541	1,459	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Garbage - Tipping Fees	345,000	609,152	609,152	-	
Recycling - Leaf Disposal	55,000	55,000	55,000	-	-
Total Operations Within "CAPS"	11,355,211	11,326,823	10,503,733	823,090	-
Detail:					
Salaries & Wages	5,753,052	5,721,090	5,420,291	300,799	-
Other Expenses	5,602,159	5,605,733	5,083,442	522,291	-
DEFERRED CHARGES / REGULATORY					
EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Prior Year Bills					
Jimmy Cleveland Plumbing & Heating	250	250			\$ 250
Statutory Charges					
Social Security System (O.A.S.I.)	220,000	228,573	228,572	1	
Public Employees Retirement System	318,167	319,439	319,439		
Consolidated Police & Fire Retirement System	100	100		100	
Police & Firemens' Retirement System	1,063,734	1,063,734	1,063,734		
Pension Adjustment Fund	100	100		100	
Defined Contribution Retirement Program	8,000	8,000	6,697	1,303	-
Total Deferred Charges & Statutory					
Expenditures - Municipal within "CAPS"	1,610,351	1,620,196	1,618,442	1,504	250
Total General Appropriations for Municipal					
Purposes Within "CAPS"	12,965,562	12,947,019	12,122,175	824,594	250

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Educational Functions					
Maintenance of Free Public Library (P.L.1985 C.82)	\$ 509,159	\$ 509,159	\$ 421,656	\$ 87,503	
Sewerage Processing and Disposal Costs					
Bergen County Utilities Authority - Operation and Maintenance	1,237,867	1,237,867	1,237,864	3	
Bergen County Utilities Authority - Debt Service	305,924	305,924	305,924	-	
South Hackensack Sewer Charges	27,354	27,354	27,354	-	
Recycling Tax	20,000	20,000	20,000	-	
Public Safety Functions					
LOSAP	75,000	75,000	73,471	1,529	-
Total Other Operations Excluded from "CAPS"	2,175,304	2,175,304	2,086,269	89,035	-
Interlocal Municipal Services Agreement					
Bergen County Utilities Authority					
Salaries & Wages	165,000	165,000	165,000		
Park Ridge Construction Code - Shared Services					
Salaries & Wages	45,000	45,000	45,000		
Bogota Municipal Court - Shared Services					
Salaries & Wages	83,863	83,863	83,863		
Other Expenses	4,700	4,700	4,700		
School Resource Officer	51,690	65,264	65,264	-	-
Total Interlocal Municipal Service Agreements	350,253	363,827	363,827	-	-
Public and Private Programs Offset by Revenues					
Body Armor Replacement Program	1,950	1,950	1,950		
Municipal Alliance	9,014	9,014	9,014		
Municipal Alliance- Local Match	3,381	3,381	3,381		
Clean Communities		20,517	20,517		
National Opioid Settlement Grant		9,113	9,113		
Municipal Recycling Assistance	13,293	13,293	13,293	-	-
Total Public and Private Programs Offset by Revenues	27,638	57,268	57,268	-	-
Total Operations Excluded from "CAPS"	2,553,195	2,596,399	2,507,364	89,035	-
Detail:					
Salaries & Wages	345,553	359,127	359,127	-	-
Other Expenses	2,207,642	2,237,272	2,148,237	89,035	-

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023 Appropriations</u>		<u>2023 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D.)					
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 400,000	\$ 400,000	\$ 400,000	-	-
Total Capital Improvements Excluded from "CAPS"	400,000	400,000	400,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,165,000	1,165,000	1,165,000		
Interest on Bonds	355,522	355,522	355,521	\$	1
Interest on Notes	17,742	22,711	22,711		-
Green Trust Loan Repayments - Princ. & Interest	10,757	10,757	10,757	-	-
Total Municipal Debt Service Excluded from "CAPS"	1,549,021	1,553,990	1,553,989	-	1
Transferred to B.O.E. for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	77,940	77,940	77,940	-	-
Total General Appropriations Excluded from "CAPS"	4,580,156	4,628,329	4,539,293	\$ 89,035	1
Subtotal General Appropriations	17,545,718	17,575,348	16,661,468	913,629	251
Reserve for Uncollected Taxes	800,000	800,000	800,000	-	-
Total General Appropriations	\$ 18,345,718	\$ 18,375,348	\$ 17,461,468	\$ 913,629	\$ 251
<u>Reference</u>	A-2	A-3	A-1	A, A-1	

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	<u>Appropriations Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-2	\$ 18,345,718	
Added by 40A:4-87	A-2	<u>29,630</u>	
	A-3	<u>\$ 18,375,348</u>	
Cash Disbursed	A-4		\$ 15,786,052
Encumbrances Payable	A-15		744,677
Transfer to Appropriated Grant Reserves	A-20		57,268
Due to Length of Service Awards Program (LOSAP) Trust Fund	B		73,471
Reserve for Uncollected Taxes	A-2		<u>800,000</u>
			<u>\$ 17,461,468</u>

**BOROUGH OF LITTLE FERRY  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-1	\$ 15,258	\$ 12,730
		<u>15,258</u>	<u>12,730</u>
<b>OTHER TRUST FUND</b>			
Cash	B-1	867,840	1,156,227
Due from Current Fund	B-2	<u>484,180</u>	<u>388,661</u>
		<u>1,352,020</u>	<u>1,544,888</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND</b>			
Cash	B-1	145	138
Due from Other Trust Fund	B-10	<u>100</u>	<u>100</u>
		<u>245</u>	<u>238</u>
<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b>			
Cash	B-1	<u>35,668</u>	<u>40,104</u>
		<u>35,668</u>	<u>40,104</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND-(LOSAP)-(UNAUDITED)</b>			
Investments	B	2,543,753	2,058,131
Due from Current Fund	A-3,B	<u>73,471</u>	<u>59,431</u>
		<u>2,617,224</u>	<u>2,117,562</u>
Total Assets		<u>\$ 4,020,415</u>	<u>\$ 3,715,522</u>

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Reserve for Animal Control Trust Fund Expenditures	B-4	\$ 5,404	\$ 4,142
Due to State of New Jersey	B-5	7	2
Due to Current Fund	B-6	<u>9,847</u>	<u>8,586</u>
		<u>15,258</u>	<u>12,730</u>
<b>OTHER TRUST FUND</b>			
Escrow and Miscellaneous Deposits	B-3	518,192	871,806
Payroll Deductions Payable	B-11		15,451
Reserve for POAA	B-7	9,182	10,800
Reserve for Municipal Alliance Fund	B-9	70	70
Reserve for Recreation Fees	B-13	97,444	85,865
Reserve for Accumulated Leave Compensation	B-14	389,175	289,175
Reserve for Affordable Housing	B-8	337,857	271,621
Due to Community Development Trust Fund	B-10	<u>100</u>	<u>100</u>
		<u>1,352,020</u>	<u>1,544,888</u>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT TRUST FUND</b>			
Due to Current Fund	B-17	45	38
Due to General Capital Fund	B-12	<u>200</u>	<u>200</u>
		<u>245</u>	<u>238</u>
<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b>			
Due to State of New Jersey	B-16	5,041	1,320
Reserve for Expenditures	B-15	<u>30,627</u>	<u>38,784</u>
		<u>35,668</u>	<u>40,104</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM</b>			
<b>TRUST FUND (LOSAP) (UNAUDITED)</b>			
Reserve for LOSAP Benefits	B	<u>2,617,224</u>	<u>2,117,562</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,020,415</u>	<u>\$ 3,715,522</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 1,125,233	\$ 1,561,302
Grants Receivable	C-7	1,989,952	787,152
I-Bank Short Term Loan Receivable	C-16	1,457,834	
Deferred Charges to Future Taxation			
Funded	C-5	8,882,652	10,056,424
Unfunded	C-6	5,760,042	4,317,542
Due from Current Fund	C-4	186,927	
Due from Community Development Trust Fund	C-11	<u>200</u>	<u>200</u>
Total Assets		<u>\$ 19,402,840</u>	<u>\$ 16,722,620</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds Payable	C-17	\$ 8,790,000	\$ 9,955,000
Bond Anticipation Notes Payable	C-18	3,287,787	959,000
Green Acres Loan Payable	C-12	92,652	101,424
I-Bank Short Term Loan Payable	C-15	1,457,834	
Improvement Authorizations			
Funded	C-8	964,070	593,270
Unfunded	C-8	1,897,355	1,929,022
Encumbrances/Contracts Payable	C-9	1,364,102	1,177,589
Due to Current Fund	C-4		47,159
Reserve for Grants Receivable	C-7	629,652	787,152
Reserve for Payment of Debt	C-13	86,796	156,796
Reserve for Field Improvements	C-14	13,600	15,310
Capital Improvement Fund	C-10	630,375	783,070
Fund Balance	C-1	<u>188,617</u>	<u>217,828</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,402,840</u>	<u>\$ 16,722,620</u>

There were bonds and notes authorized but not issued at December 31, 2023 and 2022 amounting to \$1,108,371 and \$3,358,542, respectively. (Exhibit C-19)

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, January 1	C	\$ 217,828	\$ 240,220
Increased by:			
Premium on Sale of Bonds and Notes	C-2	20,789	11,118
Grant Receipts for Improvement Authorizations Funded by Fund Balance	C-1	<u>-</u>	<u>9,890</u>
		238,617	261,228
Decreased by:			
Anticipated Revenue in Current Fund	C-4	<u>50,000</u>	<u>43,400</u>
Balance, December 31	C	<u>\$ 188,617</u>	<u>\$ 217,828</u>

**BOROUGH OF LITTLE FERRY**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Land and Land Improvements	\$ 8,509,786	\$ 8,509,786
Buildings and Building Improvements	18,374,648	17,565,563
Machinery and Equipment	<u>8,299,136</u>	<u>8,153,336</u>
Total Assets	<u>\$ 35,183,570</u>	<u>\$ 34,228,685</u>
<b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 35,183,570</u>	<u>\$ 34,228,685</u>

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

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

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

**Financial Statements – Regulatory Basis**

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

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

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

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

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

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

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

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

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

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

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

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in the government-wide financial statements at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in the government-wide financial statements.

