

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

BOROUGH OF MOONACHIE

TABLE OF CONTENTS

Page

Part I – Report on Audit of Financial Statements and Supplementary Schedules

Independent Auditor's Report	1-3
-------------------------------------	-----

Financial Statements

Exhibits

A	Comparative Balance Sheets – Regulatory Basis - Current Fund	4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance – Regulatory Basis - Current Fund	6
A-2	Statement of Revenues – Regulatory Basis – Current Fund	7-8
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	9-15
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	16
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	17
C-1	Comparative Statements of Changes in Fund Balances – Regulatory Basis – General Capital Fund	18
D	Comparative Balance Sheets – Regulatory Basis - Sewer Utility Operating Fund and Sewer Utility Capital Fund	19-20
D-1	Comparative Statements of Operations and Changes in Fund Balance – Regulatory Basis - Sewer Utility Operating Fund	21
D-2	Comparative Statements of Changes in Fund Balances-Regulatory Basis- Sewer Utility Capital Fund	22
D-3	Statement of Revenues – Regulatory Basis - Sewer Utility Operating Fund	22
D-4	Statement of Expenditures - Regulatory Basis - Sewer Utility Operating Fund	23
E	Comparative Balance Sheets – Regulatory Basis - Public Assistance Fund	24
F	Comparative Statements of General Fixed Asset Account Group – Regulatory Basis	25
	Notes to Financial Statements	26-70

Supplementary Schedules

Current Fund

A-4	Statement of Current Cash-Treasurer	71
A-5	Statement of Change Funds	72
A-6	Statement of Petty Cash Fund	72
A-7	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions	72
A-8	Statement of Taxes Receivable and Analysis of Property Tax Levy	73
A-9	Statement of Tax Title Liens	74
A-10	Statement of Property Acquired for Taxes (At Assessed Valuation)	74
A-11	Statement of Revenue Accounts Receivable	75
A-12	Statement of 2020 Appropriation Reserves	76-77
A-13	Statement of Encumbrances Payable	78
A-14	Statement of County Taxes Payable	78
A-15	Statement of Due to State of New Jersey	79
A-16	Statement of Local District School Taxes	79

BOROUGH OF MOONACHIE

TABLE OF CONTENTS

Supplementary Schedules (Continued)

	<u>Current Fund (Continued)</u>	<u>Page</u>
A-17	Statement of Prepaid Taxes	80
A-18	Statement of Appropriated Reserves	80
A-19	Statement of Unappropriated Reserves	80
A-22	Statement of Reserve for Tax Appeals	81
A-21	Statement of State and Federal Grant Receivables	82
A-22	Statement of Reserve for Hurricane Sandy Reimbursements	82
A-23	Statement of Tax Overpayments	83
A-24	Statement of Interlocal Due From Borough of Teterboro	83
A-25	Statement of Accounts Payable	83
	 <u>Trust Funds</u>	
B-1	Statement of Trust Cash	84
B-2	Statement of Due from Current Fund – Other Trust Fund - Escrow	85
B-3	Statement of Due to Current Fund – Other Trust Fund – Payroll	85
B-4	Statement of Miscellaneous Reserves – Other Trust Fund	86
B-5	Statement of Escrow Deposits – Other Trust Fund	86
B-6	Statement of Due To State Treasurer - Dog License Fees – Animal Control Fund	87
B-7	Statement of Reserve for Animal Control Expenditures - Animal Control Fund	87
B-8	Statement of Due To Current Fund - Animal Control Fund	88
B-9	Statement of Reserve for Unemployment Insurance Claims - Unemployment Insurance Trust Fund	88
B-10	Statement of Reserve for Payroll Salaries & Withholdings Payable – Other Trust Fund	89
B-11	Statement of Due to Current Fund - Other Trust-Flexible Spending Account	89
B-12	Statement of Due from Current Fund – Other Trust – Miscellaneous Reserves	90
	 <u>General Capital Fund</u>	
C-2	Statement of General Capital Cash	91
C-3	Analysis of General Capital Cash	92
C-4	Statement of Due from/to Current Fund	93
C-5	Statement of Deferred Charges to Future Taxation - Funded	93
C-6	Statement of Deferred Charges to Future Taxation – Unfunded	94
C-7	Statement of Improvement Authorizations	95
C-8	Statement of Contracts Payable	96
C-9	Statement of Reserve for Payment of Bonds	96
C-10	Statement of General Serial Bonds	97
C-11	Statement of Bond Anticipation Notes	98
C-12	Statement of Grant Receivables/Other Receivables	99-100
C-13	Statement of Capital Improvement Fund	101
C-14	Statement of Reserve for Preliminary Costs	101
C-15	Statement of Bonds and Notes Authorized but not Issued	102

BOROUGH OF MOONACHIE

TABLE OF CONTENTS

	<u>Page</u>
Supplementary Schedules (Continued)	
<u>Sewer Utility Fund</u>	
D-5	Statement of Cash - Sewer Utility Fund 103
D-6	Analysis of Sewer Utility Capital Cash 104
D-7	Statement of Sewer Utility Rents Receivable – Sewer Utility Operating Fund 105
D-8	Statement of Encumbrances Payable – Sewer Utility Operating Fund 105
D-9	Statement of Encumbrances Payable – Sewer Utility Capital Fund 106
D-10	Statement of Appropriation Reserves – Sewer Utility Operating Fund 107
D-11	Statement of Fixed Capital – Sewer Utility Capital Fund 108
D-12	Statement of Due From Sewer Utility Operating Fund - Sewer Utility Capital Fund 109
D-13	Statement of Capital Improvement Fund – Sewer Utility Capital Fund 110
D-14	Statement of Reserve for Amortization – Sewer Utility Capital Fund 110
D-15	Statement of Improvement Authorizations – Sewer Utility Capital Fund 111
D-16	Statement of Fixed Capital Authorized and Uncompleted – Sewer Utility Capital Fund 112
D-17	Statement of Reserve for Deferred Amortization – Sewer Utility Capital Fund 113
D-18	Statement of Bonds and Notes Authorized But Not Issued – Sewer Utility Capital Fund 114
D-19	Statement of Bond Anticipation Notes – Sewer Utility Capital Fund 115
D-20	Statement of Accrued Interest-Sewer Utility Operating Fund 116
D-21	Statement of General Serial Bonds-Sewer Utility Capital Fund 117
D-22	Statement of Reserve for Sandy Proceeds – Sewer Utility Capital Fund 118
D-23	Statement of Deferred Charges-Sewer Utility Operating Fund 118
D-24	Statement of Sewer Rent Overpayments – Sewer Utility Operating Fund 118
<u>Public Assistance Fund</u>	
E-1	Statement of Public Assistance Cash 119
E-2	Statement of Reserve for Public Assistance Expenditures 119
E-3	Statement of Public Assistance Revenues 119
E-4	Statement of Due to Current Fund – Public Assistance Fund 119

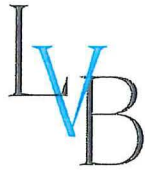
BOROUGH OF MOONACHIE

TABLE OF CONTENTS

	<u>Page</u>
 <u>Part II – Government Auditing Standards</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	120-121
Schedule of Expenditures of Federal Awards	122
Schedule of Expenditures of State Financial Assistance	123
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	124
Schedule of Findings and Questioned Costs	125-127
Summary Schedule of Prior Year Audit Findings	128
 <u>Part III – Supplementary Data and Letter of Comments and Recommendations</u>	
Comparative Statement of Operations and Changes in Fund Balance - Current Fund	129
Comparative Statement of Operations and Changes in Fund Balance - Sewer Utility Operating Fund	130
Comparative Schedule of Tax Rate Information	131
Comparison of Sewer Utility Levies	131
Comparison of Tax Levies and Collection Currently	131
Delinquent Taxes and Tax Title Liens	132
Property Acquired by Tax Title Lien Liquidation	132
Comparative Schedule of Fund Balances	132
Officials in Office and Surety Bonds	133-134
General Comments	135-137
Recommendations	138

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY

PART I
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2021



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Moonachie
Moonachie, 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 Moonachie, as of December 31, 2021 and 2020, 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 various funds for the year ended December 31, 2021, 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 Moonachie as of December 31, 2021 and 2020, 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 various funds for the year ended December 31, 2021 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 Moonachie as of December 31, 2021 and 2020, or changes in financial position, or, where applicable, cash flows 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 Moonachie 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 19 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, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 56 percent and 53 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2021 and 2020, 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 Moonachie 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 Moonachie'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 Moonachie'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 Moonachie'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 Moonachie as a whole. 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 29, 2022 on our consideration of the Borough of Moonachie'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 Moonachie'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 Moonachie's internal control over financial reporting and compliance.

Lerch Vinci & Bliss, LLP

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

Andrew D. Parente

Andrew D. Parente
Registered Municipal Accountant
RMA Number CR00529

Fair Lawn, New Jersey
August 29, 2022

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	A-4	\$ 14,315,757	\$ 13,235,278
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes Receivable	A-8	254,099	315,782
Tax Title Liens Receivable	A-9	698,730	674,293
Property Acquired for Taxes - Assessed Value	A-10	2,850	2,850
Revenue Accounts Receivable	A-11	30,646	1,785
Interlocal- Due from Borough of Teterboro	A-24	33,980	33,980
Due from Animal Control Trust Fund	B-8	45	18
Due from Other Trust Fund- Payroll	B-3	3	581
Due from Other Trust Fund- Flex Spending	B-11	1,987	1,986
Due from Public Assistance	E-4	5	40
Due from General Capital Fund	C-4	<u>16</u>	<u>-</u>
		<u>1,022,361</u>	<u>1,031,315</u>
Total Assets		<u>\$ 15,338,118</u>	<u>\$ 14,266,593</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

LIABILITIES, RESERVES AND FUND BALANCE	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 1,072,507	\$ 1,375,169
Encumbrances Payable	A-13	201,820	164,221
Accounts Payable	A-25	1,666	3,132
Senior Citizens' and Veterans' Deductions	A-7	3,111	2,851
Due to Other Trust Fund - Escrow	B-2	1,269	1,616
Due to Other Trust Fund- Miscellaneous Reserves	B-12	149,677	111,058
Due to General Capital Fund	C-4	-	3,906
Prepaid Taxes	A-17	863,395	444,003
Tax Overpayments	A-23	38,988	76,804
Local School Taxes Payable	A-16	1,472,457	1,297,905
County Taxes Payable	A-14	26,407	22,051
Appropriated Reserves- Grants	A-18	51,217	44,451
Unappropriated Reserve-Grants	A-19	147,166	5,411
Reserve for Hurricane Sandy Reimbursements	A-22	498,206	886,177
Reserve for Tax Appeals	A-20	<u>2,647,699</u>	<u>2,697,220</u>
		7,175,585	7,135,975
Reserve for Receivables and Other Assets	A	1,022,361	1,031,315
Fund Balance	A-1	<u>7,140,172</u>	<u>6,099,303</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 15,338,118</u>	<u>\$ 14,266,593</u>

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>Year 2021</u>	<u>Year 2020</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,550,000	\$ 1,466,000
Miscellaneous Revenues Anticipated	A-2	1,810,628	1,800,756
Receipts from Delinquent Taxes	A-2	315,782	182,994
Receipts from Current Taxes	A-2	20,183,139	19,203,408
Non-Budget Revenue	A-2	305,086	715,683
Other Credits to Income			
Interfunds Returned - Net	A	569	17,632
Cancellation of Accounts Payable	A		27,019
Cancellation of Lien Redemption	A		11,454
Unexpended Balance of Appropriation Reserves	A-12	<u>1,194,431</u>	<u>899,434</u>
		<u>25,359,635</u>	<u>24,324,380</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	4,194,832	4,078,600
Other Expenses	A-3	3,881,769	3,895,597
Capital Improvements	A-3	984,963	250,000
Municipal Debt Service	A-3	817,520	1,691,998
Deferred Charges and Statutory Expenditures	A-3	1,314,560	1,172,039
County Taxes	A-14	2,306,148	2,165,500
County Open Space Tax	A-14	95,832	90,918
County Share of Added and Omitted Taxes	A-14	5,093	738
Local District School Taxes	A-16	<u>9,168,049</u>	<u>8,818,946</u>
		<u>22,768,766</u>	<u>22,164,336</u>
Excess in Revenue		2,590,869	2,160,044
Fund Balance, January 1	A	<u>6,099,303</u>	<u>5,405,259</u>
		8,690,172	7,565,303
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,550,000</u>	<u>1,466,000</u>
Fund Balance, December 31	A	<u>\$ 7,140,172</u>	<u>\$ 6,099,303</u>

BOROUGH OF MOONACHIE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE UTILIZED	A-1	\$ 1,550,000	\$ 1,550,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	A-11	6,000	6,826	\$ 826
Other	A-11	8,000	12,341	4,341
Fees and Permits	A-2	2,000	6,038	4,038
Fines and Costs				
Municipal Court	A-11	14,000	17,472	3,472
Interest and Costs on Taxes	A-11	20,000	65,230	45,230
Interest on Investments and Deposits	A-2	60,000	9,577	(50,423)
Energy Receipts Tax	A-11	449,979	449,979	-
Trailer Camp Fees	A-11	64,000	67,830	3,830
Port Authority of NY in Lieu of Taxes	A-11	16,335	16,335	-
Cellular One Lease	A-11	30,000	34,361	4,361
Uniform Fire Safety Act - Local Fees	A-11	4,000	1,942	(2,058)
Uniform Construction Code Fees	A-11	60,000	92,994	32,994
Borough of Teterboro - Police Services	A-11	832,320	832,320	-
Borough of Teterboro - Emergency Management Coordinator	A-11	2,000	-	(2,000)
Borough of Teterboro- Municipal Court Services	A-11	112,387	89,647	(22,740)
Uniform Fire Safety Act - LEA	A-11	50,000	59,050	9,050
Recycling Tonnage Grant	A-21	43,275	43,275	-
Clean Communities Grant - Reserve	A-19	5,411	5,411	-
Total Miscellaneous Revenues	A-1	<u>1,779,707</u>	<u>1,810,628</u>	<u>30,921</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-8	<u>130,000</u>	<u>315,782</u>	<u>185,782</u>
LOCAL TAX FOR MUNICIPAL PURPOSES	A-2	<u>8,933,937</u>	<u>9,808,017</u>	<u>874,080</u>
Total General Revenues	A-3	<u>\$ 12,393,644</u>	<u>13,484,427</u>	<u>\$ 1,090,783</u>
Non-Budget Revenue	A-1,A-2		<u>305,086</u>	
			<u>\$ 13,789,513</u>	

BOROUGH OF MOONACHIE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collection		
Revenue from Collections	A-8	\$ 20,183,139
Less: Allocated to School and County Taxes	A-14,A-16	<u>11,575,122</u>
Balance for Support of Municipal Budget Appropriations		8,608,017
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,200,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 9,808,017</u>
ANALYSIS OF FEES & PERMITS		
Board of Health	A-11	\$ 5,617
Police	A-11	<u>421</u>
	A-2	<u>\$ 6,038</u>
ANALYSIS OF INTEREST ON INVESTMENTS		
Due from General Capital Fund	C-4	\$ 2,315
Due from Other Trust Fund - Escrow	B-2	347
Due from Other Trust Fund - Payroll	B-3	84
Due from Other Trust Fund - Flexible Spending Account	B-12	1
Due from Other Trust Fund - Miscellaneous Reserves	B-13	323
Due from Animal Control Fund	B-8	45
Due from Public Assistance Fund	E-4	5
Cash Receipts	A-11	<u>6,457</u>
	A-2	<u>\$ 9,577</u>
NON-BUDGET REVENUE		
Recycling		\$ 3,602
PSE&G Reimbursement		17,450
FEMA Reimbursement		5,057
Franchise Fees		33,768
Police Outside Duty- Admin Fees		55,113
Prior Year Police Outside Duty Fees		80,346
Insurance Dividend		105,775
Other		<u>3,975</u>
	A-2,A-4	<u>\$ 305,086</u>