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

Trust Funds  
General Capital Fund

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023 and 2022 the Borough Council increased the original budget by \$29,630 and \$99,702. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2023 and 2022.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$20,267,505 and \$21,021,089, and bank and brokerage firm balances of the Borough's deposits amounted to \$20,981,729 and \$21,894,080, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 20,246,105	\$ 21,160,632
Uninsured and Collateralized	<u>735,624</u>	<u>733,448</u>
	<u>\$ 20,981,729</u>	<u>\$ 21,894,080</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2023 and 2022, the Borough's bank balances of \$735,624 and \$733,448, respectively, were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 735,624</u>	<u>\$ 733,448</u>

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2023 and 2022, the Borough had the following investments:

	<b><u>Fair Value</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
Investment:		
Lincoln Financial Group LOSAP		
Investment Fund ( Unaudited)	<u>\$ 2,543,753</u>	<u>\$ 2,058,131</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2023 and 2022, \$2,543,753 and \$2,058,131 of the Borough's investments was exposed to custodial credit risk as follows:

	<b><u>2023</u></b>	<b><u>2022</u></b>
Uninsured and Collateralized:		
Collateral held by pledging financial		
institution's trust department but not in		
the Borough's name	<u>\$ 2,543,753</u>	<u>\$ 2,058,131</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**B. Investments (Continued)**

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2023 and 2022, the Borough's investment in Lincoln Financial Group was rated A-1 and A1, respectively, by Moody's Investor Services.

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

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2023 and 2022 are categorized as Level 2.

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

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
<u>Current Fund</u>		
Property Taxes	\$ 461,510	\$ 443,419
Tax Title Liens	<u>68,274</u>	<u>57,934</u>
	<u>\$ 529,784</u>	<u>\$ 501,353</u>

In 2023 and 2022, the Borough collected \$442,354 and \$724,434 from delinquent taxes, which represented 88% and 94%, respectively, of the prior year delinquent taxes receivable balance.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

	<u>2023</u>		<u>2022</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 9,892	\$ 744,578	\$ 55,783	\$ 448,092
Trust Funds:				
Animal Control		9,847		8,586
Other Trust	484,180	100	388,661	100
Community Development Block Grant	100	245	100	238
Length of Service Awards				
Program (LOSAP)	73,471		59,431	
General Capital Fund	<u>187,127</u>	<u>-</u>	<u>200</u>	<u>47,159</u>
Total	<u>\$ 754,770</u>	<u>\$ 754,770</u>	<u>\$ 504,175</u>	<u>\$ 504,175</u>

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

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

**NOTE 6 DEFERRED SCHOOL TAXES**

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2023 and 2022 are as follows:

	<u>Local District School</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$10,729,689	\$10,517,781
Deferred Liability	<u>6,405,244</u>	<u>6,405,244</u>
Taxes Payable	<u>\$4,324,445</u>	<u>\$4,112,537</u>

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 7 FUND BALANCE APPROPRIATED**

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

	<b>2023</b>		<b>2022</b>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 8,349,763	\$ 3,280,000	\$ 7,849,862	\$ 2,700,000
Non-Cash Surplus	<u>51,928</u>	<u>-</u>	<u>64,668</u>	<u>-</u>
	<u>\$ 8,401,691</u>	<u>\$ 3,280,000</u>	<u>\$ 7,914,530</u>	<u>\$ 2,700,000</u>

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2023 and 2022.

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>				
Land and Land Improvements	\$ 8,509,786			\$ 8,509,786
Buildings and Building Improvements	17,565,563	\$ 809,085		18,374,648
Machinery and Equipment	<u>8,153,336</u>	<u>174,259</u>	<u>\$ 28,459</u>	<u>8,299,136</u>
	<u>\$ 34,228,685</u>	<u>\$ 983,344</u>	<u>\$ 28,459</u>	<u>\$ 35,183,570</u>
	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Land and Land Improvements	\$ 8,509,786			\$ 8,509,786
Buildings and Building Improvements	17,174,334	\$ 391,229		17,565,563
Machinery and Equipment	<u>7,676,895</u>	<u>476,441</u>	<u>\$ -</u>	<u>8,153,336</u>
	<u>\$ 33,361,015</u>	<u>\$ 867,670</u>	<u>\$ -</u>	<u>\$ 34,228,685</u>

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2023</u>	<u>2022</u>
Issued		
General		
Bonds, Notes and Loans	\$ 13,628,273	\$ 11,015,424
Less Funds Temporarily Held to Pay Bonds and Notes	<u>180,746</u>	<u>156,796</u>
Net Debt Issued	13,447,527	10,858,628
Authorized But Not Issued		
General		
Bonds and Notes	<u>1,108,371</u>	<u>3,358,542</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 14,555,898</u>	<u>\$ 14,217,170</u>

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .981% and 1.037% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2023</u></b>			
General Debt	\$ 14,736,644	\$ 180,746	\$ 14,555,898
School Debt	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,736,644</u>	<u>\$ 180,746</u>	<u>\$ 14,555,898</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
General Debt	\$ 14,373,966	\$ 156,796	\$ 14,217,170
School Debt	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,373,966</u>	<u>\$ 156,796</u>	<u>\$ 14,217,170</u>

**Statutory Borrowing Power**

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

	<u>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 52,157,125	\$ 47,974,720
Less: Net Debt	<u>14,555,898</u>	<u>14,217,170</u>
Remaining Borrowing Power	<u>\$ 37,601,227</u>	<u>\$ 33,757,550</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2023</u>	<u>2022</u>
\$3,727,000, 2017 Bonds, due in annual installments of \$300,000 to \$365,000 through April, 2030, interest at 3.00%	\$ 2,320,000	\$ 2,615,000
\$2,425,000, 2021 Refunding Bonds, due in annual installments of \$605,000 to \$615,000 through September, 2025, interest at 5.00%	1,220,000	1,815,000
\$5,525,000, 2022 Bonds, due in annual installments of \$275,000 to \$545,000 through September, 2025, interest at 5.00%	<u>5,250,000</u>	<u>5,525,000</u>
Total	<u>\$ 8,790,000</u>	<u>\$ 9,955,000</u>

**General Intergovernmental Loans Payable**

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

	<u>2023</u>	<u>2022</u>
\$172,988, 2013 Loan, due in semi- annual installments of \$5,325 to \$10,493 through February, 2033, interest at 2.00%	<u>\$ 92,652</u>	<u>\$ 101,424</u>
	<u>\$ 92,652</u>	<u>\$ 101,424</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Calendar Year	General Bonds		General Green Acres Loans		Total
	Principal	Interest	Principal	Interest	
2024	\$ 1,180,000	\$ 315,300	\$ 8,948	\$ 1,808	\$ 1,506,056
2025	1,210,000	264,900	9,128	1,629	1,485,657
2026	715,000	213,300	9,312	1,445	939,057
2027	740,000	187,750	9,499	1,258	938,507
2028	765,000	161,300	9,690	1,068	937,058
2029-2033	3,105,000	430,900	46,075	2,333	3,584,308
2034-2035	<u>1,075,000</u>	<u>48,600</u>	<u>-</u>	<u>-</u>	<u>1,123,600</u>
Total	<u>\$ 8,790,000</u>	<u>\$ 1,622,050</u>	<u>\$ 92,652</u>	<u>\$ 9,541</u>	<u>\$ 10,514,243</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
General Capital Fund					
Bonds Payable	\$ 9,955,000		\$ 1,165,000	\$ 8,790,000	\$ 1,180,000
Intergovernmental Loans Payable	<u>101,424</u>	<u>-</u>	<u>8,772</u>	<u>92,652</u>	<u>8,948</u>
General Capital Fund Long-Term Liabilities	<u>\$ 10,056,424</u>	<u>\$ -</u>	<u>\$ 1,173,772</u>	<u>\$ 8,882,652</u>	<u>\$ 1,188,948</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

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

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, December 31, <u>2022</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>						
<u>General Capital Fund</u>						
Various Capital Improvements	4.50	5/31/2024		\$ 2,328,787		\$ 2,328,787
Various Road Improvements	4.50	5/31/2024	<u>\$ 959,000</u>	<u>959,000</u>	<u>\$ 959,000</u>	<u>959,000</u>
Total General Capital Fund			<u>\$ 959,000</u>	<u>\$ 3,287,787</u>	<u>\$ 959,000</u>	<u>\$ 3,287,787</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Bond Anticipation Notes (Continued)**

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

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

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

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**C. Short Term Loan Financing**

The Borough's Intergovernmental Loans for the years ended December 31, 2023 and 2022 were as follows:

<u>General Capital Fund</u>	Balance, December 31, <u>2022</u>	<u>Issued</u>	<u>Retired</u>	Balance, December 31, <u>2023</u>
New Jersey Infrastructure				
Bank (NJ I-Bank) - Temporary Loan	\$ -	\$ 1,457,834	\$ -	\$ 1,457,834

The purpose of the NJ I-Bank Loans is to provide resources for the 2023 Road Improvements Project. The note bears interest at a variable rate adjusted monthly. The maturity date of the note will be determined upon project completion.

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2023</u></b>		
2023 Road Improvements	\$439,152	2024
Mehrhof Road Improvement Project	389,853	2024
Main Street Stormwater Pump Station Emergency Generator	201,554	2024
<b><u>2022</u></b>		
2022 Road Improvements	\$207,647	2023
Main Street Stormwater Pump Station Emergency Generator	721,435	2024

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

<u>Purpose</u>	<u>Remaining Commitment</u>
<b><u>2023</u></b>	
None	
<b><u>2022</u></b>	
Acquisition of a Fire Dept. Vehicle	\$79,940

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$1,592,087 and \$1,388,726 at December 31, 2023 and 2022, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2023 and 2022, the Borough has reserved in the Other Trust Fund \$389,175 and \$289,175, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**B. Deferred Pension Obligation**

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$353,780 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2023 and 2022 is \$120,427 and \$140,147, respectively.

During the years ended December 31, 2023, 2022 and 2021 the Borough was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>
2023	\$ 28,180
2022	29,286
2021	28,748

**Changes in Other Long-Term Liabilities**

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

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within One Year
<b><u>2023</u></b>					
Compensated Absences	\$ 1,388,726	\$ 203,361		\$ 1,592,087	
Deferred Pension Obligation	140,147	8,460	\$ 28,180	120,427	\$ 28,577
Net Pension Liability - PERS (1)	3,782,011			3,782,011	
Net Pension Liability - PFRS (1)	9,114,059			9,114,059	
Net OPEB Liability (1)	<u>13,527,063</u>	<u>-</u>	<u>-</u>	<u>13,527,063</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 27,952,006</u>	<u>\$ 211,821</u>	<u>\$ 28,180</u>	<u>\$ 28,135,647</u>	<u>\$ 28,577</u>

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

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<b><u>2022</u></b>					
Compensated Absences	\$ 1,338,972	\$ 58,306	\$ 8,552	\$ 1,388,726	
Deferred Pension Obligation	169,433		29,286	140,147	\$ 28,180
Net Pension Liability - PERS	2,889,429	892,582		3,782,011	
Net Pension Liability - PFRS	5,407,960	3,706,099		9,114,059	
Net OPEB Liability	<u>14,666,042</u>	<u>-</u>	<u>1,138,979</u>	<u>13,527,063</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 24,471,836</u>	<u>\$ 4,656,987</u>	<u>\$ 1,176,817</u>	<u>\$ 27,952,006</u>	<u>\$ 28,180</u>

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

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

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

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

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

The following represents the membership tiers for PFRS:

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

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

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2023 and 2022 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2023, 2022 and 2021, were equal to the required contributions.