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT				
General Administration				
Salaries & Wages	\$ 204,000	\$ 204,000	\$ 187,657	\$ 16,343
Other Expenses	117,600	117,600	58,196	59,404
Grant Consultant	21,000	21,000	19,500	1,500
Sandy Consultant	115,800	55,800	3,600	52,200
Mayor & Council				
Salaries & Wages	43,300	43,300	37,922	5,378
Other Expenses	5,000	5,000	1,093	3,907
Municipal Clerk				
Salaries & Wages	88,000	88,000	83,101	4,899
Other Expenses	19,800	24,800	14,945	9,855
Financial Administration				
Salaries & Wages	14,000	14,000	12,404	1,596
Other Expenses	160,550	150,550	87,832	62,718
Audit Services				
Annual Audit	40,000	40,000	40,000	
Revenue Administration				
Salaries & Wages	20,200	20,200	12,376	7,824
Other Expenses	14,700	21,700	10,623	11,077
Tax Assessment Administration				
Salaries & Wages	15,000	15,000	14,999	1
Other Expenses	47,000	43,000	16,752	26,248
Legal Services & Costs				
Salaries & Wages	41,000	41,000	40,000	1,000
Other Expenses	39,500	29,500	3,789	25,711
Engineering Services & Costs				
Other Expenses	21,000	21,000	4,796	16,204
LAND USE ADMINISTRATION				
Planning Board				
Salaries & Wages	3,200	3,200	3,028	172
Other Expenses	10,200	10,200	848	9,352
INSURANCE				
Unemployment Contribution	10,000	10,000	10,000	-
Surety Bond Premium	4,000	4,000	3,529	471
Employee Group Health	1,221,876	1,166,876	1,094,478	72,398
Health Benefit Waiver	38,000	37,000	32,829	4,171
General Liability & Workers Compensation	331,600	332,600	332,308	292
Police Department				
Salaries & Wages - Uniformed	1,729,412	1,901,412	1,843,226	58,186
Salaries & Wages - Crossing Guards	66,000	54,000	50,834	3,166
Other Expenses	165,500	169,500	104,922	64,578

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS"				
PUBLIC SAFETY FUNCTIONS				
Police Dispatch/911				
Salaries & Wages	\$ 232,000	\$ 212,000	\$ 196,177	\$ 15,823
Other Expenses	5,500	5,500	-	5,500
Emergency Management Services				
Salaries and Wages	2,500	2,500	2,390	110
Other Expenses	4,500	4,500	870	3,630
Municipal Court				
Salaries and Wages	56,500	61,500	59,921	1,579
Other Expenses	13,300	14,300	7,624	6,676
First Aid Organization				
Other Expenses-Contribution	17,000	17,000	17,000	
Other Expenses	16,000	16,000	5,734	10,266
Fire Department				
Other Expenses	115,100	115,100	75,848	39,252
Fire Hydrant Service	63,241	63,241	63,241	-
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				
Fire Official	17,500	18,500	17,678	822
Salaries & Wages	11,000	13,000	10,891	2,109
Other Expenses				-
Life Hazard Use Fee Payments (P.L. 1983, C. 383)				
Salaries & Wages	27,000	26,000	13,930	12,070
Other Expenses	6,300	6,300	2,152	4,148
Municipal Prosecutor				
Salaries & Wages	6,700	6,700	6,414	286
Occupational Safety and Health Act				
Hepatitis "B" Inoculations	2,850	2,850	-	2,850
Fire Equipment	8,200	8,200	-	8,200
First Aid Equipment	4,700	4,700	-	4,700
PUBLIC WORKS FUNCTIONS				
Streets and Road Maintenance				
Salaries & Wages	444,000	434,000	410,439	23,561
Other Expenses	60,500	60,500	28,753	31,747
Solid Waste Collection				
Recycling-Salaries & Wages	37,000	27,000	18,813	8,187
Recycling-Other Expenses	73,500	73,500	46,459	27,041
Sanitation Contractual-Other Expenses	124,000	124,000	110,051	13,949
Buildings and Grounds				
Salaries & Wages	20,000	20,000	18,942	1,058
Other Expenses	124,000	124,000	77,767	46,233
Vehicle Maintenance				
Other Expenses	132,000	132,000	75,798	56,202

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS"		<u>Modification</u>	<u>Charged</u>	
HEALTH AND HUMAN SERVICES FUNCTIONS				
Public Health Services				
Salaries & Wages	\$ 4,300	\$ 4,300	\$ 4,218	\$ 82
Other Expenses	36,700	36,700	30,956	5,744
South Bergen Mental Health				
Other Expense-Contribution	1,200	1,200	1,200	
RECREATION & EDUCATION				
Recreation Services and Programs				
Salaries & Wages	50,000	43,000	38,683	4,317
Other Expenses	20,500	20,500	6,825	13,675
Community Affairs-Senior Citizens				
Salaries & Wages	8,500	15,600	15,522	78
Other Expenses	16,000	15,900	7,154	8,746
OTHER COMMON OPERATING FUNCTIONS				
Celebration of Public Events, Anniversary or				
Holiday (RS 50:48-5.4)				
Other Expenses	19,900	19,900	15,561	4,339
Prior Year Bills	8,837	8,837	8,837	
UNIFORM CONSTRUCTION CODE				
APPROPRIATIONS OFFSET BY				
DEDICATED REVENUES				
(N.J.A.C. 5:23-4-17)				
Construction Code Official				
Salaries & Wages	53,500	53,500	52,000	1,500
Other Expenses	4,900	4,900	1,475	3,425
Sub-Code Officials				
Building Inspector - Salaries & Wages	14,600	14,600	12,505	2,095
Plumbing Inspector - Salaries & Wages	6,300	6,300	6,095	205
Electrical Inspector - Salaries & Wages	5,900	5,900	5,900	-
Fire Protection Inspector - Salaries & Wages	7,500	7,500	7,418	82
Property Maintenance Official				
Salaries & Wages	6,000	6,000	5,520	480
Rent Monitoring Board				-
Other Expenses	10,200	10,200	6,356	3,844

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS"				
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	\$ 112,500	\$ 92,500	\$ 45,047	\$ 47,453
Street Lighting	65,000	59,900	51,354	8,546
Telephone	85,100	85,100	67,938	17,162
Water	18,000	18,000	11,562	6,438
Natural Gas	52,500	48,500	18,294	30,206
Gasoline	70,000	70,000	63,949	6,051
LANDFILL/SOLID WASTE DISPOSAL COSTS				
Sanitary Landfill Tax - Tipping Fee	85,000	85,000	70,424	14,576
Total Operations Within "CAPS"	<u>6,995,066</u>	<u>6,970,966</u>	<u>5,947,272</u>	<u>1,023,694</u>
Contingent	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Operations including Contingent Within "CAPS"	<u>6,996,066</u>	<u>6,971,966</u>	<u>5,947,272</u>	<u>1,024,694</u>
Detail:				
Salaries & Wages	3,235,412	3,360,512	3,185,212	175,300
Other Expenses (Including Contingent)	<u>3,760,654</u>	<u>3,611,454</u>	<u>2,762,060</u>	<u>849,394</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Statutory Expenditures				
Social Security System (O.A.S.I.)	306,000	306,000	299,708	6,292
Police and Firemen's Retirement System	811,197	811,197	811,197	-
Public Employees Retirement System	186,363	186,363	186,363	-
DCRP	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>1,308,560</u>	<u>1,308,560</u>	<u>1,297,268</u>	<u>11,292</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>8,304,626</u>	<u>8,280,526</u>	<u>7,244,540</u>	<u>1,035,986</u>

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
PUBLIC SAFETY FUNCTIONS				
Fire Department - LOSAP	\$ 46,042	\$ 46,042	\$ 46,042	
First Aid - LOSAP	45,000	45,000	45,000	
LANDFILL/SOLID WASTE DISPOSAL				
Recycling Tax	12,000	12,000	3,178	\$ 8,822
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
PUBLIC SAFETY FUNCTIONS				
"911" Telecommunication Agreement	2,000	2,000		2,000
Shooting Range Agreement - Wood-Ridge	4,200	4,200	3,800	400
Borough of Teterboro-Police Salaries and Wages	832,320	832,320	832,320	
Borough of Teterboro-Municipal Court	112,387	112,387	104,285	8,102
Borough of Teterboro-Emergency Management Coordinator	2,000	2,000	-	2,000
Total Other Operations Excluded from "CAPS"	<u>1,055,949</u>	<u>1,055,949</u>	<u>1,034,625</u>	<u>21,324</u>
PUBLIC AND PRIVATE OFFSET BY REVENUES				
Clean Communities Grant	5,411	5,411		5,411
Recycling Tonnage Grant	<u>43,275</u>	<u>43,275</u>	<u>33,489</u>	<u>9,786</u>
Total Public and Private Programs				
Offset by Revenues	<u>48,686</u>	<u>48,686</u>	<u>33,489</u>	<u>15,197</u>
Total Operations - Excluded from "CAPS"	<u>1,104,635</u>	<u>1,104,635</u>	<u>1,068,114</u>	<u>36,521</u>
Detail:				
Salaries & Wages	834,320	834,320	832,320	2,000
Other Expenses	<u>270,315</u>	<u>270,315</u>	<u>235,794</u>	<u>34,521</u>

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
CAPITAL IMPROVEMENT EXCLUDED FROM "CAPS"				
Capital Improvement Fund	\$ 984,963	\$ 984,963	\$ 984,963	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	460,000	460,000	460,000	
Payment of Bond Anticipation Notes and Capital Notes	-	24,100	24,100	
Interest on Bonds	296,550	296,550	296,550	
Interest on Notes	36,870	36,870	36,870	-
Total Municipal Debt Service - Excluded from "CAPS"	793,420	817,520	817,520	-
Judgements	6,000	6,000	6,000	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,889,018	2,913,118	2,876,597	\$ 36,521
Subtotal General Appropriations	11,193,644	11,193,644	10,121,137	1,072,507
Reserve for Uncollected Taxes	1,200,000	1,200,000	1,200,000	-
Total General Appropriations	\$ 12,393,644	\$ 12,393,644	\$ 11,321,137	\$ 1,072,507
Reference	A-2			A

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Appropriations Budget After Modification</u>	<u>Expended Paid or Charged</u>
Budget as Adopted	A-3	<u>\$ 12,393,644</u>	
Cash Disbursed	A-4		\$ 9,919,317
Encumbrances Payable	A-13		201,820
Reserve for Uncollected Taxes	A-2		<u>1,200,000</u>
			<u>\$ 11,321,137</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-1	\$ 3,213	\$ 2,965
OTHER TRUST FUND			
Cash	B-1	928,838	905,472
Due from Current Fund - Escrow	B-2	1,269	1,616
Due from Current Fund - Miscellaneous Reserves	B-12	149,677	111,058
		<u>1,079,784</u>	<u>1,018,146</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-1	<u>63,370</u>	<u>47,712</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	1,388,427	1,162,919
Contribution Receivable	B	91,042	52,829
		<u>1,479,469</u>	<u>1,215,748</u>
Total Assets		<u>\$ 2,625,836</u>	<u>\$ 2,284,571</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Due to Current Fund	B-8	\$ 45	\$ 18
Due to State of New Jersey	B-6	41	41
Reserve for Animal Control Expenditures	B-7	<u>3,127</u>	<u>2,906</u>
		<u>3,213</u>	<u>2,965</u>
OTHER TRUST FUND			
Escrow Deposits	B-5	41,621	46,764
Reserve for Miscellaneous Deposits	B-4	1,010,131	942,566
Reserve for Payroll Salaries and Deductions Payable	B-10	26,042	26,249
Due to Current Fund- Flexible Spending	B-11	1,987	1,986
Due to Current Fund- Payroll	B-3	<u>3</u>	<u>581</u>
		<u>1,079,784</u>	<u>1,018,146</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Reserve for Unemployment Insurance	B-9	<u>63,370</u>	<u>47,712</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	<u>1,479,469</u>	<u>1,215,748</u>
Total Liabilities and Reserves		<u>\$ 2,625,836</u>	<u>\$ 2,284,571</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	C-2, C-3	\$ 5,056,852	\$ 4,671,706
Grant and Other Receivables	C-12	388,328	511,831
Due from Current Fund	C-4		3,906
Deferred Charges to Future Taxation			
Funded	C-5	8,455,000	8,915,000
Unfunded	C-6	<u>2,811,431</u>	<u>3,214,046</u>
 Total Assets		 <u>\$ 16,711,611</u>	 <u>\$ 17,316,489</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-10	\$ 8,455,000	\$ 8,915,000
Bond Anticipation Notes Payable	C-11	2,720,332	2,458,000
Contracts Payable	C-8	1,025,197	1,477,851
Due to Current Fund	C-4	16	-
Improvement Authorization			
Funded	C-7	1,553,970	1,413,682
Unfunded	C-7	730,420	1,004,310
Reserve for Payment of Debt	C-9	471,853	471,853
Reserve for Preliminary Costs	C-14	2,095	2,095
Capital Improvement Fund	C-13	1,259,714	974,751
Reserve for Federal and State Grant Receivables	C-12	354,598	478,101
Fund Balance	C-1	<u>138,416</u>	<u>120,846</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 16,711,611</u>	 <u>\$ 17,316,489</u>

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 of \$91,099 and \$756,046, respectively (Exhibit C-15).

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1, 2021	C	\$ 120,846	\$ 46,040
Increased by:			
Permanently Funded Improvement Authorizations Cancelled	C		22,723
Insurance Proceeds on Ord. 19-05 Acquisition of Police Vehicle	C		18,875
Premium on Bond Anticipation Notes Issued	C-1	17,570	28,619
Premium on Sale of Bonds Issued	C	<u>-</u>	<u>4,589</u>
Balance, December 31, 2021		<u>\$ 138,416</u>	<u>\$ 120,846</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	D-5	\$ 1,072,611	\$ 1,237,755
		<u>1,072,611</u>	<u>1,237,755</u>
Receivables With Full Reserves			
Sewer Utility Rents Receivable	D-7	<u>152,074</u>	<u>215,826</u>
Deferred Charges:			
Over-Expenditure Budget Appropriation	D-23	<u>-</u>	<u>4,158</u>
Total Assets		<u>\$ 1,224,685</u>	<u>\$ 1,457,739</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	D-4,D-10	\$ 139,227	\$ 141,528
Encumbrances Payable	D-8	14,145	-
Due to Sewer Capital Fund	D-12		881
Sewer Rent Overpayments	D-24	6,141	5,171
Accrued Interest Payable	D-20	<u>5,573</u>	<u>6,440</u>
		165,086	154,020
Reserve for Receivables	D	152,074	215,826
Fund Balance	D-1	<u>907,525</u>	<u>1,087,893</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,224,685</u>	<u>\$ 1,457,739</u>

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	D-5,D-6	\$ 1,209,780	\$ 1,115,310
Due from Sewer Utility Operating Fund	D-12		881
Fixed Capital	D-11	3,532,001	3,532,001
Fixed Capital Authorized and Uncompleted	D-16	<u>2,637,100</u>	<u>2,605,100</u>
 Total Assets		 <u>\$ 7,378,881</u>	 <u>\$ 7,253,292</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Encumbrances Payable	D-9	\$ 150,222	\$ 24,253
Bonds Payable	D-21	1,155,000	1,320,000
Bond Anticipation Notes Payable	D-19	576,635	469,000
Improvement Authorization			
Funded	D-15	604,479	565,736
Unfunded	D-15	359,370	557,203
Reserve for Amortization	D-14	3,632,001	3,467,001
Reserve for Deferred Amortization	D-17	783,030	475,065
Reserve for Sandy Proceeds	D-22		228,614
Capital Improvement Fund	D-13	64,215	96,215
Fund Balance	D-2	<u>53,929</u>	<u>50,205</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 7,378,881</u>	 <u>\$ 7,253,292</u>

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 of \$22,435 and \$406,035 respectively (Exhibit D-18).

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME			
Surplus Anticipated	D-3	\$ 287,655	
Rents	D-3	1,424,987	\$ 1,796,025
Non-Budget Revenue	D-3	59,782	72,599
Cancellation of Prepaid Rents	D		16,059
Cancellation of Due to Lienholder	D		292
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	D-10	<u>121,273</u>	<u>83,429</u>
		<u>1,893,697</u>	<u>1,968,404</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-4	1,519,497	1,721,834
Deferred Charges and Statutory Expenditures	D-4	37,658	33,500
Debt Service	D-4	<u>229,255</u>	<u>185,979</u>
		<u>1,786,410</u>	<u>1,941,313</u>
Excess in Revenue		<u>107,287</u>	<u>27,091</u>
Adjustment to Income Before Surplus:			
Expenditures Included Above Which are by Statute Deferred Charges to the Budget of Succeeding Year	D	<u>-</u>	<u>4,158</u>
Statutory Excess to Surplus		107,287	31,249
Fund Balance, January 1	D	<u>1,087,893</u>	<u>1,056,644</u>
Decreased by:			
Utilization as Anticipated Revenue	D-1	<u>287,655</u>	<u>-</u>
Fund Balance, December 31	D	<u>\$ 907,525</u>	<u>\$ 1,087,893</u>

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1, 2021	D	\$ 50,205	\$ 37,968
Increased by:			
Cancellation of Permanently Funded Authorization	D	-	2,292
Premium on Sale of Notes and Bonds	D-5	<u>3,724</u>	<u>9,945</u>
Balance, December 31, 2021	D	<u>\$ 53,929</u>	<u>\$ 50,205</u>

STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-1,D-7	\$ 287,655	\$ 287,655	
Rents	D-1,D-7	<u>1,500,000</u>	<u>1,424,987</u>	<u>\$ (75,013)</u>
	D-4	<u>\$ 1,787,655</u>	1,712,642	<u>\$ (75,013)</u>
Non-Budget Revenue	D-1		<u>59,782</u>	
			<u>\$ 1,772,424</u>	

ANALYSIS OF NON-BUDGET REVENUE

Due from Sewer Capital Fund	D-12	\$ 580
Cash Receipts	D-5	<u>59,202</u>
	D-3	<u>\$ 59,782</u>

BOROUGH OF MOONACHIE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	Budget After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 357,000	\$ 357,000	\$ 340,768	\$ 16,232	
Other Expenses	475,200	475,200	361,236	113,964	
Bergen County Utilities Authority	687,297	687,297	687,297	-	
DEFERRED CHARGES AND AND STATUTORY EXPENDITURES					
Social Security System (O.A.S.I.)	33,500	33,500	24,469	9,031	
Over-Expenditures of Appropriation	4,158	4,158	4,158		
DEBT SERVICE					
Payment of Bond Principal	165,000	165,000	165,000		
Payment of Bond Anticipation Note Principal	36,000	36,000	36,000		
Interest on Bonds	22,000	22,000	21,472		\$ 528
Interest on Notes	<u>7,500</u>	<u>7,500</u>	<u>6,783</u>	<u>-</u>	<u>717</u>
	<u>\$ 1,787,655</u>	<u>\$ 1,787,655</u>	<u>\$ 1,647,183</u>	<u>\$ 139,227</u>	<u>\$ 1,245</u>
Reference	D-3			D	D-1
	<u>Reference</u>				
Budget as Adopted	D-3	<u>\$ 1,787,655</u>			
Disbursed	D-5		\$ 1,600,625		
Encumbrances Payable	D-8		14,145		
Deferred Charges	D-23		4,158		
Accrued Interest	D-20		<u>28,255</u>		
			<u>\$ 1,647,183</u>		

BOROUGH OF MOONACHIE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
PUBLIC ASSISTANCE FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	E-1	\$ 9,512	\$ 9,547
LIABILITIES AND RESERVES			
Due to Current Fund	E-4	\$ 5	\$ 40
Reserve for Public Assistance Expenditures	E-2	9,507	9,507
Total Liabilities, Reserves and Fund Balance		\$ 9,512	\$ 9,547

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSET ACCOUNT GROUP -
REGULATORY BASIS
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Construction in Progress	\$ 2,752,967	\$ 2,307,155
Land	1,612,000	1,617,100
Buildings and Building Improvements	10,319,710	10,154,710
Machinery and Equipment	<u>6,466,941</u>	<u>6,521,540</u>
	<u>\$ 21,151,618</u>	<u>\$ 20,600,505</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 21,151,618</u>	<u>\$ 20,600,505</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Moonachie (the "Borough") was incorporated in 1910 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. 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 volunteer fire department or volunteer ambulance 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 Moonachie 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 MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 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.

Unemployment Insurance 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 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.

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's sanitary sewerage system and the assets and liabilities relative to such activities. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

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

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the sewer utility fund. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2020 balances to conform to the December 31, 2021 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 Moonachie 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 MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Sewer Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

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

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

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

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

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

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

Incurring But Not Reported (IBNR) Reserves and Claims Payable - The Borough has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Borough has not received notices or report of losses (i.e. IBNR). Additionally, the Borough has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). 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 potential claims are recorded as a long-term obligation in the government-wide financial statements.

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Moonachie has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$3,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

General Fixed Assets purchased after December 31, 2014 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, 2014 are stated as follows:

Land and Buildings	Assessed Value - 1986
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.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the sewer utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement 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 proprietary-type funds as well as 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.

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 Fund
General Capital Fund
Sewer Utility Capital Fund
Public Assistance Fund

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 2021 and 2020 the Current Fund and Sewer Utility Operating Fund budgets were not increased. However, the governing body approved several budget transfers during 2021 and 2020.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>2021</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
There were none.			
<u>2020</u>			
Sewer Utility Operating Fund			
Debt Service			
Interest on Bonds	\$2,688	\$6,846	\$4,158

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

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 all deposits not covered by the FDIC or NCUSIF.

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, 2021 and 2020, the book value of the Borough's deposits were \$22,659,933 and \$21,225,745 and bank and brokerage firm balances of the Borough's deposits amounted to \$22,957,500 and \$21,477,062, 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>2021</u>	<u>2020</u>
Insured	\$ 22,957,500	\$ 21,477,062

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, 2021 and 2020, the Borough's bank balances were not exposed to custodial credit risk.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2021 and 2020 the Borough had the following investments:

	<u>Fair Value</u>
<u>2021</u>	
Lincoln Financial Group (LOSAP)	
Investment Fund (Unaudited)	<u>\$ 1,388,427</u>
<u>2020</u>	
Lincoln Financial Group (LOSAP)	
Investment Fund (Unaudited)	<u>\$ 1,162,919</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, 2021 and 2020, \$1,388,427 and \$1,162,919 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<u>2021</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	<u>\$ 1,388,427</u>
<u>2020</u>	
Uninsured and Collateralized:	
Collateral held by pledging financial institution's trust department but not in the Borough's name (unaudited)	<u>\$ 1,162,919</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2021 and 2020, the Borough's investment in Lincoln Financial Group was rated Baa1 by Moody's Investors 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 Moonachie 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, 2021 and 2020 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. Interest earned in the Sewer Utility Capital Fund is assigned to the Sewer Utility Operating Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2021 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Total</u>
<u>2021</u>			
Property Taxes	\$ 254,099		\$ 254,099
Tax Title Liens	698,730		698,730
Sewer Utility Charges and Fees	-	\$ 152,074	152,074
	<u>\$ 952,829</u>	<u>\$ 152,074</u>	<u>\$ 1,104,903</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE (Continued)

In 2021, the Borough collected \$315,782 and \$147,476 from delinquent taxes and sewer utility charges and fees, which represented 32% and 68% of the delinquent tax and sewer charges receivable at December 31, 2020.

Receivables at December 31, 2020 consisted of the following:

	<u>Current Fund</u>	<u>Sewer Utility Operating Fund</u>	<u>Total</u>
<u>2020</u>			
Property Taxes	\$ 315,782		\$ 315,782
Tax Title Liens	674,293		674,293
Utility Charges and Fees	<u>-</u>	<u>\$ 215,826</u>	<u>215,826</u>
	<u>\$ 990,075</u>	<u>\$ 215,826</u>	<u>\$ 1,205,901</u>

In 2020, the Borough collected \$182,994 and \$346,783 from delinquent taxes and sewer utility charges and fees, which represented 23% and 100% of the delinquent tax and sewer charges receivable at December 31, 2019.

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>2021</u>		<u>2020</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	\$ 2,056	\$ 150,946	\$ 2,625	\$ 116,580
Trust Fund:				
Animal Control Fund		45		18
Other Trust Fund- Flexible Spending		1,987		1,986
Other Trust Fund - Escrow	1,269		1,616	
Other Trust Fund - Payroll		3		581
Other Trust Fund - Miscellaneous Reserves	149,677		111,058	
General Capital Fund	-	16	3,906	
Sewer Utility Operating Fund		-		881
Sewer Utility Capital Fund	-		881	
Public Assistance Fund	<u>-</u>	<u>5</u>	<u>-</u>	<u>40</u>
Total	<u>\$ 153,002</u>	<u>\$ 153,002</u>	<u>\$ 120,086</u>	<u>\$ 120,086</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2021</u>			
There are none			
<u>2020</u>			
Sewer Utility Operating Fund			
Overexpenditure of Appropriations	\$ 4,158	\$ 4,158	\$ -
	<u>\$ 4,158</u>	<u>\$ 4,158</u>	<u>\$ -</u>

NOTE 7 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, 2021 and 2020 are as follows:

	<u>2021</u> Local District <u>School</u>	<u>2020</u> Local District <u>School</u>
Balance of Tax Deferred	\$ 4,576,267 <u>3,103,810</u>	\$ 4,401,715 <u>3,103,810</u>
Taxes Payable	<u>\$ 1,472,457</u>	<u>\$ 1,297,905</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 8 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Sewer Utility Operating Fund are 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:

	2021		2020	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 7,140,172	\$ 1,670,000	\$ 6,099,303	\$ 1,550,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,140,172</u>	<u>\$ 1,670,000</u>	<u>\$ 6,099,303</u>	<u>\$ 1,550,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 907,525	\$ 320,525	\$ 1,083,735	\$ 287,655
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>4,158</u>	<u>-</u>
	<u>\$ 907,525</u>	<u>\$ 320,525</u>	<u>\$ 1,087,893</u>	<u>\$ 287,655</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 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, 2021 and 2020.

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Construction in Progress	\$ 2,307,155	\$ 445,812		\$ 2,752,967
Land	1,617,100		\$ 5,100	1,612,000
Buildings and Building Improvements	10,154,710	165,000		10,319,710
Machinery and Equipment	<u>6,521,540</u>	<u>120,401</u>	<u>175,000</u>	<u>6,466,941</u>
	<u>\$ 20,600,505</u>	<u>\$ 731,213</u>	<u>\$ 180,100</u>	<u>\$ 21,151,618</u>
	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Construction in Progress	\$ 989,097	\$ 1,318,058		\$ 2,307,155
Land	1,617,100			1,617,100
Buildings and Building Improvements	9,832,162	322,548		10,154,710
Machinery and Equipment	<u>6,137,327</u>	<u>384,213</u>	<u>-</u>	<u>6,521,540</u>
	<u>\$ 18,575,686</u>	<u>\$ 2,024,819</u>	<u>\$ -</u>	<u>\$ 20,600,505</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 FIXED ASSETS (Continued)

B. Sewer Utility Fund Fixed Assets

The following is a summary of changes in the Sewer Utility Fund fixed assets for the years ended December 31, 2021 and 2020.

	Balance January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2021</u>
<u>2021</u>				
Fixed Capital				
System and System Improvements and Vehicles and Equipment	\$ 3,532,001	\$ -	\$ -	\$ 3,532,001
	<u>\$ 3,532,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,532,001</u>
	Balance January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2020</u>
<u>2020</u>				
Fixed Capital				
System and System Improvements and Vehicles and Equipment	\$ 3,491,793	\$ 40,208	\$ -	\$ 3,532,001
	<u>\$ 3,491,793</u>	<u>\$ 40,208</u>	<u>\$ -</u>	<u>\$ 3,532,001</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 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 both general capital and utility capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. 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>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Notes and Loans	\$ 11,175,332	\$ 11,373,000
Sewer Utility		
Bonds, Notes and Loans	<u>1,731,635</u>	<u>1,789,000</u>
	12,906,967	13,162,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>471,853</u>	<u>471,853</u>
Net Debt Issued	<u>12,435,114</u>	<u>12,690,147</u>
Authorized But Not Issued		
General		
Bonds and Notes	91,099	756,046
Sewer Utility		
Bonds and Notes	<u>22,435</u>	<u>406,035</u>
	<u>113,534</u>	<u>1,162,081</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 12,548,648</u>	<u>\$ 13,852,228</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 1.085% and 1.282% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 11,266,431	\$ 471,853	\$ 10,794,578
Utility Debt	<u>1,754,070</u>	<u>1,754,070</u>	<u>-</u>
Total	<u>\$ 13,020,501</u>	<u>\$ 2,225,923</u>	<u>\$ 10,794,578</u>
<u>2020</u>			
General Debt	\$ 12,129,046	\$ 471,853	\$ 11,657,193
Utility Debt	<u>2,195,035</u>	<u>2,195,035</u>	<u>-</u>
Total	<u>\$ 14,324,081</u>	<u>\$ 2,666,888</u>	<u>\$ 11,657,193</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>2021</u>	<u>2020</u>
3.5% of Equalized Valuation Basis (Municipal)	\$ 34,821,209	\$ 31,827,440
Less: Net Debt	<u>10,794,578</u>	<u>11,657,193</u>
Remaining Borrowing Power	<u>\$ 24,026,631</u>	<u>\$ 20,170,247</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 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>2021</u>	<u>2020</u>
\$7,670,000, 2018 Bonds, due in annual installments of \$295,000 to \$500,000 through October 15, 2038, interest at 3.00% to 5.00%	\$ 6,920,000	\$ 7,170,000
\$1,790,000, 2020 Bonds, due in annual installments of \$210,000 to \$230,000 through October 15, 2028, interest at 1.00% to 2.00%	<u>1,535,000</u>	<u>1,745,000</u>
	<u>\$ 8,455,000</u>	<u>\$ 8,915,000</u>

Sewer Utility Bonds

The Borough pledges revenue from operations to pay debt service on utility bonds issued. The sewer utility bonds outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$460,000, 2012 Bonds, due in an annual installment of \$50,000 through August 15, 2022, interest at 2.25%	\$ 50,000	\$ 100,000
\$1,255,000, 2020 Bonds, due in an annual installment of \$130,000 through October 15, 2030, interest at 1.50% through 2.00%	<u>1,105,000</u>	<u>1,220,000</u>
	<u>\$ 1,155,000</u>	<u>\$ 1,320,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 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, 2021 is as follows:

Calendar Year	<u>General</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 505,000	\$ 281,950	\$ 165,000	\$ 19,938	\$ 971,888
2023	520,000	264,050	115,000	17,088	916,138
2024	535,000	245,575	120,000	15,363	915,938
2025	560,000	226,350	120,000	13,563	919,913
2026	575,000	206,050	125,000	11,763	917,813
2027-2028	1,210,000	358,362	250,000	17,585	1,835,947
2029-2033	2,110,000	641,038	260,000	7,800	3,018,838
2034-2038	2,440,000	262,475	-	-	2,702,475
	<u>\$ 8,455,000</u>	<u>\$ 2,485,850</u>	<u>\$ 1,155,000</u>	<u>\$ 103,100</u>	<u>\$ 12,198,950</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	Balance, January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
General Capital Fund Bonds Payable	<u>\$ 8,915,000</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 8,455,000</u>	<u>\$ 505,000</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,915,000</u>	<u>\$ -</u>	<u>\$ 460,000</u>	<u>\$ 8,455,000</u>	<u>\$ 505,000</u>
Sewer Utility Capital Fund Bonds Payable	<u>\$ 1,320,000</u>	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 1,155,000</u>	<u>\$ 165,000</u>
Sewer Utility Capital Fund Long-Term Liabilities	<u>\$ 1,320,000</u>	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 1,155,000</u>	<u>\$ 165,000</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within One Year
<u>2020</u>					
General Capital Fund					
Bonds Payable	\$ 7,570,000	\$ 1,790,000	\$ 445,000	\$ 8,915,000	\$ 460,000
General Capital Fund Long-Term					
Liabilities	\$ 7,570,000	\$ 1,790,000	\$ 445,000	\$ 8,915,000	\$ 460,000
Sewer Utility Capital Fund					
Bonds Payable	\$ 145,000	\$ 1,255,000	80,000	\$ 1,320,000	\$ 165,000
Sewer Utility Capital Fund Long-Term					
Liabilities	\$ 145,000	\$ 1,255,000	\$ 80,000	\$ 1,320,000	\$ 165,000

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, January 1, <u>2021</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2021</u>
<u>2021</u>						
<u>General Capital Fund</u>						
<u>Purpose</u>						
Construction of DPW Building	1.00%	10/14/2022	\$ 1,603,000	\$ 1,578,900	1,603,000	\$ 1,578,900
Construction of New Municipal Building	1.00%	10/14/2022	475,000	96,485	475,000	96,485
Construction of DPW Building	1.00%	10/14/2022	380,000	380,000	380,000	380,000
Various Acquisitions and Improvements	1.00%	10/14/2022	-	664,947	-	664,947
General Capital Bond Anticipation Notes Payable			\$ 2,458,000	\$ 2,720,332	\$ 2,458,000	\$ 2,720,332

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>2021</u>	Rate (%)	Maturity Date	Balance, January 1, 2021	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2021
<u>Sewer Utility Capital Fund</u>						
<u>Purpose</u>						
Hurricane Sandy Improvements	1.00%	10/14/2022	\$ 469,000	\$ 433,000	\$ 469,000	\$ 433,000
Acquisition of Generators for Moonachie Ave Pump Station and Lincoln Place Pump Station	1.00%	10/14/2022	-	143,635	-	143,635
Sewer Utility Capital Bond Anticipation Notes Payable			\$ 469,000	\$ 576,635	\$ 469,000	\$ 576,635
Total Bond Anticipation Notes Payable			\$ 2,927,000	\$ 3,296,967	\$ 2,927,000	\$ 3,296,967

<u>2020</u>	Rate (%)	Maturity Date	Balance, January 1, 2020	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2020
<u>General Capital Fund</u>						
<u>Purpose</u>						
Tax Appeal Refunding						
Construction of Municipal Building	1.42%	10/16/2020	\$ 871,353		\$ 871,353	
Construction of DPW Building	1.50%	10/15/2021	1,900,000	\$ 1,603,000	1,900,000	\$ 1,603,000
Various Acquisitions and Improvements	1.42%	10/16/2020	783,750		783,750	-
Construction of New Municipal Building	1.50%	10/15/2021	475,000	475,000	475,000	475,000
Moonachie Road Streetscape Project PH III	1.42%	10/16/2020	300,000	-	300,000	-
Construction of DPW Building	1.50%	10/15/2021	-	380,000	-	380,000
General Capital Bond Anticipation Notes Payable			\$ 4,330,103	\$ 2,458,000	\$ 4,330,103	\$ 2,458,000

<u>2020</u>	Rate (%)	Maturity Date	Balance, January 1, 2020	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2020
<u>Sewer Utility Capital Fund</u>						
<u>Purpose</u>						
Hurricane Sandy Improvements	1.50%	10/15/2021	\$ 684,877	\$ 469,000	\$ 684,877	\$ 469,000
Sewer Capital Improvements	1.42%	10/16/2020	313,352		313,352	-
Acquisition of Generators	1.42%	10/16/2020	109,000		109,000	-
Imp. To Moonachie Ave Sanitary Sewer Pump	1.42%	10/16/2020	318,668	-	318,668	-
Sewer Utility Capital Bond Anticipation Notes Payable			\$ 1,425,897	\$ 469,000	\$ 1,425,897	\$ 469,000
Total Bond Anticipation Notes Payable			\$ 5,756,000	\$ 2,927,000	\$ 5,756,000	\$ 2,927,000

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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. The amounts issued for the sewer utility activities are accounted for in the Sewer Utility 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.

NOTE 11 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2021</u>			
	DPW Facility	\$ 108,959	12/31/2022
	Streetscape Improvements Phase III	272,975	12/31/2022
	Joseph Street Park Equipment & Install	524,491	12/31/2022
<u>2020</u>			
	Municipal Building Complex	\$ 550,022	12/31/2021
	Purchase of Police Console and Communication Equipment	14,312	12/31/2021
	DPW Facility	541,200	12/31/2021
	Streetscape Improvements Phase III	272,975	12/31/2021

NOTE 12 OPERATING LEASES

The Borough leases copiers under noncancelable operating leases. Lease payments for the years ended December 31, 2021 and 2020 were \$2,570 and \$3,915, respectively. The future minimum lease payments for these leases are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2022	\$ 3,120
2023	3,120
2024	3,120
2025	1,040
Total	<u>\$ 10,400</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 13 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 \$782,951 and \$777,849 at December 31, 2021 and 2020, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$732,393 and \$637,394, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 777,849	\$ 60,103	\$ 55,001	\$ 782,951	
Net Pension Liability - PERS (1)	2,778,093			2,778,093	
Net Pension Liability - PFRS (1)	9,382,392			9,382,392	-
Net OPEB Liability	12,657,200	381,990	2,390,297	10,648,893	-
Other Long Term Liabilities	<u>\$ 25,595,534</u>	<u>\$ 442,093</u>	<u>\$ 2,445,298</u>	<u>\$ 23,592,329</u>	<u>\$ -</u>
	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 713,625	\$ 64,224		\$ 777,849	
Net Pension Liability - PERS	2,788,320		\$ 10,227	2,778,093	
Net Pension Liability - PFRS	8,531,721	850,671		9,382,392	-
Net OPEB Liability	11,975,678	681,522	-	12,657,200	-
Other Long Term Liabilities	<u>\$ 24,009,344</u>	<u>\$ 1,596,417</u>	<u>\$ 10,227</u>	<u>\$ 25,595,534</u>	<u>\$ -</u>

(1) GASB Statement Number 68 Pension financial information was not provided by the State's Division of Pensions and Benefits.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 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) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

Tier	Definition
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) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

Tier	Definition
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

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours 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 PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

Measurement Focus and Basis of Accounting

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

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

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 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 2021 and 2020 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 2021, 2020 and 2019 were equal to the required contributions.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2021, 2020 and 2019, 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>
2021	\$ 811,197	\$ 186,363
2020	704,209	150,524
2019	638,428	201,272

In addition for the years ended December 31, 2021, 2020 and 2019 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$306 and \$147.

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, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough reported a liability of \$2,778,093 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020, the Borough's proportionate share was 0.01704 percent, which was an increase of .00157 percent from its proportionate share measured as of June 30, 2019 of 0.01547 percent.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2020, the pension system has determined the Borough's pension expense (benefit) to be \$113,019 for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$150,524. At December 31, 2020, 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:

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 50,585	\$ 9,825
Changes of Assumptions	90,124	1,163,214
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	94,957	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>432,200</u>	<u>96,693</u>
Total	<u>\$ 667,866</u>	<u>\$ 1,269,732</u>

At December 31, 2020 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (290,790)
2022	(216,080)
2023	(78,354)
2024	(9,875)
2025	(6,767)
Thereafter	<u>-</u>
	<u>\$ (601,866)</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

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, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2020 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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2020</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,497,156</u>	<u>\$ 2,778,093</u>	<u>\$ 2,167,949</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020 the Borough reported a liability of \$9,382,392 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020, the Borough's proportionate share was .07261 percent, which was an increase of .00289 percent from its proportionate share measured as of June 30, 2019 of .06972 percent.

For the year ended December 31, 2020, the pension system has determined the Borough pension expense (benefit) to be \$787,617 for PFRS based on the actuarial valuations which is more than the actual contribution reported in the Borough's financial statements of \$704,209. At December 31, 2020, 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:

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 94,590	\$ 33,672
Changes of Assumptions	23,611	2,515,363
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	550,134	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,074,953</u>	<u>277,817</u>
Total	<u>\$ 1,743,288</u>	<u>\$ 2,826,852</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

At December 31, 2020 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</u> <u>Ending</u> <u>December 31,</u>	<u>Total</u>
2021	\$ (588,091)
2022	(394,367)
2023	(155,716)
2024	72,331
2025	(17,721)
Thereafter	-
	<u>\$ (1,083,564)</u>

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

2020

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable

Investment Rate of Return	7.00%
---------------------------	-------

Mortality Rate Table	Pub - 2010
----------------------	------------

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

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

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

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, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	2020	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

Calendar		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<u>2020</u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 12,476,650</u>	<u>\$ 9,382,392</u>	<u>\$ 6,812,374</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,456,103. For the year ended December 31, 2020, 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 \$165,020 which is more than the actual contribution the State made on behalf of the Borough of \$112,046. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was .07261 percent, which was an increase of .00289 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .06972 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.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 15 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description

The Borough provides a postemployment healthcare plan (OPEB) for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Bergen Municipal Employee Benefits Fund on behalf of the Borough. In accordance with Borough ordinances, contracts and/or policies, the Borough can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements at the time of retirement at the same cost to the retiree as there would be, if any, if they remained an employee. Coverage for a retiree's surviving spouse and/or dependents are eligible for subsidized coverage upon the death of the retiree. Police hired prior to January 1, 2019 who have at least twenty-five (25) years of service with the Borough at the time of retirement are eligible for life time employer provided post-retirement health coverage and end at age 65 for all others. Both the Department of Public Works and Police Dispatchers get health benefits until age 65 and all other employees are not eligible for employer provided post-retirement health coverage.

Employees Covered by Postemployment Benefits

At December 31, 2021 and 2020, the following employees were covered by postemployment health care benefits:

	<u>2021</u>	<u>2020</u>
Active Employees	28	28
Inactive Employees or Beneficiaries Currently Receiving Benefits	<u>22</u>	<u>22</u>
	<u>50</u>	<u>50</u>

At December 31, 2021 and 2020, the Borough's total OPEB liabilities were \$10,648,893 and \$12,657,200, respectively. Net OPEB liability was measured as of December 31, 2020 and December 31, 2019, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

For the years ended December 31, 2021 and 2020, the Borough has determined it's OPEB expense to be \$389,071 and \$697,263, respectively, based on the actuarial valuations which are less than the actual contributions reported in the Borough's financial statements of \$1,444,853 and \$1,409,163, respectively. At December 31, 2021 and 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<u>2021</u>		<u>2020</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Changes of Assumptions	\$ 1,646,541	\$ (1,649,905)	\$ 1,902,154
Total	<u>\$ 1,646,541</u>	<u>\$ (1,649,905)</u>	<u>\$ 1,902,154</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 15 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ 7,081
2023	7,081
2024	7,081
2025	7,081
2026	7,081
Thereafter	<u>(38,769)</u>
	<u>\$ (3,364)</u>

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2021 was based on the December 31, 2021 measurement date as determined by an actuarial valuation as of December 31, 2021. The total OPEB liability reported for the year ended December 31, 2020 was based on the December 31, 2020 measurement date as determined by an actuarial valuation as of December 31, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completion of 25 years of service Benefits payable for life for Police hired prior to January 1, 2020 and end at age 65 for all others</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.12% Based on the Bond Buyer 20 Index December 31, 2020 2.06% Based on the Bond Buyer 20 Index December 31, 2021</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 5.5% in 2021, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 7.0% in 2021, reducing by 0.5% per annum leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 15 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Actuarial Assumptions (Continued)

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2021 medical premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (45) and scaled to each age based on the medical cost aging factors. At age 65, Medicare Advantage becomes the primary payor of medical benefits and aging factors are not applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.
- Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2021 salaries were reported as \$2.633 million.

The actuarial assumptions used in the December 31, 2021 and December 31, 2020 valuations were based on the results of an actuarial experience study for the period December 31, 2021 and December 31, 2020, respectively.

Changes in the Total OPEB Liability

The change in the Borough's OPEB liability for the years ended December 31, 2021 and 2020 based on measurement dates of December 31, 2021 and December 31, 2020, respectively are as follows:

	Total OPEB Liability 2021	Total OPEB Liability 2020
Balance - Beginning of Year	\$ 12,657,200	\$ 11,975,678
Changes for the Year:		
Service Cost	116,403	116,403
Interest on the Total OPEB Liability	265,587	325,247
Changes of Benefit Terms		
Differences Between Expected and Actual Experience		
Changes in Assumptions	(1,898,437)	683,381
Benefit Payments	(491,860)	(443,509)
Net Changes	(2,008,307)	681,522
Balance - End of Year	\$ 10,648,893	\$ 12,657,200

Changes of assumptions for 2021 reflect a change in the discount rate from 2.12 percent in 2020 to 2.06 percent in 2021.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 15 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2021 and 2020 calculated using the discount rate of 2.06% and 2.12%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.06% and 1.12%, respectively or 1-percentage-point higher 3.06% and 3.12%, respectively than the current rate:

	1% Decrease (1.06%)	Current Discount Rate (2.06%)	1% Increase (3.06%)
<u>2021</u>			
Net OPEB Liability	<u>\$ 11,555,815</u>	<u>\$ 10,648,893</u>	<u>\$ 9,883,867</u>
	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
<u>2020</u>			
Net OPEB Liability	<u>\$ 13,071,576</u>	<u>\$ 12,657,260</u>	<u>\$ 12,301,987</u>

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

The following presents the Borough's net OPEB liability as of December 31, 2021 and 2020 calculated using the healthcare trend rates as disclosed above as well as what the Borough's 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:

	1% Decrease (4.5%)	Healthcare Cost Trend Rates (5.5%)	1% Increase (6.5%)
<u>2021</u>			
Net OPEB Liability	<u>\$ 9,977,003</u>	<u>\$ 10,648,893</u>	<u>\$ 11,448,522</u>
	1% Decrease (4.60%)	Healthcare Cost Trend Rates (5.60%)	1% Increase (6.60%)
<u>2020</u>			
Net OPEB Liability	<u>\$ 12,145,428</u>	<u>\$ 12,657,200</u>	<u>\$ 13,228,114</u>

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 16 RISK MANAGEMENT

The Borough of Moonachie is a member of the Bergen County Municipal Joint Insurance Fund (BJIF), 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 BJIF, SBJIF and MEL coverage amounts are on file with the Borough.

The Borough is also a member of the Bergen Municipal Employee Fund (BMED). This fund is an insured and self-administered group established for the sole purpose of providing medical insurance coverage to the employees of member municipalities. The BMED is a risk-sharing public entity pool. The BMED 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, 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>Borough</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 10,000		\$ 63,370
2020	10,000	\$ 4,495	47,712
2019	10,000	15,041	40,822

**BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 17 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, 2021 and 2020. 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, 2021 and 2020, the Borough reserved \$2,647,699 and \$2,697,220, 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, 2021 and 2020, 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 18 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, 2021 and 2020, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 19 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Moonachie Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 24, 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 Moonachie 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 MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 19 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The Borough of Moonachie has contributed \$1,355 and \$1,355 for 2021 and 2020, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The Borough also contributed \$91,042 and \$52,829 for 2021 and 2020, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the 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 20 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Borough has incurred significant costs in the cleanup and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Borough has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2021. As of December 31, 2021, the Borough has received \$5,111,719 in FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

NOTE 21 TAX ABATEMENTS

For the years ended December 31, 2021 and 2020, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law").