During the years ended December 31, 2023, 2022 and 2021, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 1,035,554	\$ 316,028	\$ 6,697
2022	862,314	285,642	5,916
2021	975,096	263,939	5,482

In addition for the years ended December 31, 2023, 2022 and 2021 no Borough contributions were made for long-term disability insurance premiums (LTDI) for PERS and PFRS.

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

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2022, the Borough reported a liability of \$3,782,011 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .02506 percent, which was an increase of .00067 percent from its proportionate share measured as of June 30, 2021 of .02439 percent.

For the years ended December 31, 2022, the pension system has determined the Borough's pension expense (benefit) to be \$(137,922) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$285,642. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<b>2022</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 27,297	\$ 24,072
Changes of Assumptions	11,718	566,317
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	156,534	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>224,010</u>	<u>41,047</u>
Total	<u>\$ 419,559</u>	<u>\$ 631,436</u>

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

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

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (241,622)
2024	(127,827)
2025	(41,489)
2026	198,454
2027	607
Thereafter	<u>-</u>
	<u>\$ (211,877)</u>

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<b>2022</b>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

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

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<b><u>2022</u></b>	<b><u>1% Decrease (6.00%)</u></b>	<b><u>Current Discount Rate (7.00%)</u></b>	<b><u>1% Increase (8.00%)</u></b>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>4,858,776</u>	\$ <u>3,782,011</u>	\$ <u>2,865,640</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2022, the Borough reported a liability of \$9,114,059 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .07962 percent, which was an increase of .00563 percent from its proportionate share measured as of June 30, 2021 of .07399 percent.

**BOROUGH OF LITTLE FERRY**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

For the year ended December 31, 2022, the pension system has determined the Borough pension expense (benefit) to be \$(332,183) for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$862,314. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	<b>2022</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 412,527	\$ 558,360
Changes of Assumptions	24,978	1,147,280
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	834,580	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>742,439</u>	<u>1,801,865</u>
Total	<u>\$ 2,014,524</u>	<u>\$ 3,507,505</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (735,587)
2024	(638,794)
2025	(540,842)
2026	356,593
2027	41,652
Thereafter	<u>23,997</u>
	<u>\$ (1,492,981)</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u><b>2022</b></u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

***Sensitivity of Net Pension Liability***

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b><u>2022</u></b>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 12,505,473</u>	<u>\$ 9,114,059</u>	<u>\$ 6,290,690</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

***Special Funding Situation – PFRS***

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

At December 31, 2022, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,622,035. For the year ended December 31, 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$187,140, which is less than the actual contribution the State made on behalf of the Borough of \$201,935. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PFRS net pension liability attributable to the Borough was .07962 percent, which was an increase of .00563 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .07399 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

***Pension Plan Fiduciary Net Position***

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

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

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

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

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Plan Membership and Contributing Employers**

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
Contributing Nonemployers	1

**Measurement Focus and Basis of Accounting**

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

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

**Actuarial Methods and Assumptions**

In the July 1, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution**

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

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2023, 2022 and 2021 were \$746,143, \$640,637 and \$497,606, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2023, 2022 and 2021 were \$42,275, \$44,739 and \$24,253, respectively.

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2022, the Borough reported a liability of \$13,527,063, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the Borough's proportionate share was .08376 percent, which was an increase of .00228 percent from its proportionate share measured as of June 30, 2021 of .08148 percent.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

For the year ended December 31, 2022, the Plan has determined the Borough's OPEB expense to be \$793,668, based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$640,637. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<b>2022</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 698,552	\$ 2,507,342
Changes of Assumptions	1,805,243	4,616,526
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	3,561	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	3,628,769	952,799
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 6,136,125</u>	<u>\$ 8,076,667</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (509,325)
2024	(510,212)
2025	(173,386)
2026	(250,135)
2027	42,148
Thereafter	<u>(539,632)</u>
	<u>\$ (1,940,542)</u>

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

***Actuarial Assumptions***

The Borough's total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u><b>2022</b></u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55% Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25% Based on Years of Service

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

***Mortality Rates***

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

***Health Care Trends***

The trend rate for pre-Medicare medical benefits is initially 6.25 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

***Discount Rate***

The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the discount rate of 3.54% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.54% or 1-percentage-point higher 4.54% than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
<b><u>2022</u></b>	<b><u>(2.54%)</u></b>	<b><u>(3.54%)</u></b>	<b><u>(4.54%)</u></b>
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 15,680,589</u>	<u>\$ 13,527,063</u>	<u>\$ 11,794,350</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

***Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate***

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2022 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
<b><u>2022</u></b>			
Borough's Proportionate Share of the Net OPEB Liability	<u>\$ 11,475,415</u>	<u>\$ 13,527,063</u>	<u>\$ 16,154,647</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

***Special Funding Situation***

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

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$205,229. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$33,662. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .00608 percent, which was a decrease of .00007 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2020) of .00615 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

***OPEB Plan Fiduciary Net Position***

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 14 RISK MANAGEMENT**

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

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

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 8,953	\$ 19,252	\$ 30,627
2022	8,471	7,963	38,784
2021	7,917	227	37,738

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2023 and 2022, the Borough reserved \$311,577 and \$311,577, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2023 and 2022, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2023 and 2022, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

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

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

The Borough of Little Ferry has contributed \$1,709 and \$1,651 for 2023 and 2022, respectively, for each eligible volunteer fire department and first aid corp. member into the Plan. The total Borough contributions were \$73,471 and \$59,431 for 2023 and 2022, respectively.

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

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

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

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

On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**BOROUGH OF LITTLE FERRY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

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

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

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

The Borough will receive \$1,124,036 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$715,752 of the funds in the 2022 budget for capital improvements. The Borough utilized the remaining funds in the amount of \$408,284 on additional capital improvements in the 2023 budget. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

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

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

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

In addition, the agreement provides the FAA shall pay the Borough an additional one-time payment of \$250,000 for the long-term management and stewardship of the Mitigation Site by the Borough. This amount will be paid upon satisfaction of permit conditions and completion of short-term monitoring. The Borough received the \$250,000 on May 9, 2024.

**BOROUGH OF LITTLE FERRY  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 20 SUBSEQUENT EVENTS**

**Bond Anticipation Notes**

On May 29, 2024 the Borough issued bond anticipation notes in the amount of \$3,287,787 to temporarily finance expenditures related to various capital projects. The Borough awarded the sale of said notes to Bergen County Improvement Authority at an interest rate of 4.5%. These notes dated May 29, 2024 will mature on May 28, 2025.

**Debt Authorized**

On May 7, 2024 the Borough adopted a bond ordinance authorizing the issuance of \$1,900,000 in Bonds or bond anticipation notes to fund the 2024 Road Improvement Project. As of the date of this report the Borough has issued notes through the NJ Infrastructure Bank.

**I-Bank Note**

On July 9, 2024 Borough entered into a financial obligation of \$1,791,942 to the NJ Infrastructure Bank. The financing will provide resources for the 2024 Road Improvements Project.

The Note bears interest at a variable rate adjusted monthly. The maturity date of the Note will be determined upon project completion.

**CURRENT FUND**

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

Balance, December 31, 2022		\$ 18,250,588
Increased by Receipts:		
Tax Collector	\$ 37,734,560	
Revenue Accounts Receivable	2,659,716	
Miscellaneous Revenue Not Anticipated	1,169,890	
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	29,000	
Due to State of New Jersey - Marriage License Fees	893	
Due to State of New Jersey - DCA Training Fees	44,727	
Reserve for Grants Unappropriated	25,646	
Reserve for Municipal Relief Fund	97,875	
Grant Receipts	58,314	
Receipts from Other Trust Fund	60,791	
Receipts from Animal Control Fund	817	
Receipts for General Capital Fund	162,435	
Receipts from General Capital Fund	99,697	
	<u>42,144,361</u>	
		60,394,949
Decreased by Disbursements:		
2023 Budget Appropriations	15,786,052	
2022 Appropriation Reserves	584,772	
County Taxes Payable	3,487,115	
Local District School Taxes Payable	21,324,830	
Encumbrances Payable	396,867	
Accounts Payable	2,760	
Due to State of New Jersey - Marriage License Fees	668	
Due to State of New Jersey - DCA Training Fees	44,507	
Due to Length of Service Awards Program (LOSAP) Trust Fund	59,431	
Tax Overpayments	26,903	
Reserve for Library Expenses	105,139	
Reserve for Grants Appropriated	140,844	
Payments to General Capital Fund	211,700	
	<u>42,171,588</u>	
Balance, December 31, 2023		<u>\$ 18,223,361</u>

EXHIBIT A-5

**STATEMENT OF CURRENT CASH - COLLECTOR**

Increased by Receipts:		
Taxes Receivable	\$ 37,449,192	
Revenue Accounts Receivable	111,218	
Tax Overpayments	29,700	
2024 Prepaid Taxes	144,450	
	<u>\$ 37,734,560</u>	
Decreased by Disbursements:		
Payments to Treasurer		<u>\$ 37,734,560</u>

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

	Balance, December 31, <u>2022</u>	Realized <u>2023</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Municipal Alliance	\$ 11,294	\$ 9,014	\$ 4,241	\$ 16,067
National Opioid Settlement Grant		9,113	9,113	
Municipal Recycling Assistance		13,293	13,293	
Clean Communities Grant		20,517	20,517	
ARP - Firefighter Grant	41,000		20,263	20,737
Body Armor	-	1,950	1,950	-
	<u>\$ 52,294</u>	<u>\$ 53,887</u>	<u>\$ 69,377</u>	<u>\$ 36,804</u>
		Cash Receipts	\$ 58,314	
		Reserve for Grants - Unappropriated	<u>11,063</u>	
			<u>\$ 69,377</u>	

EXHIBIT A-7

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

Balance, December 31, 2022	\$ 12,374
Increased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 7,250
Veterans' Deductions Per Tax Billings	23,750
Veterans' Deductions by Tax Collector	<u>750</u>
	<u>31,750</u>
	44,124
Decreased by:	
Cash Received from State	<u>29,000</u>
Balance, December 31, 2023	<u>\$ 15,124</u>

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

<u>Year</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>	<u>Tax</u> <u>Levy</u>	<u>Added/</u> <u>Omitted</u> <u>Taxes</u>	<u>Collected In</u>		<u>Senior</u> <u>Citizens' and</u> <u>Veterans'</u> <u>Deductions</u> <u>Allowed</u>	<u>Transfers to</u> <u>Tax Title Liens</u>	<u>Cancelled</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>
				<u>2022</u>	<u>2023</u>				
2021	\$ 1,493				\$ 1,493				
2022	<u>441,926</u>	-	-	-	<u>440,861</u>	-	-	\$ 1,065	-
	443,419	-	-	-	442,354	-	-	1,065	-
2023	-	\$ 37,507,259	\$ 202,770	\$ 190,940	37,006,838	\$ 31,750	\$ 10,340	8,651	\$ 461,510
	<u>\$ 443,419</u>	<u>\$ 37,507,259</u>	<u>\$ 202,770</u>	<u>\$ 190,940</u>	<u>\$ 37,449,192</u>	<u>\$ 31,750</u>	<u>\$ 10,340</u>	<u>\$ 9,716</u>	<u>\$ 461,510</u>

Analysis of 2023 Property Tax Levy

Tax Yield

General Purpose Tax

Added Taxes (54:4-63.1 et seq.)

\$ 37,507,259

202,770

\$ 37,710,029

Tax Levy

Local District School Tax (Abstract)

\$ 21,536,738

County Taxes

County Taxes (Abstract)

\$ 3,318,368

County Open Space Preservation (Abstract)

145,180

Due County for Added Taxes

(54:63.1 et seq.)

18,823

3,482,371

Local Tax for Municipal Purposes

\$ 11,989,666

Minimum Library Tax

509,159

12,498,825

Add Additional Tax Levied

192,095

12,690,920

\$ 37,710,029

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

Balance, December 31, 2022	\$ 57,934
Increased by:	
Transfer from 2023 Taxes	<u>10,340</u>
Balance, December 31, 2023	<u>\$ 68,274</u>

EXHIBIT A-10

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

Balance, December 31, 2022	\$ 1,062,600
Balance, December 31, 2023	<u>\$ 1,062,600</u>

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

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

	Balance, December 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collected By</u> Tax <u>Collector</u> <u>Treasurer</u>		Balance, December 31, <u>2023</u>
Licenses					
Alcoholic Beverages		\$ 35,726		\$ 35,726	
Other					
Borough Clerk		42,180		42,180	
Board of Health/Registrar		15,648		15,648	
Fees and Permits					
Borough Clerk		19,207		14,272	
Board of Health/Registrar		950		950	
Police		140		140	
Planning/Zoning		3,400		3,400	
Summer Recreation		94,469		94,469	
Construction Code Fees		974,774		974,774	
Municipal Court					
Fines and Costs	\$ 7,488	92,575		92,205	\$ 7,858
Uniform Fire Safety Act		45,152		45,152	
Interest and Costs on Taxes		111,218	\$ 111,218		
Interlocal Service Agreement - BCUA		165,850		165,850	
Cell Tower Rents		57,777		57,777	
Hotel Tax		86,744		86,744	
Shared Service Agreement - Bogota Court		66,647		66,647	
Shared Service Agreement - Park Ridge - Construction Official		43,186		43,186	
Shared Service Agreement- School Resource Officer		51,690		51,690	
Energy Receipts Tax	-	944,835	-	944,835	-
	<u>\$ 7,488</u>	<u>\$ 2,852,168</u>	<u>\$ 111,218</u>	<u>\$ 2,735,645</u>	<u>\$ 7,858</u>
			Cash Receipts	\$ 2,659,716	
			Due from Other Trust Fund	<u>75,929</u>	
				<u>\$ 2,735,645</u>	

**BOROUGH OF LITTLE FERRY  
STATEMENT OF 2022 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Transfers</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>						
General Administration						
Salaries & Wages	\$ 1,745			\$ 1,745		\$ 1,745
Other Expenses-Postage	4,073		\$ 55	4,128		4,128
Other Expenses-Miscellaneous	58,909		345	59,254		59,254
Other Expenses- CDL Drug Testing	5,000			5,000		5,000
Mayor & Council						
Other Expenses	4,028			4,028	\$ 15	4,013
Municipal Clerk						
Other Expenses	13,124			13,124	1,461	11,663
Other Expenses - Elections	471			471		471
Financial Administration						
Salaries & Wages	8,266		1	8,267		8,267
Other Expenses	12,101			12,101	2,974	9,127
Audit Services						
Other Expenses			600	600		600
Revenue Administration (Collection of Taxes)						
Salaries & Wages	1			1		1
Other Expenses	5,765			5,765	120	5,645
Assessment of Taxes						
Salaries & Wages	2,760			2,760		2,760
Other Expenses	9,707			9,707	5,020	4,687
Legal Services & Costs						
Other Expenses - Fees and Costs		\$ 12,000		12,000	11,784	216
Engineering Services & Costs						
Other Expenses	3,780			3,780		3,780
Historic Society						
Other Expenses	100			100		100
Planning Board						
Other Expenses		25,561		25,561	25,560	1
Insurance						
General Liability	61,651	58,048		119,699	119,699	-
Employee Group Health	264,481	(101,462)	19,913	182,932	150,000	32,932
<b>PUBLIC SAFETY</b>						
Fire						
Salaries & Wages	204			204		204
Salaries & Wages- Uniform Fire Safety	4,933			4,933		4,933
Other Expenses - Clothing Allowance	56,300	(16,243)		40,057	39,930	127
Other Expenses - Miscellaneous	13,375	16,243		29,618	18,770	10,848
Other Expenses - Uniform Fire Safety	9,889		300	10,189		10,189
Other Expenses - Fire Hydrant Services	5,767			5,767		5,767
Police						
Salaries & Wages	1			1		1
Other Expenses - Miscellaneous	9,790			9,790	1,792	7,998
Office of Emergency Management						
Other Expenses	84			84		84

**BOROUGH OF LITTLE FERRY  
STATEMENT OF 2022 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Transfers</u>	Encumbrances <u>Cancelled</u>	Balance After Transfers and Encumbrances <u>Cancelled</u>	Paid or <u>Charged</u>	Unexpended Balance <u>Lapsed</u>
<b>PUBLIC WORKS</b>						
Streets & Roads Maintenance						
Salaries & Wages	\$ 23,162	\$ (1,900)	\$ 49	\$ 21,311		\$ 21,311
Other Expenses	563	1,900		2,463	\$ 2,435	28
Other Public Works Functions						
Other Expenses - Sewer System	16			16		16
Other Expenses - Drainage	19,370			19,370		19,370
Other Expenses- Beautification Comm.	5			5		5
Waste Collection						
Other Expenses	55,151			55,151		55,151
Buildings and Grounds						
Salaries & Wages	4,067			4,067		4,067
Other Expenses	28,459	(3,000)		25,459	19,043	6,416
Vehicle Maintenance						
Other Expenses	441	3,400		3,841	3,267	574
<b>HEALTH AND HUMAN SERVICES</b>						
Board of Health						
Salaries & Wages	284		387	671		671
Other Expenses	1,602			1,602		1,602
<b>PARK AND RECREATION FUNCTIONS</b>						
Recreation Services and Programs						
Salaries & Wages	16			16		16
Other Expenses	27,034		1,426	28,460		28,460
Maintenance of Parks and Playgrounds						
Other Expenses	2,136			2,136	646	1,490
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Salary & Wage Adjustment	15,443			15,443		15,443
Senior Citizen Program						
Other Expenses	201	453		654	654	-
Senior Citizen / Community Busing						
Salaries & Wages	2,500			2,500		2,500
Municipal Court						
Other Expenses	5,949			5,949	2,000	3,949
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>						
Uniform Construction Code Enforcement Functions						
Construction Code Official						
Other Expenses	2,716			2,716	635	2,081
Other Code Enforcement Functions						
Rent Leveling Board						
Other Expenses	50			50		50

**BOROUGH OF LITTLE FERRY  
STATEMENT OF 2022 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022	Transfers	Encumbrances Cancelled	Balance After Transfers and Encumbrances Cancelled	Paid or Charged	Unexpended Balance Lapsed
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	\$ 69,549			\$ 69,549	\$ 8,052	\$ 61,497
Street Lighting	30,198			30,198	24,093	6,105
Telephone	2,929			2,929	2,033	896
Water		\$ 5,000		5,000	1,999	3,001
Gasoline	14,842			14,842	3,155	11,687
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>						
Garbage - Tipping Fees	66,719			66,719	47,934	18,785
Recycling- Leaf Disposal	18,860			18,860	1,858	17,002
<b>DEFERRED CHARGES / STATUTORY EXPENDITURES</b>						
Statutory Charges						
Consolidated Police & Firemens' Retirement	100			100		100
Pension Adjustment Fund	100			100		100
Defined Contribution Retirement Prog (DCRP)	3,084		\$ 53	3,137		3,137
Educational Functions						
Maintenance of Free Public Library (P.L. 1985 C.82)	64,273			64,273	64,273	-
Sewerage Processing and Disposal Costs						
Bergen County Utilities Authority- Operation & Maintenance	1			1		1
Public Safety Functions						
LOSAP	50,569		1	50,570		50,570
Interlocal Municipal Services Agreement						
Bergen County Utilities Authority	129,182			129,182		129,182
Tenaflly Registrar Shared Services						
Salaries & Wages	17,832			17,832		17,832
<b>CAPITAL IMPROVEMENTS</b>						
Acquisition of Fire Department Equipment	58,360			58,360	58,360	-
Acquisition of Police Departement Equipment	2,931			2,931	2,931	-
Acquisition of OEM Equipment	523			523	523	-
Furnace Repair at Sokol Building	66,036			66,036	66,036	-
Imprvts to Recreational Facilities and Parks - ARPA	93,929			93,929	93,929	-
Replacement of Main St Pump Station - ARPA	19,320	-	-	19,320	19,320	-
	<u>\$ 1,454,807</u>	<u>\$ -</u>	<u>\$ 23,130</u>	<u>\$ 1,477,937</u>	<u>\$ 800,301</u>	<u>\$ 677,636</u>
Appropriation Reserves, December 31, 2022				\$ 1,454,807		
Encumbrances Restored				<u>23,130</u>		
				<u>\$ 1,477,937</u>		
Cash Disbursements					\$ 584,772	
Due to Other Trust Fund-						
Storm Recovery					50,000	
Accumulated Leave Compensation					100,000	
Reserve for Capital Improvements - ARPA					<u>65,529</u>	
					<u>\$ 800,301</u>	

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

	Balance, December 31, <u>2022</u>	Balance, December 31, <u>2023</u>
Tax Map	\$ <u>31,338</u>	\$ <u>31,338</u>

**STATEMENT OF RESERVE FOR RATE STABILIZATION**

	Balance, December 31, <u>2022</u>	Anticipated as Current Fund <u>Revenue</u>	Balance, December 31, <u>2023</u>
Reserve for Tax Stabilization	\$ <u>2,450,000</u>	\$ <u>300,000</u>	\$ <u>2,150,000</u>
	\$ <u>2,450,000</u>	\$ <u>300,000</u>	\$ <u>2,150,000</u>