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 21 TAX ABATEMENTS (Continued)

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being “in need of redevelopment”. These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area “in need of redevelopment”. Upon adopting the planning board’s recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2021 and 2020 the Borough abated property taxes totaling \$4,393,738 and \$4,416,712, respectively under the LTTE program. The Borough received \$16,335 and \$16,335 in PILOT payments under this program for the years ended December 31, 2021 and 2020, respectively.

NOTE 22 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 in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate 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. 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.

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.

BOROUGH OF MOONACHIE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 22 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The Borough of Moonachie'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 Moonachie's primary revenue source for supporting its budget. The Borough of Moonachie 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.

The Borough will receive \$282,814 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$141,407. The Borough has not yet determined how it will utilize the American Rescue Plan funding. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

CURRENT FUND

BOROUGH OF MOONACHIE
STATEMENT OF CURRENT CASH - TREASURER

Balance, January 1, 2021		\$ 13,235,278
Increased by Receipts		
Taxes Receivable	\$ 20,041,918	
Non-Budget Revenue	305,086	
Grants Receivable	43,275	
Due from State of NJ - Senior Citizens' and Veterans' Deductions	13,260	
Revenue Accounts Receivable	1,758,822	
Due to State of New Jersey	3,313	
Prepaid Taxes	863,395	
Received from General Capital Fund	2,299	
Received from Other Trust Fund - Escrow	18	
Received from Other Trust Fund - Payroll	662	
Received from Other Trust Fund - Miscellaneous Trust	155	
Received from Public Assistance Fund	40	
Reserve for Hurricane Sandy Reimbursements	1,895	
Unappropriated Grant Reserves	147,166	
Tax Overpayments	71,164	
Change Fund Returned	200	
Petty Cash Returned	200	
		<u>23,252,868</u>
		36,488,146
Decreased by Disbursements:		
2021 Budget Appropriations	9,919,317	
2020 Appropriation Reserves	188,193	
County Taxes Payable	2,402,717	
Local School District Taxes Payable	8,993,497	
Due to State of New Jersey	3,313	
Payments to Other Trust Fund - Miscellaneous Reserves	111,213	
Payments to General Capital Fund	382,421	
Payments to Sewer Utility Capital Fund	11,351	
Reserve for Tax Appeals	49,521	
Accounts Payable	1,466	
Tax Overpayments	108,980	
Change Fund Advance	200	
Petty Cash Advance	200	
		<u>22,172,389</u>
Balance, December 31, 2021		<u>\$ 14,315,757</u>

**BOROUGH OF MOONACHIE
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, 2021	Change Fund Advanced	Change Fund Returned	Balance, December 31, 2021
Tax Collector	\$ -	\$ 200	\$ 200	\$ -
	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ -</u>

STATEMENT OF PETTY CASH FUND

Increased by:	
Petty Cash Advances	\$ 200
Decreased by:	
Petty Cash Returned	<u>\$ 200</u>

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

Balance, January 1, 2021	\$ 2,851
Increased by:	
Cash Received from State of New Jersey	<u>13,260</u>
	16,111
Decreased by:	
Senior Citizens' Deductions Per Tax Duplicate	\$ 2,750
Veterans' Deductions Per Tax Duplicate	10,000
Veterans' Deductions Allowed by Collector	<u>250</u>
	<u>13,000</u>
Balance, December 31, 2021	<u>\$ 3,111</u>

BOROUGH OF MOONACHIE
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Year</u>	<u>Balance,</u> <u>January 1,</u> <u>2021</u>	<u>Levy</u>	Senior Citizens' and Veterans Deductions <u>Disallowed</u>	<u>Collected In</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	<u>Remitted</u> <u>or</u> <u>Cancelled</u>	<u>Transferred</u> <u>to Tax</u> <u>Title</u> <u>Liens</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>
				<u>2020</u>	<u>2021</u>				
2020	\$ 315,782				\$ 315,782				
2021	-	\$ 20,555,624	\$ -	\$ 444,003	19,726,136	\$ 13,000	\$ 72,945	\$ 45,441	\$ 254,099
	<u>\$ 315,782</u>	<u>\$ 20,555,624</u>	<u>\$ -</u>	<u>\$ 444,003</u>	<u>\$ 20,041,918</u>	<u>\$ 13,000</u>	<u>\$ 72,945</u>	<u>\$ 45,441</u>	<u>\$ 254,099</u>

Analysis of Property Tax Levy

Tax Yield

General Purpose Tax	\$ 20,512,333
Added Taxes (54:4-63.1 et seq.)	<u>43,291</u>
	<u>\$ 20,555,624</u>

Tax Levy

Local District School Tax (Abstract)	\$ 9,168,049
County Taxes	
County Taxes (Abstract)	\$ 2,306,148
County Open Space	95,832
Due County for Added Taxes (54:63.1 et seq.)	<u>5,093</u>
	2,407,073

Local Tax for Municipal Purposes
Add Additional Tax Levied

8,933,937
<u>46,565</u>
<u>8,980,502</u>
<u>\$ 20,555,624</u>

**BOROUGH OF MOONACHIE
STATEMENT OF TAX TITLE LIENS**

Balance, January 1, 2021	\$ 674,293
Increased by:	
Transfer from Taxes Receivable - 2021	<u>45,441</u>
	719,734
Decreased by:	
Cancelled	<u>21,004</u>
Balance, December 31, 2021	<u><u>\$ 698,730</u></u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, January 1, 2021	<u>\$ 2,850</u>
Balance, December 31, 2021	<u><u>\$ 2,850</u></u>

BOROUGH OF MOONACHIE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2021</u>	Accrued in 2021	Collected in 2021 <u>Treasurer</u>	Balance, December 31, <u>2021</u>
Borough Clerk				
Licenses				
Alcoholic Beverages		\$ 6,826	\$ 6,826	
Other		12,341	12,341	
Construction Code Official				
Fees and Permits		92,994	92,994	
Board of Health				
Fees and Permits		5,617	5,617	
Police Department				
Fees and Permits		421	421	
Municipal Court				
Fines and Costs	\$ 1,785	17,472	17,472	\$ 1,785
Uniform Fire Safety Act - LEA		59,050	59,050	
Uniform Fire Safety Act - Local Fees		1,942	1,942	
Interest and Costs on Taxes		65,230	65,230	
Interest on Investments		6,457	6,457	
Energy Receipts Tax		449,979	449,979	
Interboro Services - Borough of Teterboro				
Police Services		832,320	832,320	
Municipal Court Services		118,508	89,647	28,861
Trailer Camp Fees		67,830	67,830	
Port Authority of NY in Lieu of Taxes		16,335	16,335	
Cellular One Lease	-	34,361	34,361	-
	<u>\$ 1,785</u>	<u>\$ 1,787,683</u>	<u>\$ 1,758,822</u>	<u>\$ 30,646</u>

BOROUGH OF MOONACHIE
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, January 1, 2021	Budget After Modification	Expended	Transfer	Balance Lapsed
Salaries and Wages					
General Administration	\$ 29,545	\$ 29,545		\$ 20,000	\$ 9,545
Mayor & Council	8,124	8,124			8,124
Municipal Clerk	977	977			977
Financial Administration	1,882	1,882			1,882
Revenue Administration	3,803	3,803			3,803
Tax Assessment	301	301			301
Legal Services	231	231			231
Planning Board	130	130			130
Police	202,453	202,453		100,000	102,453
Crossing Guards	25,464	25,464			25,464
Police- Dispatch 911	38,026	38,026		30,000	8,026
Emergency Management Services	2,010	2,010			2,010
Municipal Court	1,932	1,932			1,932
Fire Official	412	412			412
Life Hazard Use Fee Payments	4,200	4,200			4,200
Streets & Roads	1,435	1,435			1,435
Solid Waste Collection	1,272	1,272			1,272
Buildings & Grounds	3,957	3,957			3,957
Public Health Services	64	64			64
Parks & Recreation	13,748	13,748			13,748
Sub-Code Officials-					-
Building Inspector	2,394	2,394			2,394
Plumbing Inspector	324	324			324
Electrical Inspector	488	488			488
Fire Inspector	609	609			609
Property Maintenance Official	348	348			348
Community Affairs-Senior Citizens	836	836			836
Construction Code Official	278	279			279
Municipal Prosecutor	412	412			412
Heath Benefit Waiver	2,437	2,437			2,437
Other Expenses					
General Administration	61,279	61,904	\$ 1,575		60,329
Grant Consultant	3,780	3,780	1,500		2,280
Sandy Consultant	59,100	60,900	6,900		54,000
Mayor & Council	4,924	4,924			4,924
Municipal Clerk	7,419	7,693	274		7,419
Financial Administration	64,005	71,051	11,033		60,018
Audit Services		35,919	35,704		215
Revenue Administration	4,740	5,365	625		4,740
Tax Assessment Administration	44,204	44,204	16,000		28,204
Legal Services & Costs	35,580	35,580	93		35,487
Engineering Services Cost	14,287	14,287			14,287
Planning Board	9,903	9,903			9,903
Vehicle Maintenance	50,254	56,055	4,733		51,322
First Aid Organization	7,099	10,134	3,905		6,229
Fire Department	36,630	37,030	1,484		35,546
Fire Official	7,890	7,890			7,890
Life Hazard Use Fee Payments	3,947	3,947			3,947

BOROUGH OF MOONACHIE
STATEMENT OF 2020 APPROPRIATION RESERVES

	Balance, January 1, <u>2021</u>	Budget After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Police Department	\$ 79,693	\$ 83,108	\$ 5,911		\$ 77,197
Police Dispatch - 911	4,060	4,060			4,060
Emergency Management Services	3,623	3,623			3,623
Streets & Roads	24,262	27,136	2,932		24,204
Recycling	27,526	27,526	-		27,526
Sanitation - Contractual	5,672	5,672			5,672
Public Health	7,170	7,170			7,170
OSHA - Fire Equipment	8,200	8,200			8,200
OSHA - First Aid Equipment	4,700	4,700			4,700
Hepatitis "B" Inoculations	2,850	2,850			2,850
Building & Grounds	25,469	35,095	4,641		30,454
Recreation	12,513	12,513			12,513
Community Affairs- Senior Citizens	11,426	11,426	239		11,187
Construction Code Official	3,642	3,642	450		3,192
Rent Monitoring Board	4,462	4,462			4,462
Celebration of Public Events	13,709	13,709			13,709
Electricity	79,390	79,390	7,594		71,796
Street Lighting	17,175	17,175	9,088		8,087
Telephone	28,850	28,850	345		28,505
Water	6,675	6,675	447		6,228
Natural Gas	46,197	46,197	6,245		39,952
Gasoline	36,733	36,733			36,733
Sanitary Landfill Tax - Tipping Fee	10,171	10,171			10,171
Recycling Tax	7,956	7,956			7,956
Social Security System (O.A.S.I.)	19,225	19,225			19,225
DCRP	5,000	5,000			5,000
Contingent	1,000	1,000			1,000
LOSAP- Volunteer Fire		46,042	40,638		5,404
LOSAP- First Aid		45,000	13,546		31,454
Municipal Court	5,810	7,548	3,026		4,522
Surety Bond Premium	409	409			409
Employee Group Health	72,202	72,202	9,110		63,092
General Liability & Workers Compensation	27,145	27,145			27,145
"911" Telecommunications Agreement	2,000	2,000			2,000
Shooting Range Agreement- Wood-Ridge	200	200	-		200
Clean Communities Program	6,001	6,001		\$ 6,001	-
Recycling Tonnage Grant	920	920	155	765	-
	<u>\$ 1,375,169</u>	<u>\$ 1,539,390</u>	<u>\$ 188,193</u>	<u>\$ 156,766</u>	<u>\$ 1,194,431</u>

Encumbrances - Prior Year
Appropriation Reserves

\$ 164,221
1,375,169

\$ 1,539,390

Cash Disbursed \$ 188,193

Transferred to Other Trust Fund to Accumulated Leave \$ 150,000
Transferred to Appropriated Grant Reserve 6,766

\$ 156,766

**BOROUGH OF MOONACHIE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2021	\$ 164,221
Increased by:	
Charges to 2021 Budget Appropriations	<u>201,820</u>
	366,041
Decreased by:	
Transfer to 2020 Appropriation Reserves	<u>164,221</u>
Balance, December 31, 2021	<u>\$ 201,820</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2021	\$ 22,051
Increased by:	
2021 Tax Levy	\$ 2,306,148
County Open Space Preservation	95,832
Added and Omitted Taxes	<u>5,093</u>
	<u>2,407,073</u>
	2,429,124
Decreased by:	
Payments	<u>2,402,717</u>
Balance, December 31, 2021	<u>\$ 26,407</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO STATE OF NEW JERSEY**

	Increase by Fees <u>Collected</u>	Decrease by <u>Payments</u>
DCA Training Fees	\$ 2,639	\$ 2,639
Alcohol License	24	24
Marriage License	<u>650</u>	<u>650</u>
	<u>\$ 3,313</u>	<u>\$ 3,313</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES

Balance, January 1, 2021		
School Tax Deferred	\$ 3,103,810	
School Tax Payable	<u>1,297,905</u>	
		\$ 4,401,715
Increased by:		
Levy - School Year July 1, 2021 to June 30, 2022		<u>9,168,049</u>
		13,569,764
Decreased by:		
Payments		<u>8,993,497</u>
Balance, December 31, 2021		
School Tax Deferred	3,103,810	
School Tax Payable	<u>1,472,457</u>	
		<u>\$ 4,576,267</u>
2021 Liability for Local School Tax		
Tax Paid		\$ 8,993,497
Tax Payable December 31, 2021		<u>1,472,457</u>
		10,465,954
Less Tax Payable December 31, 2020		<u>1,297,905</u>
Amount Charged to 2021 Operations		<u>\$ 9,168,049</u>

**BOROUGH OF MOONACHIE
STATEMENT OF PREPAID TAXES**

Balance, January 1, 2021	\$ 444,003
Increased by:	
Collection of 2022 Taxes	<u>863,395</u>
	1,307,398
Decreased by:	
Applied in 2021 Taxes Receivable	<u>444,003</u>
Balance, December 31, 2021	<u>\$ 863,395</u>

STATEMENT OF APPROPRIATED RESERVES

	Balance, January 1, <u>2021</u>	Transferred from Approp. <u>Reserve</u>	Balance, December 31, <u>2021</u>
Municipal Alliance Grant	\$ 964		\$ 964
Recycling Tonnage Grant	17,440	\$ 765	18,205
Clean Communities Grant	13,333	6,001	19,334
Highway Safety Grant	5,214		5,214
Confiscated Funds	<u>7,500</u>	<u>-</u>	<u>7,500</u>
	<u>\$ 44,451</u>	<u>\$ 6,766</u>	<u>\$ 51,217</u>

STATEMENT OF UNAPPROPRIATED RESERVES

	Balance, January 1, <u>2021</u>	Anticipated as 2021 <u>Budget Revenue</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2021</u>
American Rescue Plan			\$ 141,407	\$ 141,407
Clean Communities Grant	<u>\$ 5,411</u>	<u>\$ 5,411</u>	<u>5,759</u>	<u>5,759</u>
	<u>\$ 5,411</u>	<u>\$ 5,411</u>	<u>\$ 147,166</u>	<u>\$ 147,166</u>

BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR TAX APPEALS

	Balance, January 1, <u>2021</u>	Transfer from Current Tax <u>Collections</u>	Cash <u>Disbursement</u>	Balance, December 31, <u>2021</u>
Reserve for Tax Appeals	\$ 2,697,220	\$ -	\$ 49,521	\$ 2,647,699
	<u>\$ 2,697,220</u>	<u>\$ -</u>	<u>\$ 49,521</u>	<u>\$ 2,647,699</u>

BOROUGH OF MOONACHIE
STATEMENT OF STATE AND FEDERAL GRANT RECEIVABLES

<u>Purpose</u>	Balance, January 1, <u>2021</u>	<u>Accruals</u>	Cash <u>Receipt</u>	Balance, December 31, <u>2021</u>
Recycling Tonnage Grant	\$ -	\$ 43,275	\$ 43,275	\$ -
	<u>\$ -</u>	<u>\$ 43,275</u>	<u>\$ 43,275</u>	<u>\$ -</u>

STATEMENT OF RESERVE FOR HURRICANE SANDY REIMBURSEMENTS

Balance, January 1, 2021	\$ 886,177
Increased by:	
Cash Receipts	<u>1,895</u>
	888,072
Decreased by:	
Payments to General Capital Fund	\$ 378,515
Payments to Sewer Utility Capital Fund	<u>11,351</u>
	<u>389,866</u>
Balance, December 31, 2021	<u>\$ 498,206</u>

**BOROUGH OF MOONACHIE
STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2021	\$ 76,804
Increased by:	
Cash Receipts	<u>71,164</u>
	147,968
Decreased by:	
Cash Disbursements	<u>108,980</u>
Balance, December 31, 2021	<u>\$ 38,988</u>

STATEMENT OF INTERLOCAL DUE FROM BOROUGH OF TETERBORO

Balance, January 1, 2021	<u>\$ 33,980</u>
Balance, December 31, 2021	<u>\$ 33,980</u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, January 1, 2021	\$ 3,132
Decreased by:	
Cash Disbursements	<u>1,466</u>
Balance, December 31, 2021	<u>\$ 1,666</u>

TRUST FUNDS

**BOROUGH OF MOONACHIE
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>		<u>Other Trust Fund</u>		<u>Unemployment Insurance Fund</u>	
Balance, January 1, 2021	\$	2,965	\$	905,472	\$	47,712
Increased by Receipts:						
Budget Appropriation					\$	10,000
Due to State of NJ	\$	317				
Animal License Fees		1,690				
Miscellaneous Reserves			\$	570,440		
Payroll Salaries & Deductions Payable				5,307,189		
Receipts from Current Fund				111,213		
Escrow Deposits				20,612		
Employee Contributions					5,631	
Interest on Investments and Deposits		45		755	27	
		<u>2,052</u>		<u>6,010,209</u>		<u>15,658</u>
		5,017		6,915,681		63,370
Decreased by Disbursements:						
Expenditures under R.S. 4:19-15.11		1,469				
Escrow Deposits				25,755		
Payroll Salaries & Deductions Payable				5,307,396		
Miscellaneous Reserves				652,875		
Payments to State of NJ - State Registration Fees		317				
Payments to Current Fund		18		817	-	
		<u>1,804</u>		<u>5,986,843</u>		<u>-</u>
Balance, December 31, 2021	\$	<u>3,213</u>	\$	<u>928,838</u>	\$	<u>63,370</u>

BOROUGH OF MOONACHIE
STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND - ESCROW

Balance, January 1, 2021	\$ 1,616
Decreased by:	
Interest on Investments and Deposits	<u>347</u>
Balance, December 31, 2021	<u><u>\$ 1,269</u></u>

STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND - PAYROLL

Balance, January 1, 2021	\$ 581
Increased by:	
Interest on Investments and Deposits	<u>84</u>
	665
Decreased by:	
Payments to Current Fund	<u>662</u>
Balance, December 31, 2021	<u><u>\$ 3</u></u>

BOROUGH OF MOONACHIE
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND

	Balance January 1, <u>2021</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2021</u>
Parking Offence Adjudication Act	\$ 1,959	\$ 154	\$ 326	\$ 1,787
Compensated Absences	637,394	150,000	55,001	732,393
Storm Trust	48,719	33,817		82,536
Fire Prevention Fees - Penalty	92,545			92,545
Municipal Alliance	9,253		2,382	6,871
Celebration of Public Events	6,890			6,890
Charitable Contributions	409			409
Premium on Tax Sale	25,264		11,000	14,264
Centennial Celebration	6,793			6,793
Police Outside Duty	75,798	528,204	577,275	26,727
Flex Spending	389	2,625	2,790	224
Summer Recreation	27,292	5,640	4,101	28,831
Basketball	8,443			8,443
Soccer	1,418	-	-	1,418
	<u>\$ 942,566</u>	<u>\$ 720,440</u>	<u>\$ 652,875</u>	<u>\$ 1,010,131</u>
		Cash Receipts \$ 570,440		
Due from Current Fund - Compensated Absences		<u>150,000</u>		
		<u>\$ 720,440</u>		

STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND

Balance, January 1, 2021	\$ 46,764
Increased by:	
Cash Receipts	<u>20,612</u>
	67,376
Decreased by:	
Cash Disbursements	<u>25,755</u>
Balance, December 31, 2021	<u>\$ 41,621</u>

BOROUGH OF MOONACHIE
STATEMENT OF DUE TO STATE TREASURER - DOG LICENSE FEES
ANIMAL CONTROL FUND

Balance, January 1, 2021	\$ 41
Increased by:	
State Fees Collected	<u>317</u>
	358
Decreased by:	
Payments to State Treasurer	<u>317</u>
Balance, December 31, 2021	<u>\$ 41</u>

EXHIBIT B-7

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND

Balance, January 1, 2021	\$ 2,906
Increased by:	
Animal Control License Fees Collected	<u>1,690</u>
	4,596
Decreased by:	
Cash Disbursements	<u>1,469</u>
Balance, December 31, 2021	<u>\$ 3,127</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$ 2,725
2020	<u>1,839</u>
	<u>\$ 4,564</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Balance, January 1, 2021	\$ 18
Increased by:	
Interest on Investments and Deposits	<u>45</u>
	63
Decreased by:	
Cash Disbursements	<u>18</u>
Balance, December 31, 2021	<u>\$ 45</u>

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

Balance, January 1, 2021	\$ 47,712
Increased by:	
Budget Appropriation	\$ 10,000
Employee Contributions	5,631
Interest on Investments and Deposits	<u>27</u>
	<u>15,658</u>
Balance, December 31, 2021	<u>\$ 63,370</u>

BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR PAYROLL SALARIES & WITHHOLDINGS PAYABLE
OTHER TRUST FUND

Balance, January 1, 2021	\$ 26,249
Increased by:	
Cash Receipts	<u>5,307,189</u>
	5,333,438
Decreased by:	
Cash Disbursements	<u>5,307,396</u>
Balance, December 31, 2021	<u><u>\$ 26,042</u></u>

EXHIBIT B-11

STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST- FLEXIBLE SPENDING ACCOUNT

Balance, January 1, 2021	\$ 1,986
Increased by:	
Interest on Investments and Deposits	<u>1</u>
Balance, December 31, 2021	<u><u>\$ 1,987</u></u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST- MISCELLANEOUS RESERVES**

Balance, January 1, 2021		\$ 111,058
Increased by:		
Transfer from Appropriation Reserves- Compensated Absences	\$ 150,000	
Payments to Current Fund	<u>155</u>	
		<u>150,155</u>
		261,213
Decreased by:		
Receipts from Current Fund	111,213	
Interest on Investments and Deposits	<u>323</u>	
		<u>111,536</u>
Balance, December 31, 2021		<u>\$ 149,677</u>

<u>Analysis of Interest</u>	
Recreation (Due To)	(15)
Soccer (Due To)	(1)
Basketball (Due To)	(4)
Compensated Absences (Due From)	149,703
Storm Recovery Trust (Due To)	<u>(6)</u>
	<u>\$ 149,677</u>

GENERAL CAPITAL FUND

BOROUGH OF MOONACHIE
STATEMENT OF GENERAL CAPITAL CASH

Balance, January 1, 2021		\$	4,671,706
Increased by Receipts:			
Interest Earnings	2,315		
Capital Improvement Fund	984,963		
Received from Current Fund - Payment of Bond Anticipation Notes	24,100		
Received from Current Fund - Hurricane Sandy Proceeds	378,515		
Premium on Bond Anticipation Notes Issued	17,570		
Receipts from Current Fund	3,906		
Bond Anticipation Notes	<u>2,720,332</u>		
			<u>4,131,701</u>
			8,803,407
Decreased by Disbursements:			
Improvement Authorizations	10,000		
Contracts Payable	1,276,256		
Payments to Current Fund	2,299		
Bond Anticipation Notes	<u>2,458,000</u>		
			<u>3,746,555</u>
Balance, December 31, 2021		\$	<u>5,056,852</u>

BOROUGH OF MOONACHIE
ANALYSIS OF GENERAL CAPITAL CASH

		Balance, December 31, <u>2021</u>
Grants and Other Receivables		\$ (33,730)
Due to Current Fund		16
Contracts Payable		1,025,197
Reserve for Preliminary Costs		2,095
Reserve for Payment of Debt		471,853
Capital Improvement Fund		1,259,714
Fund Balance		138,416
Ord.		
<u>No.</u>	<u>Improvement Authorization</u>	
		121,829
04-08	Various Capital Improvements/Municipal Building Improvements	79,741
13-11	Senior Center Improvements	15,091
14-03	Various Acquisitions and Improvements	178,740
14-05	Improvements to Concord Street Park	17,448
14-06	Preliminary Costs - New DPW Building	28,882
15-08	Acquisition of Ambulance	(3,750)
16-02	Installation of Financial Software	1,934
16-06	Various Acquisitions and Improvements	61,523
16-07	Construction of the DPW Building	30,327
17-03	Various Acquisitions and Improvements	316,370
18-05	Various Acquisition and Improvements	313,459
18-10	Moonachie Road Streetscape Project Phase III	8,208
18-11	Intersection Improvements	11,243
19-05	Acquisition of Police Utility Vehicle	1,552
19-09	Various Acquisitions and Improvements	66,231
19-10	Construction of the DPW Building	118,101
20-03	Various Acquisitions and Improvements	156,400
20-05	Moonachie Road Streetscape Project Phase III	(24,947)
20-07	Various Acquisitions and Improvements	519,590
21-05	Joseph St Park Equipment - Acquisition/Installation	75,376
21-09	Senior Center HCAC	99,943
		<u>\$ 5,056,852</u>

BOROUGH OF MOONACHIE
STATEMENT OF DUE FROM/TO CURRENT FUND

Balance, January 1, 2021 (Due From)	\$	3,906
Increased by:		
Payments made to Current Fund		<u>2,299</u>
		6,205
Decrease by:		
Receipts from Current Fund	\$	3,906
Interest Earnings		<u>2,315</u>
		<u>6,221</u>
Balance, December 31, 2021 (Due To)	\$	<u>16</u>

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, January 1, 2021	\$	8,915,000
Decreased by:		
Budget Appropriation to Pay Bonds		<u>460,000</u>
Balance, December 31, 2021	\$	<u>8,455,000</u>

BOROUGH OF MOONACHIE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvement Description	Balance, January 1, 2021	Notes Paid by Budget Appropriation	Prior Years Grant Proceeds Hurricane Sandy	Balance, December 31, 2021	Analysis of Balance		Improvement Authorizations Unfunded
						Bond Anticipation Notes	Expenditures	
15-08	Acquisition of Ambulance	\$ 14,425			\$ 14,425		\$ 3,750	\$ 10,675
16-07	Construction of the DPW Building	1,603,000	\$ 24,100		1,578,900	\$ 1,578,900		
18-09	Construction of New Municipal Building	475,000		\$ 378,515	96,485	96,485		
19-09	Various Acquisitions and Improvements	1,674			1,674			1,674
19-10	Construction of the DPW Building	380,000			380,000	380,000		
20-05	Supplemental-Streetscape Project Phase III	75,000			75,000		24,947	50,053
20-07	Various Acquisitions and Improvements	664,947	-	-	664,947	664,947	-	-
		<u>\$ 3,214,046</u>	<u>\$ 24,100</u>	<u>\$ 378,515</u>	<u>\$ 2,811,431</u>	<u>\$ 2,720,332</u>	<u>\$ 28,697</u>	<u>\$ 62,402</u>

Bond Anticipation Notes \$ 2,720,332

Improvement Authorizations Unfunded	\$ 730,420
Less: Unexpended Bond Anticipation Note Proceeds	
Ord. #16-07	\$ 30,327
Ord. #19-10	118,101
Ord. #20-07	<u>519,590</u>
	<u>668,018</u>
	<u>\$ 62,402</u>

BOROUGH OF MOONACHIE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ord. Amount	Balance, January 1, 2021		21 Authorizatic	Contract Cancelled	Paid or Charged	Balance, December 31, 2021		
			Funded	Unfunded	Capital Impvt. Fund			Funded	Unfunded	
General Improvements										
04-08/08-03	Various Capital Improvements/Municipal Building Improvements	\$ 2,280,000	\$ 5,852			\$ 115,977		\$ 121,829		
13-05	Hurricane Sandy Improvements	6,370,000	11,055			68,686		79,741		
13-11	Senior Center Improvements	50,000	15,091					15,091		
14-03	Various Acquisitions and Improvements	907,500	178,740					178,740		
14-05	Improvements to Concord Street Park	35,000	17,448					17,448		
14-06	Preliminary Costs - New DPW Building	500,000	11,950			16,932		28,882		
15-03	Tax Appeal Refunding	875,000	3,424				3,424	-		
15-08	Acquisition of Ambulance	180,000		\$ 10,675				\$ 10,675		
16-02	Installation of Financial Software	65,000	1,934					1,934	-	
16-06	Various Acquisitions and Improvements	340,000	61,523					61,523		
16-07	Construction of the DPW Building	2,000,000		108,119			77,792		30,327	
17-03	Various Acquisitions and Improvements	900,000	316,370					316,370		
18-05	Various Acquisition and Improvements	825,000	343,277				29,818	313,459		
18-09	Supplemental New Municipal Building	500,000		3,023			3,023		-	
18-10	Moonachie Road Streetscape Project Phase III	300,000	8,208					8,208		
18-11	Intersection Improvements	75,000	11,243					11,243		
19-05	Acquisition of Police Utility Vehicle	62,500	1,552					1,552		
19-08	Construction New Municipal Building	300,000	148,842				148,842	-		
19-09	Various Acquisitions and Improvements	601,600	87,498	1,674			21,267	66,231	1,674	
19-10	Construction of the DPW Building	400,000		165,819			47,718		118,101	
20-03	Various Acquisitions and Improvements	156,500	156,400					156,400		
20-05	Moonachie Road Streetscape Project Phase III	75,000		50,053					50,053	
20-07	Various Acquisitions and Improvements	699,945	33,275	664,947			178,632	-	519,590	
21-05	Joseph St. Park Equip.-Acquisition/Installation	600,000			\$ 600,000		524,624	75,376		
21-09	Senior Center HVAC- Supplement Ord. #19-09	100,000	-	-	100,000	-	57	99,943	-	
			\$ 1,413,682	\$ 1,004,310	\$ 700,000	\$ 201,595	\$ 1,035,197	\$ 1,553,970	\$ 730,420	
							Cash Disbursed	\$ 10,000		
							Contracts Payable	1,025,197		
								\$ 1,035,197		

BOROUGH OF MOONACHIE
STATEMENT OF CONTRACTS PAYABLE

Balance, January 1, 2021		\$ 1,477,851
Increased by:		
Charges to Improvement Authorizations		<u>1,025,197</u>
		2,503,048
Decreased by:		
Cancellation	\$ 201,595	
Cash Disbursements	<u>1,276,256</u>	
		<u>1,477,851</u>
Balance, December 31, 2021		<u>\$ 1,025,197</u>