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

Balance, December 31, 2022		\$ 616,144
Increased by:		
Charges to 2023 Budget Appropriations	\$ 744,677	
Charges to Appropriated Grant Reserves	<u>27,171</u>	
		<u>771,848</u>
		1,387,992
Decreased by:		
Cash Disbursements	396,867	
Restored to Appropriation Reserves	23,130	
Transferred to Accounts Payable	<u>196,147</u>	
		<u>616,144</u>
Balance, December 31, 2023		<u>\$ 771,848</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2022		\$ 4,744
Increased by:		
2023 Tax Levy		
County Tax (Abstract)	\$ 3,318,368	
County Open Space Preservation	145,180	
County Tax for Added Taxes (54:4-63.1)	<u>18,823</u>	
		<u>3,482,371</u>
		3,487,115
Decreased by:		
Payments		<u>3,487,115</u>
Balance, December 31, 2023		<u>\$ -</u>

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

Balance, December 31, 2022		
School Tax Deferred	\$ 6,405,244	
School Tax Payable	<u>4,112,537</u>	
		\$ 10,517,781
Increased by:		
Levy - School Year July 1, 2023 to June 30, 2024		
Raised by Taxation (Abstract)	21,536,738	
Raised by Budget Appropriation	<u>77,940</u>	
		<u>21,614,678</u>
		32,132,459
Decreased by:		
Payments	21,324,830	
Paid by Budget Appropriation - Business Personal Property Tax Adjustment	<u>77,940</u>	
		<u>21,402,770</u>
Balance, December 31, 2023		
School Tax Deferred	6,405,244	
School Tax Payable	<u>4,324,445</u>	
		<u>\$ 10,729,689</u>
2023 Liability for Local School Tax		
Tax Paid		\$ 21,324,830
Tax Payable December 31, 2023		<u>4,324,445</u>
		25,649,275
Less Tax Payable December 31, 2022		<u>4,112,537</u>
Amount Charged to 2023 Operations		<u>\$ 21,536,738</u>

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

Balance, December 31, 2022	\$ 190,940
Increased by:	
Collection of 2024 Taxes	<u>144,450</u>
	335,390
Decreased by:	
Applied to 2023 Taxes Receivable	<u>190,940</u>
Balance, December 31, 2023	<u>\$ 144,450</u>

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2022	<u>\$ 311,577</u>
Balance, December 31, 2023	<u>\$ 311,577</u>

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

	Balance, December 31, <u>2022</u>	Transfer from 2023 <u>Appropriations</u>	Paid or <u>Charged</u>	Balance, December 31, <u>2023</u>
Drunk Driving Enforcement Fund	\$ 3,397		\$ 1,138	\$ 2,259
Recycling Grant	76,631	\$ 13,293	75,000	14,924
Clean Communities Grant	38,020	20,517	36,386	22,151
Alcohol Education and Rehab	2,195			2,195
Body Armor Replacement	7,969	1,950	3,151	6,768
Municipal Alliance (including local match)	21,149	12,395	8,897	24,647
EMAA - Emergency Management Grant	10,000			10,000
ARP - Firefighter Grant	41,000		40,943	57
National Opioid Settlement Grant		9,113	2,500	6,613
Post Sandy- Losen Slote Storm water	<u>204</u>	<u>-</u>	<u>-</u>	<u>204</u>
	<u>\$ 200,565</u>	<u>\$ 57,268</u>	<u>\$ 168,015</u>	<u>\$ 89,818</u>
		Cash Disbursements	\$ 140,844	
		Encumbrances Payable	<u>27,171</u>	
			<u>\$ 168,015</u>	

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	Balance, December 31, <u>2022</u>	Cash <u>Receipts</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
American Rescue Plan Act	\$ 408,284		\$ 408,284	
Body Armor Replacement	1,950	\$ 2,228	1,950	\$ 2,228
PCB Monsanto Settlement		17,414		17,414
Alcohol Education and Rehabilitation		519		519
National Opioid Settlement Grant	<u>8,567</u>	<u>5,485</u>	<u>9,113</u>	<u>4,939</u>
	<u>\$ 418,801</u>	<u>\$ 25,646</u>	<u>\$ 419,347</u>	<u>\$ 25,100</u>
		Due to General Capital Fund	\$ 408,284	
		Anticipated as Current Fund Revenue	<u>11,063</u>	
			<u>\$ 419,347</u>	

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

Balance, December 31, 2022	\$ 3,072
Increased by:	
Transferred from Encumbrances Payable	<u>196,147</u>
	199,219
Decreased by:	
Cancelled to Operations	\$ 312
Cash Disbursements	<u>2,760</u>
	<u>3,072</u>
Balance, December 31, 2023	<u>\$ 196,147</u>

**STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND**

Balance, December 31, 2022	\$ 48,948
Increased by:	
Cash Receipts	<u>97,875</u>
	146,823
Decreased by:	
Anticipated as Current Fund Revenue	<u>48,948</u>
Balance, December 31, 2023	<u>\$ 97,875</u>

**STATEMENT OF RESERVE FOR LIBRARY EXPENSES**

Balance, December 31, 2022	\$ 105,139
Decreased by:	
Cash Disbursements	<u>105,139</u>
Balance, December 31, 2023	<u>\$ -</u>

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

Increased by:	
Cash Receipts	\$ 893
Decreased by:	
Cash Disbursements	<u>668</u>
Balance, December 31, 2023	<u>\$ 225</u>

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

Increased by:	
Cash Receipts	\$ 44,727
Decreased by:	
Cash Disbursements	<u>44,507</u>
Balance, December 31, 2023	<u>\$ 220</u>

**STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2022	\$ 4,022
Increased by:	
Cash Receipts	<u>29,700</u>
	33,722
Decreased by:	
Cash Disbursements	<u>26,903</u>
Balance, December 31, 2023	<u>\$ 6,819</u>

**BOROUGH OF LITTLE FERRY**  
**STATEMENT OF RESERVE FOR CAPITAL IMPROVEMENTS**

Increased by:	
Transfer from 2022 Appropriation Reserves	\$ <u>65,529</u>
Balance, December 31, 2023	\$ <u>65,529</u>

**TRUST FUND**

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

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Community Development Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
Balance, December 31, 2022	\$ 12,730	\$ 1,156,227	\$ 138	\$ 40,104
Increased by Receipts:				
Animal Control Licenses	\$ 3,443			
State Registration Fees	274			
Contributions - Unemployment				\$ 8,953
Escrow and Miscellaneous Trust Deposits		\$ 631,605		
Recreation Fees		76,167		
Interest on Deposits	782	39,343	\$ 7	2,142
POAA Fees		1,382		
Reserve for Affordable Housing		70,481		
Receipts for Current Fund		75,929		
Net Payroll Deposits		3,939,312		
Payroll Deductions Deposits	-	3,961,126	-	-
	<u>4,499</u>	<u>8,795,345</u>	<u>7</u>	<u>11,095</u>
	17,229	9,951,572	145	51,199
Decreased by Disbursements:				
Escrow and Miscellaneous Trust Deposits		1,035,219		
Recreation Expenditures		64,588		
State Registration Fees	269			
Expenditures Under R.S. 4:19-15.1	885			
Reserve for POAA Expenditures		3,000		
Reserve for Affordable Housing		4,245		
Unemployment Claims				15,531
Net Payroll Disbursements		3,939,391		
Payroll Deductions Expenditures		3,976,498		
Payments to Current Fund	817	60,791	-	-
	<u>1,971</u>	<u>9,083,732</u>	<u>-</u>	<u>15,531</u>
Balance, December 31, 2023	<u>\$ 15,258</u>	<u>\$ 867,840</u>	<u>\$ 145</u>	<u>\$ 35,668</u>

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

Balance, December 31, 2022		\$ 388,661
Increased by:		
Transfer from Current Fund - 2022 Appropriation Reserves	\$ 150,000	
Cash Disbursements	<u>60,791</u>	
		<u>210,791</u>
		599,452
Decreased by:		
Trust Expenditures Paid by Current Fund		
Current Fund Revenues Received in Other Trust Fund	75,929	
Interest Earned	<u>39,343</u>	
		<u>115,272</u>
Balance, December 31, 2023		<u>\$ 484,180</u>

EXHIBIT B-3

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

	Balance, December 31, <u>2022</u>	<u>Increases</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2023</u>
Tax Sale Premiums	\$ 522,499	\$ 86,100	\$ 443,700	\$ 164,899
Escrow Deposits	186,688	96,497	130,684	152,501
General Trust	55,796	449,008	460,835	43,969
Police Private Detail	1,468			1,468
Fire Prevention/Department Penalties	2,775			2,775
Snow Removal (Storm Recovery)	<u>102,580</u>	<u>50,000</u>	<u>-</u>	<u>152,580</u>
	<u>\$ 871,806</u>	<u>\$ 681,605</u>	<u>\$ 1,035,219</u>	<u>\$ 518,192</u>
	Cash Receipts	\$ 631,605		
	Due from Current Fund	<u>50,000</u>		
		<u>\$ 681,605</u>		

EXHIBIT B-4

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

Balance, December 31, 2022		\$ 4,142
Increased by:		
Animal Control Fees Collected		<u>3,443</u>
		7,585
Decreased by:		
Expenditures Under R.S. 4:19-15.1	\$ 885	
Statutory Excess	<u>1,296</u>	
		<u>2,181</u>
Balance, December 31, 2023		<u>\$ 5,404</u>

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

Balance, December 31, 2022	\$ 2
Increased by:	
State Fees Collected	<u>274</u>
	276
Decreased by:	
Payments to State	<u>269</u>
Balance, December 31, 2023	<u>\$ 7</u>

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

Balance, December 31, 2022	\$ 8,586
Increased by:	
Statutory Excess	\$ 1,296
Interest Earned	<u>782</u>
	<u>2,078</u>
	10,664
Decreased by:	
Payments to Current Fund	<u>817</u>
Balance, December 31, 2023	<u>\$ 9,847</u>

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

Balance, December 31, 2022	\$ 10,800
Increased by:	
Cash Receipts	<u>1,382</u>
	12,182
Decreased by:	
Cash Disbursements	<u>3,000</u>
Balance, December 31, 2023	<u>\$ 9,182</u>

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

Balance, December 31, 2022	\$ 271,621
Increased by:	
Cash Receipts	<u>70,481</u>
	342,102
Decreased by:	
Cash Disbursements	<u>4,245</u>
Balance, December 31, 2023	<u>\$ 337,857</u>

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

Balance, December 31, 2022	<u>\$ 70</u>
Balance, December 31, 2023	<u>\$ 70</u>

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

Balance, December 31, 2022	<u>\$ 100</u>
Balance, December 31, 2023	<u>\$ 100</u>

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

Balance, December 31, 2022		\$ 15,451
Increased by:		
Payroll Deduction Deposits	\$ 3,961,126	
Net Payroll Deposits	<u>3,939,312</u>	
		<u>7,900,438</u>
		7,915,889
Decreased by:		
Payroll Deduction Expenditures	3,976,498	
Net Payroll Disbursements	<u>3,939,391</u>	
		<u>7,915,889</u>
Balance, December 31, 2023		<u>\$ -</u>

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

Balance, December 31, 2022	\$ 200
Balance, December 31, 2023	<u>\$ 200</u>

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

Balance, December 31, 2022	\$ 85,865
Increased by:	
Cash Receipts	<u>76,167</u>
	162,032
Decreased by:	
Cash Disbursements	<u>64,588</u>
Balance, December 31, 2023	<u>\$ 97,444</u>

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

Balance, December 31, 2022	\$ 289,175
Increased by:	
Due from Current Fund - 2022 Appropriation Reserves	<u>100,000</u>
Balance, December 31, 2023	<u>\$ 389,175</u>

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

Balance, December 31, 2022	\$ 38,784
Increased by:	
Employee Payroll Deductions	\$ 8,953
Interest Earned	<u>2,142</u>
	<u>11,095</u>
	49,879
Decreased by:	
Unemployment Insurance Claims	14,211
Due to State of New Jersey	<u>5,041</u>
	<u>19,252</u>
Balance, December 31, 2023	<u>\$ 30,627</u>

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

Balance, December 31, 2022	\$ 1,320
Increased by:	
Unemployment Claims	<u>5,041</u>
	6,361
Decreased by:	
Payments	<u>1,320</u>
Balance, December 31, 2023	<u>\$ 5,041</u>

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

Balance, December 31, 2022	\$ 38
Increased by:	
Interest Earned	<u>7</u>
Balance, December 31, 2023	<u>\$ 45</u>

**GENERAL CAPITAL FUND**

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

Balance, December 31, 2022		\$ 1,561,302
Increased by Receipts:		
Interest on Investments and Deposits	\$ 94,630	
Capital Improvement Fund - Budget Appropriation	400,000	
Bond Anticipation Notes	2,328,787	
Premium on Bond Anticipation Notes	20,789	
Receipts from Current Fund	211,700	
Receipts for Reserve for Payment of Debt	<u>10,000</u>	
		<u>3,065,906</u>
		4,627,208
Decreased by Disbursements:		
Improvement Authorizations	2,400,392	
Encumbrances/Contracts Payable	995,241	
Payments to Current Fund	99,697	
Reserve for Field Improvements	<u>6,645</u>	
		<u>3,501,975</u>
Balance, December 31, 2023		<u>\$ 1,125,233</u>

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

		Balance, December 31, <u>2023</u>
Fund Balance		\$ 188,617
Due from Current Fund		(186,927)
Due from Community Development Fund		(200)
Grants Receivable		(1,360,300)
Reserve for Payment of Debt		86,796
Reserve for Field Improvements		13,600
Encumbrance/Contracts Payable		1,364,102
Capital Improvement Fund		630,375
Excess Note Proceeds		93,950
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
1273	Rental Rehabilitation Program	17,134
1360	Acquisition of Various Equipment	2,623
1361/1469	Various Capital Improvements	409
1374	Various Road Improvements	1,397
1393	Acquisition and Installation of Generators	11,482
1395	Acquisition of Various OEM Equipment	1,925
1426/1442	Various Capital Improvements	2,407
1429	Acquisition of Various Capital Items	11,823
1435	Installation of Generator at Borough Hall	1,477
1436	Improvements to Lakeview Field	47,875
1441/1462	Acquisition of Losen Slote Gate	(16,188)
1443/1481	Acquisition and Installation of Playground Equipment, Fencing and other materials at Various Playgrounds	20,411
1450	Acquisition of Furniture for Various Departments	6,574
1458/1464/1473/1529	Various Capital Improvements	35,060
1468/1475/1476	Main Street Tree Pit Improvements	294
1471/1482/1483	Street Sign Beautification	6,365
1472/1479/1490/1497/1528	Various Road Improvements	(114,000)
1474	Acquisition of Various Equipment	10,800
1488/1492	Sanitary Sewer- Public Improvements	(32,720)
1498/1504	Acquisition of Equipment, DPW Tank Clean Up & Park Imprvts	50,643
1501	Various Road Improvements	1,826
1505	Various Park Improvements	(44,113)
1511/1519	Storm water Improvements	133,060
1516/1543	Acq of Various Equipment and Storm Water Mgmt Imprvts	112,603
1530	Acq of Radio Communication System and Equipment	4,527
1535	Various Capital Improvements	(167,144)
1536	Acq of Various Vehicles, Equipment and Purchase of Sokol Building	45,492
1539	Acquisition of Various IT Equipment	4,732
1547	Acquisition of Various Vehicles, Equipment and Improvements	16,621
1548	Various Road Improvements	202,421
1565	Various Capital Improvements	532,527
1568	Acquisition of Equipment	1,732
1589	Improvements to Jackson Street	17,590
1591	Acquisition of Various Equipment	110,568
1595	Acquisition of Equipment	744
1596	Improvements to Borough Hall Building	16,000
1597	2023 Road Improvements	(1,029,633)
1598	Improvements to Mehrhof Road	269,876
		<u>\$ 1,125,233</u>

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

Balance, December 31, 2022 (Due To)		\$ 47,159
Increased by:		
Cash Receipts from Current Fund	\$ 211,700	
Interest on Investments	94,630	
Anticipated Revenue in Current Fund - General Capital Surplus	50,000	
Anticipated Revenue in Current Fund - Reserve for Payment of Debt	<u>80,000</u>	
		<u>436,330</u>
		483,489
Decreased by:		
Unappropriated Grants to Fund Improvement Authorization	408,284	
Grant Receipts Deposited in Current Fund	157,500	
Reserve for Field Improvements	4,935	
Payments to Current Fund	<u>99,697</u>	
		<u>670,416</u>
Balance, December 31, 2023 (Due From)		<u>\$ 186,927</u>

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

Balance, December 31, 2022		\$ 10,056,424
Decreased by:		
Budget Appropriation to Pay Bond Principal	\$ 1,165,000	
Budget Appropriation to Pay Loan Principal	<u>8,772</u>	
		<u>1,173,772</u>
Balance, December 31, 2023		<u>\$ 8,882,652</u>

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

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Ord. No.	Improvement Description	Balance,	2023	Grant	Balance,	Analysis of Balance, December 31, 2023			Improvement
		December 31, 2022	Authorizations	Receipts	December 31, 2023	Bond Anticipation Notes	Expenditures	Authorization	
1273	Rental Rehab Program	\$ 380,000			\$ 380,000			\$ 380,000	
1436	Improvements to Lakeview Field	1,756			1,756			1,756	
1441/1462	Acquisition of a Losen Slote Gate	33,335			33,335		\$ 16,188	17,147	
1472/1480/1490/1497/1528	Various Road Improvements	114,000			114,000		114,000		
1488/1492	Sanitary Sewer Public Improvements	36,118			36,118		32,720	3,398	
1505	Various Park Improvements	52,605			52,605		44,113	8,492	
1511/1519	Storm water Improvements	50,233			50,233			50,233	
1535	Various Capital Improvements	298,158			298,158		167,144	131,014	
1548	Various Capital Improvements	1,022,550		\$ 157,500	865,050	\$ 865,050			
1565	Various Capital Improvements	2,328,787			2,328,787	2,328,787			
		<u>-</u>	<u>\$ 1,600,000</u>	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,029,633</u>	<u>570,367</u>	
		<u>\$ 4,317,542</u>	<u>\$ 1,600,000</u>	<u>\$ 157,500</u>	<u>\$ 5,760,042</u>	<u>\$ 3,193,837</u>	<u>\$ 1,403,798</u>	<u>\$ 1,162,407</u>	
				Bond Anticipation Notes Payable		\$ 3,287,787			
				Excess Note Proceeds - Ord No. 1548		<u>93,950</u>			
						<u>\$ 3,193,837</u>			
						Improvement Authorizations - Unfunded	\$ 1,897,355		
						Less: Unexpended Proceeds			
						Ord 1548	202,421		
						Ord 1565	<u>532,527</u>		
								\$ 1,162,407	

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

								NJ DCA Local Recreation Grant	County Open Space Park
	<u>Total</u>	State of NJ OEM Main St. Pump Station <u>Ord. 1535</u>	DOT Garden Street <u>Ord. 1535</u>	DOT Paroubek Street <u>Ord. 1548</u>	DOT Wilson Street <u>Ord. 1565</u>	CDBG- Imprvts to Jackson Street <u>Ord. 1589</u>	DOT Mehrhof Road <u>Ord. 1598</u>	Lakeview Park Playground <u>Ord. 1599</u>	Lakeview Park Playground <u>Ord. 1599</u>
Balance, December 31, 2022	\$ 787,152	\$ 272,661	\$ 93,491	\$ 210,000	\$ 211,000				
Increased by:									
Grants Awarded	<u>1,360,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 122,300</u>	<u>\$ 1,100,000</u>	<u>\$ 75,000</u>	<u>\$ 63,000</u>
	2,147,452	272,661	93,491	210,000	211,000	122,300	1,100,000	75,000	63,000
Decreased by:									
Grants Received in Current Fund	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>157,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2023	<u>\$ 1,989,952</u>	<u>\$ 272,661</u>	<u>\$ 93,491</u>	<u>\$ 52,500</u>	<u>\$ 211,000</u>	<u>\$ 122,300</u>	<u>\$ 1,100,000</u>	<u>\$ 75,000</u>	<u>\$ 63,000</u>
<u>Analysis of Balance</u>									
Reserve for Receivable									
Ord. 1535	\$ 366,152								
Ord. 1548	52,500								
Ord. 1565	<u>211,000</u>								
	<u>\$ 629,652</u>								