STATEMENT OF RESERVE FOR PAYMENT OF BONDS

Balance, January 1, 2021	<u>\$ 471,853</u>
Balance, December 31, 2021	<u>\$ 471,853</u>

Analysis of Balance

Ord. #04-12	\$ 16,062
Ord. #04-17	13,786
Ord. #05-02	13,447
Ord. #08-04	7,081
Ord. #10-08	14,785
Ord. #16-06	35,442
Ord. #18-10	165,000
Ord. #19-09	<u>206,250</u>
	<u>\$ 471,853</u>

BOROUGH OF MOONACHIE
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturity of Bonds		Interest Rate	Balance, January 1, 2021	Increased	Decreased	Balance, December 31, 2021
			Outstanding						
			December 31, 2020						
			Date	Amount					
General Improvements	10/18/2018	\$ 7,670,000	10/15/2022	\$ 295,000	5.00	%			
			10/15/2023	305,000	5.00				
			10/15/2024	320,000	5.00				
			10/15/2025	340,000	5.00				
			10/15/2026	355,000	4.00				
			10/15/2027	370,000	4.00				
			10/15/2028	385,000	3.00				
			10/15/2029	395,000	3.00				
			10/15/2030	410,000	3.13				
			10/15/2031	420,000	3.25				
			10/15/2032	435,000	3.25				
			10/15/2033	450,000	3.38				
			10/15/2034	465,000	3.50				
			10/15/2035	480,000	3.50				
			10/15/2036	495,000	3.50				
				10/15/2037-2038	500,000	3.63	\$ 7,170,000		\$ 250,000
General Improvements	10/15/2020	1,790,000	10/15/2022	210,000	1.00	%			
			10/15/2023-24	215,000	1.50				
			10/15/2025-26	220,000	1.50				
			10/15/2027	225,000	1.75				
			10/15/2028	230,000	2.00	1,745,000	\$ -	210,000	1,535,000
						8,915,000	-	460,000	8,455,000
Budget Appropriation								\$ 460,000	

BOROUGH OF MOONACHIE
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2021	Increased	Decreased	Balance, December 31, 2021
16-07	Construction of DPW Building	10/17/2017	10/15/2020 10/14/2021	10/15/2021 10/14/2022	1.50 1.00	\$ 1,603,000	\$ 1,578,900	\$ 1,603,000	\$ 1,578,900
18-09	Construction of New Municipal Building	10/17/2019	10/15/2020 10/14/2021	10/15/2021 10/14/2022	1.50 1.00	475,000	96,485	475,000	96,485
19-10	Construction of DPW Building	10/15/2020	10/15/2020 10/14/2021	10/15/2021 10/14/2022	1.50 1.00	380,000	380,000	380,000	380,000
20-07	Various Acquisitions and Improvements	10/14/2021	10/14/2021	10/14/2022	1.00	-	664,947	-	664,947
						<u>\$ 2,458,000</u>	<u>\$ 2,720,332</u>	<u>\$ 2,458,000</u>	<u>\$ 2,720,332</u>
							\$ 2,055,385	\$ 2,055,385	
							664,947		
								24,100	
							-	378,515	
							<u>\$ 2,720,332</u>	<u>\$ 2,458,000</u>	

BOROUGH OF MOONACHIE
STATEMENT OF GRANT RECEIVABLES/OTHER RECEIVABLES

	<u>Total</u>	<u>Sub-Total Page 2</u>	<u>Community Development Block Grant Ord. 19-09</u>	<u>Community Development Block Grant Ord. 13-11</u>	<u>Community Development Block Grant Ord. 14-03</u>	<u>County of Bergen-Cooperative Curb Construction Ord. 13-13</u>	<u>Bergen County Open Space Recreation Ord. 19-09</u>	<u>Bergen County Open Space Recreation Ord. 14-05</u>
Balance, January 1, 2021	\$ 511,831	\$ 324,503	\$ 47,500	\$ 37,180	\$ 27,418	\$ 27,750	\$ 41,168	\$ 6,312
Increased by:								
Awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	511,831	324,503	47,500	37,180	27,418	27,750	41,168	6,312
Decreased by:								
Cancellation	<u>123,503</u>	<u>123,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>123,503</u>	<u>123,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 388,328</u>	<u>\$ 201,000</u>	<u>\$ 47,500</u>	<u>\$ 37,180</u>	<u>\$ 27,418</u>	<u>\$ 27,750</u>	<u>\$ 41,168</u>	<u>\$ 6,312</u>
<u>Analysis of Balance</u>								
Reserve for Grant Receivable	\$ 354,598	\$ 201,000	\$ 47,500	\$ 37,180		\$ 27,750	\$ 41,168	
Receivable Without Offsetting Reserve	<u>33,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 27,418</u>	<u>-</u>	<u>-</u>	<u>\$ 6,312</u>
	<u>\$ 388,328</u>	<u>\$ 201,000</u>	<u>\$ 47,500</u>	<u>\$ 37,180</u>	<u>\$ 27,418</u>	<u>\$ 27,750</u>	<u>\$ 41,168</u>	<u>\$ 6,312</u>

BOROUGH OF MOONACHIE
STATEMENT OF GRANT RECEIVABLES/OTHER RECEIVABLES

	Sub-Total Page 2	Department of Transportation				
		Ord. 09-15	Ord. 13-12	Ord. 16-06	Ord. 18-10	Ord. 19-09/20-03
Balance, January 1, 2021	\$ 324,503	\$ 65,463	\$ 44,742	\$ 13,298	\$ 11,250	\$ 189,750
Increased by:						
Awards	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>324,503</u>	<u>65,463</u>	<u>44,742</u>	<u>13,298</u>	<u>11,250</u>	<u>189,750</u>
Decreased by:						
Cancelled	<u>123,503</u>	<u>65,463</u>	<u>44,742</u>	<u>13,298</u>	<u>-</u>	<u>-</u>
	<u>123,503</u>	<u>65,463</u>	<u>44,742</u>	<u>13,298</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 201,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,250</u>	<u>\$ 189,750</u>
<u>Analysis of Balance</u>						
Reserve for Grant						
Receivable	\$ 201,000	\$ -	\$ -	\$ -	\$ 11,250	\$ 189,750
Receivable Without						
Offsetting Reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 201,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,250</u>	<u>\$ 189,750</u>

BOROUGH OF MOONACHIE
STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2021	\$ 974,751
Increased by:	
2021 Budget Appropriation	<u>984,963</u>
	1,959,714
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>700,000</u>
Balance, December 31, 2021	<u>\$ 1,259,714</u>

EXHIBIT C-14

STATEMENT OF RESERVE FOR PRELIMINARY COSTS

Balance, January 1, 2021	<u>\$ 2,095</u>
Balance, December 31, 2021	<u>\$ 2,095</u>

BOROUGH OF MOONACHIE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, January 1, <u>2021</u>	Notes <u>Issued</u>	Balance, December 31, <u>2021</u>
15-08	Acquisition of Ambulance	\$ 14,425		\$ 14,425
19-09	Various Acquisitions and Improvements	1,674		1,674
20-05	Supplemental-Streetscape Project Phase III	75,000		75,000
20-07	Various Acquisitions and Improvements	<u>664,947</u>	<u>\$ 664,947</u>	<u>-</u>
		<u>\$ 756,046</u>	<u>\$ 664,947</u>	<u>\$ 91,099</u>

SEWER UTILITY FUND

BOROUGH OF MOONACHIE
STATEMENT OF CASH - TREASURER
SEWER UTILITY FUND

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2021	\$ 1,237,755	\$ 1,115,310
Increased by Receipts:		
Sewer Utility Rents Receivable	\$ 1,414,904	
Receipts from Current Fund		\$ 11,351
Receipts from Sewer Capital Fund	580	881
Premium on Sale of Notes		3,724
Budget Appropriations to Pay Notes		36,000
Interest on Investments and Deposits		580
Bond Anticipation Notes		576,635
Rent Overpayments	11,053	
Non-Budgeted Revenue	59,202	-
	<u>1,485,739</u>	<u>629,171</u>
	2,723,494	1,744,481
Decreased by Disbursements:		
2021 Budget Appropriations	1,600,625	
2020 Appropriation Reserves	20,255	
Improvement Authorizations		41,034
Encumbrances Payable		24,087
Bond Anticipation Notes		469,000
Payments to Sewer Utility Capital Fund	881	
Payments to Sewer Operating Fund		580
Sewer Rent Overpayments		
Accrued Interest	29,122	-
	<u>1,650,883</u>	<u>534,701</u>
Balance, December 31, 2021	<u>\$ 1,072,611</u>	<u>\$ 1,209,780</u>

BOROUGH OF MOONACHIE
ANALYSIS OF SEWER UTILITY CAPITAL CASH

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 53,929
Capital Improvement Fund	64,215
Encumbrance Payable	150,222
Improvement Authorizations:	
Ord. No. 13-06 Hurricane Sandy Improvements	193,300
Ord. No. 14-04 Sewer Capital Improvements	238,968
Ord. No. 15-07 Acquisition of DPW Truck	
Ord. No. 17-04 Electrical Rehabilitation of the Moonachie Ave Pump Station	252,462
Ord. No. 17-06 Acquisition of Generators for Various Pump Stations	49,555
Ord. No. 18-06 Improvements to Moonachie Avenue Pump Station and Acquisition of Sewer Equipment	22,867
Ord. No. 20-08 Acquisition of Generators for Moonachie Ave Pump Station and Lincoln Place Pump Station	183,413
Ord. No. 21-09 Emergency Repair of the Lincoln Place Pump Station	<u>849</u>
	<u>\$ 1,209,780</u>

BOROUGH OF MOONACHIE
STATEMENT OF SEWER UTILITY RENTS RECEIVABLE
SEWER UTILITY OPERATING FUND

<u>Year of Levy</u>	<u>Balance, January 1, 2021</u>	<u>Levy</u>	<u>Collected In 2021</u>	<u>Balance, December 31, 2021</u>
2016	\$ 25,735	\$ 9,145	\$ 34,880	
2017	25,735	5,594	3,120	\$ 28,209
2018	25,735	6,876	-	32,611
2019	29,576	6,085	9,576	26,085
2020	109,045	-	109,045	-
2021	<u>-</u>	<u>1,333,535</u>	<u>1,268,366</u>	<u>65,169</u>
	<u>\$ 215,826</u>	<u>\$ 1,361,235</u>	<u>\$ 1,424,987</u>	<u>\$ 152,074</u>

Analysis of Collections

Cash Receipts	\$ 1,414,904
Overpayments Applied	<u>10,083</u>
	<u>\$ 1,424,987</u>

EXHIBIT D-8

STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY OPERATING FUND

Increased by:

Charges to 2021 Budget Appropriations \$ 14,145

Balance, December 31, 2021 \$ 14,145

BOROUGH OF MOONACHIE
STATEMENT OF ENCUMBRANCES PAYABLE
SEWER UTILITY CAPITAL FUND

Balance, January 1, 2021		\$	24,253
Increased by:			.
Charges to Improvement Authorizations			<u>150,222</u>
			174,475
Decreased by:			
Cash Disbursed	\$	24,087	
Cancellation		<u>166</u>	
			<u>24,253</u>
Balance, December 31, 2021		\$	<u>150,222</u>

BOROUGH OF MOONACHIE
STATEMENT OF APPROPRIATION RESERVES
SEWER UTILITY OPERATING FUND

	Balance, January 1, <u>2021</u>	Balance, After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries & Wages	\$ 20,470	\$ 20,470		\$ 20,470
Other Expenses	116,033	116,033	\$ 20,255	95,778
Social Security System (O.A.S.I.)	<u>5,025</u>	<u>5,025</u>	<u>-</u>	<u>5,025</u>
	<u>\$ 141,528</u>	<u>\$ 141,528</u>	<u>\$ 20,255</u>	<u>\$ 121,273</u>
Cash Disbursed			<u>\$ 20,255</u>	

**BOROUGH OF MOONACHIE
STATEMENT OF FIXED CAPITAL
SEWER UTILITY CAPITAL FUND**

	Balance, January 1, <u>2021</u>	Balance, December 31, <u>2021</u>
Sanitary Sewer Drains and Accessories		
Local Improvements Assessed	\$ 865,947	\$ 865,947
General Improvements	350,920	350,920
Storm Drain Improvements	96,500	96,500
Acq. of Vac-all and High Pressure Sewer Cleaner	64,221	64,221
Acquisition of a Dump Truck	34,576	34,576
Repairs to Sewer Lines	15,295	15,295
Various Improvements and Acquisition of Equipment	285,000	285,000
Improvements and Investigation of Sanitary Sewer System	229,265	229,265
Various Improvements and Acquisition of Equipment	221,885	221,885
Repair, Replacement & Public Improv. Of Sanitary Sewer System	47,747	47,747
Various Repairs to the Lincoln Place Stormwater Pump Station	23,990	23,990
Moonachie Ave Sewer Pipeline	390,000	390,000
Improvements to Sanitary Sewer System	378,450	378,450
Sanitary Sewer Line	129,846	129,846
Various Improvements	64,082	64,082
Storm Drain Improvements	55,995	55,995
Repairs to Moonachie Road Stormwater Pump Stations	1,876	1,876
Emergency Repairs to Moonachie Ave Pump Stations	43,293	43,293
Improvements to Moonachie Ave Sanitary Sewer Pump Station	117,919	117,919
Re-appropriation for Purchase of Sewer Van	35,125	35,125
Sanitary Sewer Improvements	39,861	39,861
Acquisition of Truck	40,208	40,208
	<u>\$ 3,532,001</u>	<u>\$ 3,532,001</u>

**BOROUGH OF MOONACHIE
STATEMENT OF DUE FROM SEWER UTILITY OPERATING FUND
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2021		\$	881
Increased by:			
Payments to Sewer Utility Operating Fund			<u>580</u>
			1,461
Decreased by:			
Interest Earnings	\$	580	
Receipts from Sewer Utility Operating Fund		<u>881</u>	
	\$		<u>1,461</u>

**BOROUGH OF MOONACHIE
STATEMENT OF CAPITAL IMPROVEMENT FUND
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2021	\$ 96,215
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>32,000</u>
Balance, December 31, 2021	<u>\$ 64,215</u>

**STATEMENT OF RESERVE FOR AMORTIZATION
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2021	\$ 3,467,001
Increased by:	
Bonds Paid by Operating Budget	<u>165,000</u>
Balance, December 31, 2021	<u>\$ 3,632,001</u>

**BOROUGH OF MOONACHIE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SEWER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, January 1, 2021		2021 Authorization	Cancel Prior Year Encumbrances	Paid or Charged	Balance, December 31, 2021	
				Funded	Unfunded				Funded	Unfunded
13-06	Hurricane Sandy Improvements	8/22/2013	\$ 1,020,000		\$ 210,480			\$ 1,668	\$ 208,812	
14-04	Sewer Capital Improvements	8/28/2014	361,500	\$ 239,993	5,694			1,025	\$ 238,968	5,694
17-04	Electrical Rehabilitation of the Moonachie Ave Pump Station	9/28/2017	540,000	253,487				1,025	252,462	
17-06	Acquisition of Generators for Various Pump Stations	11/29/2017	220,000	49,389			\$ 166		49,555	
18-06	Improvements to Moonachie Avenue Pump Station and Acquisition of Sewer Equipment	10/11/2018	80,000	22,867	1,229				22,867	1,229
20-08	Acquisition of Generators for Moonachie Ave Pump Station and Lincoln Place Pump Station	11/24/2020	383,600	-	339,800			156,387	39,778	143,635
21-09	Emergency Repair of the Lincoln Place Pump Station	12/16/2021		-	-	\$ 32,000	-	31,151	849	-
				<u>\$ 565,736</u>	<u>\$ 557,203</u>	<u>\$ 32,000</u>	<u>\$ 166</u>	<u>\$ 191,256</u>	<u>\$ 604,479</u>	<u>\$ 359,370</u>
								Cash Disbursed	\$ 41,034	
								Contracts Payable	<u>150,222</u>	
									<u>\$ 191,256</u>	