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

2023 Authorizations

Ord. No.	Improvements	Balance, December 31, 2022		Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded	Funded by Grants	Paid or Charged	Balance, December 31, 2023	
		Funded	Unfunded					Funded	Unfunded
1273	Rental Rehabilitation Program	\$ 17,134	\$ 380,000					\$ 17,134	\$ 380,000
1360	Acquisition of Various Equipment	2,623						2,623	
1361/1469	Various Capital Improvements	409						409	
1374	Various Road Improvements	1,397						1,397	
1393	Acquisition and Installation of Generators	11,982					\$ 500	11,482	
1395	Acquisition of Various OEM Equipment	1,925						1,925	
1429	Acquisition of Various Capital Items	11,823						11,823	
1435	Installation of Generator at Borough Hall	1,477						1,477	
1436	Improvements to Lakeview Field	47,875	1,756					47,875	1,756
1441	Acquisition of a Losen Slote Grate		18,082				935		17,147
1426/1442	Various Capital Improvements	2,407						2,407	
1443/1481	Acquisition and Installation of Playground Equipment, Fencing and other materials at Various Playgrounds	20,411						20,411	
1450	Acquisition of Furniture for Various Departments	7,324					750	6,574	
1458/1464/1473/1529	Various Capital Improvements	35,060						35,060	
1471/1482/1483	Street Sign Beautification	6,365						6,365	
1474	Acquisition of Various Equipment	10,800						10,800	
1468/1475/1476	Main Street Tree Pit Improvements	294						294	
1488/1492	Sanitary Sewer Public Improvements	25,418	36,118				58,138		3,398
1498/1504	Acquisition of Equipment, DPW Tank Clean Up and Park Improvements	50,643						50,643	
1501	Various Road Improvements	2,326					500	1,826	
1505	Various Park Improvements		62,304				53,812		8,492
1511	Various Capital Improvements	133,060	50,233					133,060	50,233
1516/1543	Acq of Various Equipment and Storm Water Mgmt Imprvts	112,603						112,603	
1530	Acq of Radio Communication System and Equipment	15,365					10,838	4,527	
1535	Various Capital Improvements		138,114				7,100		131,014
1536	Acq of Various Vehicles, Equipment and Purchase of Sokol Building	49,630					4,138	45,492	
1539	Acquisition of Various IT Equipment	4,732						4,732	
1547	Acquisition of Various Vehicles, Equipment and Improvements	18,455					1,834	16,621	
1548	Various Road Improvements		299,380				96,959		202,421
1565	Various Capital Improvements		943,035				410,508		532,527
1568	Acquisition of Equipment	1,732						1,732	
1589	Improvements to Jackson Street					\$ 334,000	316,410	17,590	
1591	Acquisition of Various Equipment			\$ 305,000			194,432	110,568	
1595	Acquisition of Equipment			37,000			36,256	744	
1596	Improvements to Borough Hall Building			16,000				16,000	
1597	2023 Road Improvements				\$ 1,600,000		1,029,633		570,367
1598	Improvements to Mehrhof Road			34,000		1,100,000	864,124	269,876	
1599	Improvements to Lakeview Park Playground					138,000	138,000		
1600	Improvements to Mehrhof Road Sewer System			76,916		196,584	273,500		
1609	Improvements to Lakeview Park Playground	-	-	83,779	-	-	83,779	-	-

\$ 593,270    \$ 1,929,022    \$ 552,695    \$ 1,600,000    \$ 1,768,584    \$ 3,582,146    \$ 964,070    \$ 1,897,355

Grants Receivable    \$ 1,360,300  
Current Fund - Unappropriated Grants - ARP    408,284

\$ 1,768,584  
  
Cash Disbursements    \$ 2,400,392  
Contracts Payable    1,181,754  
  
\$ 3,582,146

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

Balance, December 31, 2022	\$ 1,177,589
Increased by:	
Charges to Improvement Authorizations	<u>1,181,754</u>
	2,359,343
Decreased by:	
Cash Disbursements	<u>995,241</u>
Balance, December 31, 2023	<u>\$ 1,364,102</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2022	\$ 783,070
Increased by:	
2023 Budget Appropriation	<u>400,000</u>
	1,183,070
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>552,695</u>
Balance, December 31, 2023	<u>\$ 630,375</u>

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

Balance, December 31, 2022	\$ <u>200</u>
Balance, December 31, 2023	\$ <u>200</u>

## EXHIBIT C-12

**STATEMENT OF GREEN ACRES LOAN PAYABLE**

Balance, December 31, 2022	\$ 101,424
Decreased by:	
Loan Principal Paid by Budget Appropriation	<u>8,772</u>
Balance, December 31, 2023	\$ <u>92,652</u>

## EXHIBIT C-13

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT**

Balance, December 31, 2022	\$ 156,796
Increased by:	
Cash Receipts	<u>10,000</u>
	166,796
Decreased by:	
Anticipated as Current Fund Revenue	<u>80,000</u>
Balance, December 31, 2023	\$ <u>86,796</u>

**BOROUGH OF LITTLE FERRY  
STATEMENT OF RESERVE FOR FIELD IMPROVEMENTS**

Balance, December 31, 2022	\$ 15,310
Increased by:	
Due from Current Fund	<u>4,935</u>
	20,245
Decreased by:	
Cash Disbursements	<u>6,645</u>
Balance, December 31, 2023	<u>\$ 13,600</u>

**STATEMENT OF I-BANK SHORT TERM LOAN PAYABLE**

Increased by:	
Loan Awarded	<u>\$ 1,457,834</u>
Balance, December 31, 2023	<u>\$ 1,457,834</u>

**STATEMENT OF I-BANK SHORT TERM LOAN RECEIVABLE**

Balance, December 31, 2022	
Increased by:	
Loan Awarded	<u>\$ 1,457,834</u>
Balance, December 31, 2023	<u>\$ 1,457,834</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2022</u>		<u>December 31, 2023</u>
General Improvement Bonds of 2017	4/27/2017	\$ 3,727,000	4/15/2024	\$ 300,000				
			4/15/2025	310,000				
			4/15/2026	320,000				
			4/15/2027	330,000				
			4/15/2028	340,000				
			4/15/2029	355,000				
			4/15/2030	365,000	3.00%	\$ 2,615,000	\$ 295,000	\$ 2,320,000
2021 Refunding Bonds	11/10/2021	2,425,000	9/1/2024	605,000				
			9/1/2025	615,000	5.00%	1,815,000	595,000	1,220,000
General Improvement Bonds of 2022	8/18/2022	5,525,000	8/1/2024	275,000	4.00%			
			8/1/2025	285,000	4.00%			
			8/1/2026	395,000	4.00%			
			8/1/2027	410,000	4.00%			
			8/1/2028	425,000	4.00%			
			8/1/2029	440,000	4.00%			
			8/1/2030	460,000	4.00%			
			8/1/2031	480,000	4.00%			
			8/1/2032	495,000	3.00%			
			8/1/2033	510,000	3.00%			
			8/1/2034	530,000	3.00%			
			8/1/2035	545,000	3.00%	<u>5,525,000</u>	<u>275,000</u>	<u>5,250,000</u>
Paid by Budget Appropriation						\$ 1,165,000		

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

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<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
1548	Various Road Improvements	4/19/2022	4/19/2022	4/19/2023	1.85 %	\$ 959,000		\$ 959,000	
			6/1/2023	5/31/2024	4.50		\$ 959,000		\$ 959,000
1565	Various Capital Improvements	6/1/2023	6/1/2023	5/31/2024	4.50	-	2,328,787	-	2,328,787
						<u>\$ 959,000</u>	<u>\$ 3,287,787</u>	<u>\$ 959,000</u>	<u>\$ 3,287,787</u>
				Renewals			\$ 959,000	\$ 959,000	
				Issued for Cash			2,328,787	-	
							<u>\$ 3,287,787</u>	<u>\$ 959,000</u>	

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

Ord. No.	Improvement Description	Balance, December 31, 2022	2023 Authorizations	Grants Received	NJ I-Bank Short Term Loan	Bond Anticipation Notes Issued	Balance, December 31, 2023
1273	Rental Rehabilitation Program	\$ 380,000					\$ 380,000
1436	Improvements to Lakeview Field	1,756					1,756
1441	Acquisition of a Losen Slote Grate	33,335					33,335
1472/1480/1490/1497	Various Road Improvements	114,000					114,000
1488	Sanitary Sewer Public Improvements	36,118					36,118
1505	Various Park Improvements	52,605					52,605
1511/1519	Stormwater Improvements on Sabina Street	50,233					50,233
1535	Various Capital Improvements	298,158					298,158
1548	Various Capital Improvements	63,550		\$ 63,550			-
1565	Various Capital Improvements	2,328,787				\$ 2,328,787	-
1597	2023 Road Program (NJTB)	-	\$ 1,600,000	-	\$ 1,457,834	-	142,166
		<u>\$ 3,358,542</u>	<u>\$ 1,600,000</u>	<u>\$ 63,550</u>	<u>\$ 1,457,834</u>	<u>\$ 2,328,787</u>	<u>\$ 1,108,371</u>

**BOROUGH OF LITTLE FERRY**

**COUNTY OF BERGEN**

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**PART II**

**GOVERNMENT AUDITING STANDARDS  
AND SINGLE AUDIT**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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CHRISTINA CUIFFO, CPA, PSA  
JOHN CUIFFO, CPA, PSA

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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Little Ferry as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated August 7, 2024. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

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

In planning and performing our audit of the financial statements, we considered the Borough of Little Ferry's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Little Ferry's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Little Ferry's internal control.

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


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


### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Little Ferry's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Little Ferry's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Little Ferry's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

  
Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR000398

Fair Lawn, New Jersey  
August 7, 2024



# LERCH, VINCI & BLISS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF  
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

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

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

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

We have audited the Borough of Little Ferry's compliance with the types of compliance requirements identified as subject to audit in New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Little Ferry's major state programs for the year ended December 31, 2023. The Borough of Little Ferry's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Little Ferry complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Little Ferry's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Little Ferry's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Little Ferry's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Little Ferry's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Little Ferry's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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.

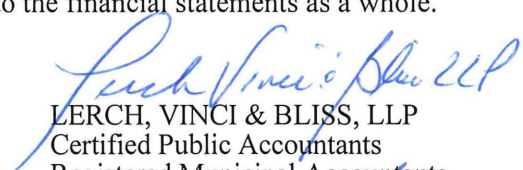
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements - regulatory basis of the Borough of Little Ferry as of and for the year ended December 31, 2023, and the related notes to the financial statements and have issued our report thereon dated August 7, 2024, which contained a modified opinion on those financial statements prepared in accordance with the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



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



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR000398

Fair Lawn, New Jersey  
August 7, 2024

**BOROUGH OF LITTLE FERRY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Funding Department</u>	<u>Grant Year</u>	<u>Federal AL Number</u>	<u>2023 Grant Receipts</u>	<u>Grant/Loan Award Amount</u>	<u>Balance, January 1, 2023</u>	<u>Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>Memo Cumulative Total Expenditures</u>
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development)									
Community Development Block Grants									
Post Sandy- Losen Slote Stormwater	2015	14.269		\$ 49,090	\$ 204			\$ 204	\$ 48,886
Improvements to Jackson Street - Ord. 1589	2023	14.218		122,300		\$ 122,300	\$ 122,300		122,300
U.S. Department of Homeland Security - FEMA									
ARP - Assistance to Firefighters Grant	2022	21.027	\$ 20,263	41,000	41,000		40,943	57	40,943
EMAA - Emergency Management Grant	2021	97.042		10,000	10,000			10,000	
U.S. Department of Treasury									
COVID-19 American Rescue Plan Act - State and Local Fiscal Recovery Funding - Non-Entitlement Units (Passed through State DLGS)	2022	21.027		1,124,036	179,285	408,284	522,040	65,529	1,058,507
					<u>\$ 230,489</u>	<u>\$ 530,584</u>	<u>\$ 685,283</u>	<u>\$ 75,790</u>	

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

**BOROUGH OF LITTLE FERRY**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, January 1, 2023</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>Memo Cumulative Total Expenditures</u>
Alcohol Education and Rehabilitation Pgm.	098-9735-760-001	2022	\$ 158		\$ 158			\$ 158	
		2021	1,590		1,590			1,590	
		2015	236		236			236	
		2013	950		211			211	\$ 739
Clean Communities Grant	042-4900-765-004	2023	20,517	\$ 20,517		\$ 20,517		20,517	-
		2022	18,292		18,292	\$ 16,658	\$ 16,658	1,634	16,658
		2021	18,174		18,174	18,174		-	18,174
		2020	17,068		1,554	1,554		-	17,068
Drunk Driving Enforcement Fund	N/A	2013	6,250		3,397		1,138	2,259	3,991
DCA Local Recreation Grant (Ord. 1599)	N/A	2023	75,000			75,000		75,000	-
Body Armor Replacement Program	066-1020-718-001	2018	3,098		247		247	-	3,098
		2019	2,866		1,681		1,681	-	2,866
		2020	2,598		2,598		1,223	1,375	1,223
		2021	2,035		2,035			2,035	-
		2022	1,408		1,408			1,408	-
		2023	1,950			1,950		1,950	-
Opioid Settlement Grant	N/A	2023	9,113			9,113	2,500	6,613	2,500
NJ Office of Emergency Management Main Street Pump Station - (Ord. 1535)	N/A	2020	272,661		272,661		272,661	-	272,661
NJ Department of Transportation Improvements to Garden Street (Ord. 1535)	078-6320-480-XXX	2020	215,000		93,491		93,491	-	215,000
Improvements to Paroubek Street (Ord. 1548)	078-6320-480-XXX	2021	210,000	157,500	210,000		210,000	-	210,000
Improvements to Wilson Street (Ord. 1565)	078-6320-480-XXX	2022	211,000		211,000		211,000	-	211,000
Improvements to Mehrhof Road (Ord. 1598)	078-6320-480-XXX	2023	1,100,000			1,100,000	830,124	269,876	830,124
Recycling Grant	042-4910-100-224	2023	13,293	13,293		13,293		13,293	-
		2022	12,046		12,046		10,415	1,631	10,415
		2021	12,432		12,432		12,432	-	12,432
		2020	11,835		11,835		11,835	-	11,835
		2019	11,835		11,835		11,835	-	11,835
		2017	21,633		21,633		21,633	-	21,633
		2016	10,727		6,850		6,850	-	10,727
NJ Infrastructure Bank (I-Bank) Loan Program 2023 Road Improvement Program (Ord. 1597)	NJTB-STLP-2023-01	2023	1,457,834			1,457,834	1,029,633	428,201	1,029,633
Municipal Alliance Program	N/A	2023	12,395	4,241		12,395		12,395	-
		2022	9,014		9,014			9,014	-
		2021	7,159		7,159		3,921	3,238	3,921
		2020	9,876		4,976	-	4,976	-	9,876
					<u>\$ 936,513</u>	<u>\$ 2,690,102</u>	<u>\$ 2,773,981</u>	<u>\$ 852,634</u>	

N/A - Not Available

**Note: This schedule is subject to Single Audit Requirements of NJ OMB 15-08.**

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

**BOROUGH OF LITTLE FERRY**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 57,268	\$ 57,268
General Capital Fund	\$ 530,584	2,632,834	3,163,418
Total Financial Awards	<u>\$ 530,584</u>	<u>\$ 2,690,102</u>	<u>\$ 3,220,686</u>

**BOROUGH OF LITTLE FERRY**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 6 STATE LOANS OUTSTANDING**

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough’s state loans outstanding at December 31, 2023, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State Account Number</u>	<u>State</u>
Green Trust Program	0230-010-028	\$ <u>92,652</u>
		\$ <u>92,652</u>

**NOTE 7 INDIRECT COST RATE**

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

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*Part I – Summary of Auditor's Results*

**Financial Statements**

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

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

Dollar threshold used to determine Type A programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	_____ yes <u>X</u> no
Type of auditors' report on compliance for major programs:	<u>Unmodified</u>
Internal Control over compliance:	
1) Material weaknesses identified?	_____ yes <u>X</u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes <u>X</u> none reported
Any audit findings disclosed that are required to be reported in accordance with NJ OMB 15-08?	_____ yes <u>X</u> no

Identification of major programs:

<u>State Number</u>	<u>Name of State Program</u>
<u>078-6320-480-XXX</u>	<u>Department of Transportation</u>
<u>NJTB - STLP - 2023-01</u>	<u>I-Bank Short Term Loan Program</u>
_____	_____

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

***Part II – Schedule of Financial Statement Findings***

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

There are none.

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable.

**CURRENT YEAR STATE AWARDS**

There are none.

**BOROUGH OF LITTLE FERRY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**STATUS OF PRIOR YEAR FINDINGS**

There were none.

**BOROUGH OF LITTLE FERRY**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

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

	<u>Year 2023</u>			<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 2,700,000	5.90 %	\$	2,500,000	5.58 %
Miscellaneous - From Other Than Local					
Property Tax Levies	4,684,350	10.23		3,971,920	8.87
Collection of Current and Delinquent Taxes	37,671,882	82.29		37,087,698	82.79
Other Credits to Income	<u>725,135</u>	<u>1.58</u>		<u>1,237,326</u>	<u>2.76</u>
Total Revenues	<u>45,781,367</u>	<u>100.00 %</u>		<u>44,796,944</u>	<u>100.00 %</u>
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	17,497,157	41.08 %		17,507,182	41.75 %
Local School Purposes	77,940	0.18		77,881	0.19
County Taxes	3,482,371	8.18		3,150,982	7.51
Local School Taxes	21,536,738	50.56		21,112,980	50.35
Other Expenditures	<u>-</u>	<u>-</u>		<u>82,129</u>	<u>0.20</u>
Total Expenditures	<u>42,594,206</u>	<u>100.00 %</u>		<u>41,931,154</u>	<u>100.00 %</u>
Excess in Revenue	3,187,161			2,865,790	
Fund Balance, January 1	<u>7,914,530</u>			<u>7,548,740</u>	
	11,101,691			10,414,530	
Less Utilization as Anticipated Revenue	<u>2,700,000</u>			<u>2,500,000</u>	
Fund Balance, December 31	<u>\$ 8,401,691</u>			<u>\$ 7,914,530</u>	

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**Comparative Schedule Of Tax Rate Information**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$2.747</u>	<u>\$2.943</u>	<u>\$3.234</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.878	.964	1.071
County (Includes Open Space)	.255	.252	.270
Local School	1.577	1.691	1.856
Library	.037	.036	.037

Assessed Valuation

2023	<u>\$1,365,389,800</u>
2022	<u>\$1,249,190,200</u>
2021	<u>\$1,115,128,900</u>

**Comparison Of Tax Levies And Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	Percentage of Collection
2023	\$ 37,710,029	\$ 37,229,528	98.73%
2022	36,819,111	36,363,264	98.76%
2021	36,550,162	35,799,157	97.94%

**Delinquent Taxes**

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2023	\$ 461,510	\$ 68,274	\$ 529,784	1.40%
2022	443,419	57,934	501,353	1.36%
2021	736,383	37,614	773,997	2.12%

**BOROUGH OF LITTLE FERRY**  
**SUPPORTING DATA**

**Property Acquired By Tax Title Lien Liquidation**

No properties have been acquired in 2023 by foreclosure or deed, as a result of liquidation of tax title liens. The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$1,062,600
2022	1,062,600
2021	1,062,600

**Comparative Schedule Of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund</u>	2023	\$8,401,691	\$3,280,000
	2022	7,914,530	2,700,000
	2021	7,548,740	2,500,000
	2020	5,076,526	2,145,000
	2019	4,360,604	1,700,000

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Mauro Raguseo	Mayor		
Jenifer Lange	Council President		
Ronald Anzalone	Councilman		
George Muller	Councilman		
Thomas Sarlo	Councilman		
Stephen Lanum	Councilman		
Peggy Steinhilber	Councilwoman		
Lisette Duffy	Borough Administrator		
Guiseppe Randazzo	Magistrate		(1)
Brigite Goncalves	Chief Financial Officer		(1)
Barbara Maldonado	Borough Clerk		
Frank Berardo	Tax Collector		(1)
Anthony Bocchi	Borough Attorney		
Kenneth Job	Borough Engineer		
Susan Price	Librarian		(1)
Michael Hofmann	Fire Sub-Code Official		(1)
Keith Dolan	Construction Code Official		(1)
Manuel Fernandez	Plumbing Sub-Code Official		(1)
Debbie Brothers	Court Clerk		(1)
Amy Way	Deputy Court Clerk		
Kellie Reyes	Alt. Borough Prosecutor		
Elsbeth J. Crusius	Borough Prosecutor		
James Walters	Chief of Police		
Matthew Rinaldi	Tax Assessor		(1)
Navarro W. Gray	Public Defender		(1)
Albert Wunsch III	Alternate Public Defender		(1)

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

# **BOROUGH OF LITTLE FERRY SUPPORTING DATA**

## **GENERAL COMMENTS**

### **Current Year**

There are none.

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500, except by contract or agreement." If the municipality has a qualifying purchasing agent ("QPA"), the bid threshold can be increased to \$40,000 or \$44,000 effective July 1, 2020. The Borough Council has not approved a QPA for calendar year 2023, therefore the bid threshold is \$17,500.

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

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

Mehrhof Road Sanitary Sewer Main Rehabilitation	Improvements for Jackson Street
Improvements for Wilson Street	2023 Road Improvement Program
Lakeview Park Replacement Project	Mehrhof Road Improvement Project

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

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

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

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

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

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

The Governing Body on January 6, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

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

**Delinquent Taxes and Tax Title Liens**

There was a tax sale held on October 19, 2023.

There were Borough owned tax title liens receivable as of December 31, 2023.

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>
2023	1
2022	1
2021	2

**BOROUGH OF LITTLE FERRY  
SUPPORTING DATA**

**RECOMMENDATIONS**

There are none.

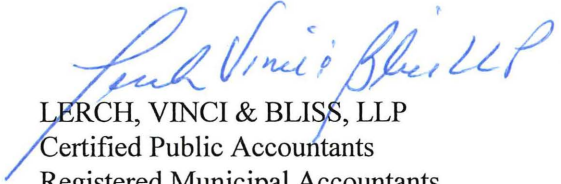
Status of Prior Year's Audit Findings/Recommendations

All prior year recommendations were corrected.

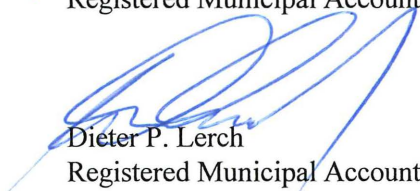
\* \* \* \* \*

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

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



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



Dieter P. Lerch  
Registered Municipal Accountant  
RMA Number CR000398