BOROUGH OF MOONACHIE
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SEWER UTILITY CAPITAL FUND

Ord. No.	Improvement Description	<u>Ordinance</u> Date	<u>Amount</u>	Balance, January 1, 2021	2021 Authorization	Costs to Fixed Capital	Balance, December 31, 2021
13-06	Hurricane Sandy Improvements	8/22/2013	\$ 1,020,000	\$ 1,020,000			\$ 1,020,000
14-04	Sewer Capital Improvements	7/1/2014	361,500	361,500			361,500
17-04	Electrical Rehabilitation Moonachie Ave Pump Station	9/28/2017	540,000	540,000			540,000
17-06	Acq of Generators Various Pump Stations	11/29/2017	220,000	220,000			220,000
18-06	Improvements to Moonachie Avenue Pump Station and Acquisition of Sewer Equipment	10/11/2018	80,000	80,000			80,000
20-08	Acquisition of Generators for Moonachie Ave Pump Station and Lincoln Place Pump Station	11/24/2020	383,600	383,600		-	383,600
21-09	Emergency Repairs Lincoln Place Pump Station	12/16/2021	32,000	-	\$ 32,000	-	32,000
				<u>\$ 2,605,100</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ 2,637,100</u>

BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
SEWER UTILITY CAPITAL FUND

Ord. No.	Improvement Description	Ord. Date	Balance, January 1, 2021	Fixed Capital Authorized	Funded by Sandy Proceeds	Funded by Note Payment	Balance, December 31, 2021
13-06	Hurricane Sandy Improvements	8/22/2013	\$ 354,784		\$ 239,965	\$ 36,000	\$ 630,749
14-04	Sewer Capital Improvements	7/1/2014	78,281				78,281
17-04	Electrical Rehabilitation Moonachie Ave Pump Station	9/28/2017	27,000				27,000
17-06	Acq of Generators Various Pump Stations	11/29/2017	11,000				11,000
18-06	Improvements to Moonachie Avenue Pump Station and Acquisition of Sewer Equipment	10/11/2018	4,000				4,000
21-09	Emergency Repair of the Lincoln Place Pump Station	12/16/2021	-	\$ 32,000	-	-	32,000
			<u>\$ 475,065</u>	<u>\$ 32,000</u>	<u>\$ 239,965</u>	<u>\$ 36,000</u>	<u>\$ 783,030</u>

BOROUGH OF MOONACHIE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SEWER UTILITY CAPITAL FUND

Ord. <u>No.</u>	<u>Improvement Description</u>	Balance, January 1, <u>2021</u>	Funded by Sandy <u>Proceeds</u>	Notes <u>Issued</u>	Balance, December 31, <u>2021</u>
13-06	Hurricane Sandy Improvements	\$ 15,512			\$ 15,512
14-04	Sewer Capital Improvements	5,694			5,694
18-06	Improvements to Moonachie Avenue Pump Station and Acquisition of Sewer Equipment	1,229			- 1,229
20-08	Acquisition of Generators for Moonachie Ave Pump Station and Lincoln Place Pump Station	<u>383,600</u>	<u>\$ 239,965</u>	<u>\$ 143,635</u>	<u>-</u> <u>-</u>
		<u>\$ 406,035</u>	<u>\$ 239,965</u>	<u>\$ 143,635</u>	<u>\$ 22,435</u>

**BOROUGH OF MOONACHIE
STATEMENT OF BOND ANTICIPATION NOTES
SEWER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Date of Issue of Original Notes	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2021	Increased	Decreased	Balance, December 31, 2021
13-06	Hurricane Sandy Improvements	10/21/2013	10/15/2020 10/14/2021	10/15/2021 10/14/2022	1.50 % 1.00	\$ 469,000	\$ 433,000	\$ 469,000	\$ 433,000
20-08	Acquisition of Generators for Moonachie Ave Pump Station and Lincoln Place Pump Station	10/14/2021	10/14/2021	10/14/2022	1.00 %	-	143,635	-	143,635
						<u>\$ 469,000</u>	<u>\$ 576,635</u>	<u>\$ 469,000</u>	<u>\$ 576,635</u>
						Renewals	\$ 433,000	\$ 433,000	
						Issued for Cash	143,635		
						Paid by Budget Appropriation	<u>-</u>	<u>36,000</u>	
							<u>\$ 576,635</u>	<u>\$ 469,000</u>	

**BOROUGH OF MOONACHIE
STATEMENT OF ACCRUED INTEREST
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2021	\$ 6,440
Increased by:	
2021 Budget Appropriation	<u>28,255</u>
	34,695
Decreased by:	
Interest Paid	<u>29,122</u>
Balance, December 31, 2021	<u><u>\$ 5,573</u></u>

BOROUGH OF MOONACHIE
STATEMENT OF GENERAL SERIAL BONDS
SEWER UTILITY CAPITAL FUND

Purpose	Date of Issue	Original Issue	Maturity of Bonds		Interest Rate	Balance, January 1, 2021	Decreased	Balance, December 31, 2021
			Outstanding December 31, 2021					
			Date	Amount				
Sewer Improvements	8/15/2012	\$ 460,000	8/15/2022	\$ 50,000	2.25 %	\$ 100,000	\$ 50,000	\$ 50,000
Sewer Improvements	10/15/2020	1,255,000	10/15/2022-2023	115,000	1.50			
			10/15/2024-25	120,000	1.50			
			10/15/2026-28	125,000	1.50-2.00			
			10/15/2029-30	130,000	2.00	<u>1,220,000</u>	<u>115,000</u>	<u>1,105,000</u>
						<u>\$ 1,320,000</u>	<u>\$ 165,000</u>	<u>\$ 1,155,000</u>
Paid by Budget Appropriation							<u>\$ 165,000</u>	

**BOROUGH OF MOONACHIE
STATEMENT OF RESERVE FOR SANDY PROCEEDS
SEWER UTILITY CAPITAL FUND**

Balance, January 1, 2021	\$ 228,614
Increased by:	
Cash Receipts From Current Fund	<u>11,351</u>
	239,965
Decreased by:	
Apply to Reserve for Deferred Amortization	<u>\$ 239,965</u>

**STATEMENT OF DEFERRED CHARGES
SEWER UTILITY OPERATING FUND**

	Balance, January 1, <u>2021</u>	Raised in Budget <u>2021</u>
Over-Expenditure Budget Appropriation	\$ 4,158	\$ 4,158
	<u>\$ 4,158</u>	<u>\$ 4,158</u>

**STATEMENT OF SEWER RENT OVERPAYMENTS
SEWER UTILITY OPERATING FUND**

Balance, January 1, 2021	\$ 5,171
Increased by:	
Cash Receipts	<u>11,053</u>
	16,224
Decreased by:	
Applied to Rents Receivable	<u>10,083</u>
Balances, December 31, 2021	<u>\$ 6,141</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF MOONACHIE
STATEMENT OF PUBLIC ASSISTANCE CASH**

	<u>Total</u>	<u>Account #1</u> (75%)	<u>Account #2</u> (100%)
Balance, January 1, 2021	\$ 9,547	\$ 9,547	
Increased by:			
Cash Receipts	<u>5</u>	<u>5</u>	<u>-</u>
	9,552	9,552	-
Decreased by:			
Cash Disbursements	<u>40</u>	<u>40</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 9,512</u>	<u>\$ 9,512</u>	<u>\$ -</u>

EXHIBIT E-2

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	<u>Total</u>	<u>Account #1</u> (75%)	<u>Account #2</u> (100%)
Balance, January 1, 2021	<u>\$ 9,507</u>	<u>\$ 9,507</u>	<u>\$ -</u>
Balance, December 31, 2021	<u>\$ 9,507</u>	<u>\$ 9,507</u>	<u>\$ -</u>

EXHIBIT E-3

STATEMENT OF PUBLIC ASSISTANCE REVENUES

	<u>Total</u>	<u>Account #1</u> (75%)	<u>Account #2</u> (100%)
Interest on Investments and Deposits	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>
Total Revenues/Receipts	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>

EXHIBIT E-4

**STATEMENT OF DUE TO CURRENT FUND
PUBLIC ASSISTANCE FUND**

Balance, January 1, 2021	\$ 40
Increased by:	
Interest on Investments and Deposits	<u>5</u>
	45
Decreased by:	
Cash Disbursements	<u>40</u>
Balance, December 31, 2021	<u>\$ 5</u>

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY

PART II

GOVERNMENT AUDITING STANDARDS
FOR THE YEAR ENDED DECEMBER 31, 2021



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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Moonachie
Moonachie, 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 Moonachie as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2022. 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 Moonachie's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Moonachie's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Moonachie'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 Moonachie's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Moonachie'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 Moonachie'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


Andrew D. Parente
Registered Municipal Accountant
RMA Number CR00529

Fair Lawn, New Jersey
August 29, 2022

BOROUGH OF MOONACHIE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>2021 Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expenditures</u>
U.S. Department of Transportation (Passed Through State Dept. of Law and Public Safety) Highway Safety Grant	20.600	2018	\$ 5,214		\$ 5,214				\$ 5,214	
U.S. Department of Homeland Security (Passed Through State Dept. of Law and Public Safety) Disaster Grants - Public Assistance Corona Virus	97.036	2021				\$ 5,057	\$ 5,057			\$ 5,057
Hurricane Sandy		2021				1,895	1,895			1,895
U.S. Department of Treasury (Passed Through State Dept. of Community Affairs) Coronavirus State & Local Fiscal Recovery Funds - ARP	21.027	2021	141,407	141,407						
U.S. Department of Housing & Urban Development (Passed Through State Dept. of Community Affairs) Community Development Block Grant	14.218									
Ordinance #13-11		2013	37,180		\$ 37,180				37,180	
Ordinance #19-09		2019	47,500		47,500	-	-	-	47,500	
					<u>\$ 89,894</u>	<u>\$ 6,952</u>	<u>\$ 6,952</u>	<u>\$ -</u>	<u>\$ 89,894</u>	

Note: This schedule is not subject to Single Audit in accordance with U.S. Uniform Guidance.

See Accompanying Notes to Schedule of Expenditures of Federal Awards

BOROUGH OF MOONACHIE
SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustments</u> (1)	<u>Balance, December 31, 2021</u>	<u>Cumulative Expenditures</u>
Department of Environmental Protection										
Solid Waste Administration										
Clean Communities Grant	4900-765-004-178910	2013	\$ 4,323		\$ 1,414				\$ 1,414	\$ 2,909
		2014	753		447				447	306
		2016	6,615		6,215				6,215	400
		2019	6,001		5,257				5,257	744
		2020	6,001		6,001				6,001	-
		2021	5,411			\$ 5,411			5,411	-
		2022	5,759	\$ 5,759						
Recycling Tonnage Grant	4830-752-001-178810	2013	30,716		575				575	30,141
		2014	14,023		3,150				3,150	10,873
		2016	66,618		1,032				1,032	65,586
		2017	64,586		1,228				1,228	63,358
		2019	51,568		11,455				11,455	40,113
		2020	43,508		920		\$ 155		765	42,743
		2021	43,275	43,275		43,275	33,489		9,786	33,489
Dept. of Environment Protection (Passed Through County of Bergen)										
Municipal Alliance Grant	N/A	2013	9,520		964				964	8,556
Dept. of Transportation										
Ordinance #16-06	2017-078-6320-480-AMF	2017	113,090		13,298				13,298	99,792
Ordinance #09-15	20.205	2009	200,000		65,463			\$ (65,463)	-	134,537
Ordinance #13-12		2013	150,000		44,742			(44,742)	-	105,258
Ordinance #18-10		2018	220,000		11,250		11,250		-	220,000
Ordinance #19-09		2019	217,090		10,750		10,750		-	217,090
Ordinance #20-03		2020	179,000		179,000	-	-	-	179,000	-
					<u>\$ 363,161</u>	<u>\$ 48,686</u>	<u>\$ 55,644</u>	<u>\$ (110,205)</u>	<u>\$ 245,998</u>	

(1) - To cancel unexpended Ordinance balances, projects completed Ord. 09-15 and 13-12.

Note: This schedule is not subject to Single Audit in accordance with New Jersey OMB 15-08.

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance

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

BOROUGH OF MOONACHIE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 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	\$ 6,952	\$ 48,686	\$ 55,638
General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,952</u>	<u>\$ 48,686</u>	<u>\$ 55,638</u>

NOTE 4 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 5 DE MINIMIS 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 MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Modified- Regulatory Basis and Unaudited
LOSAP Trust Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

2) Significant deficiency(ies) that are not
considered to be material weakness(es)?

_____ yes X none reported

Noncompliance material to the financial
statements noted?

_____ yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 *Government Auditing Standards*.

There are none.

**BOROUGH OF MOONACHIE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Part III – Schedule of Federal and State Award Findings and Responses

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 OMB Uniform Guidance and New Jersey OMB Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

Not Applicable.

**BOROUGH OF MOONACHIE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

This section identifies the status of prior-year findings related to the financial statements that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF MOONACHIE
BERGEN COUNTY, NEW JERSEY

PART III
SUPPORTING DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND

	<u>Year 2021</u>			<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,550,000	6.11 %	\$	1,466,000	6.03 %
Miscellaneous - From Other Than Local					
Property Tax Levies	3,310,714	13.06		3,471,978	14.27
Collection of Delinquent Taxes					
and Tax Title Liens	315,782	1.24		182,994	0.75
Collection of Current Tax Levy	<u>20,183,139</u>	<u>79.59</u>		<u>19,203,408</u>	<u>78.95</u>
Total Income	<u>25,359,635</u>	<u>100.00</u> %		<u>24,324,380</u>	<u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	11,193,644	49.16 %		11,088,234	50.03 %
Local School Taxes	9,168,049	40.27		8,818,946	39.79
County Taxes	<u>2,407,073</u>	<u>10.57</u>		<u>2,257,156</u>	<u>10.18</u>
Total Expenditures	<u>22,768,766</u>	<u>100.00</u> %		<u>22,164,336</u>	<u>100.00</u> %
Excess in Revenue	2,590,869			2,160,044	
Fund Balance, January 1	<u>6,099,303</u>			<u>5,405,259</u>	
	8,690,172			7,565,303	
Less Utilization as Anticipated Revenue	<u>1,550,000</u>			<u>1,466,000</u>	
Fund Balance, December 31	<u>\$ 7,140,172</u>			<u>\$ 6,099,303</u>	

BOROUGH OF MOONACHIE
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
SEWER UTILITY OPERATING FUND

	<u>Year 2021</u>			<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 287,655	15.19 %	\$ -		%
Collection of Sewer Rents	1,424,987	75.25	1,796,025	91.24	
Miscellaneous - From Other Than Sewer	<u>181,055</u>	<u>9.56</u>	<u>172,379</u>	<u>8.76</u>	
Total Income	<u>1,893,697</u>	<u>100.00 %</u>	<u>1,968,404</u>	<u>100.00 %</u>	
EXPENDITURES					
Budget Expenditures					
Operating	1,519,497	85.06 %	1,721,834	88.69 %	
Deferred Charges and Statutory Expenditures	37,658	2.11	33,500	1.73	
Debt Service	<u>229,255</u>	<u>12.83</u>	<u>185,979</u>	<u>9.58</u>	
Total Expenditures	<u>1,786,410</u>	<u>100.00 %</u>	<u>1,941,313</u>	<u>100.00 %</u>	
Excess in Revenue	<u>107,287</u>		<u>27,091</u>		
Adjustments to Income Before Surplus:					
Expenditures included above which are by Statute Deferred					
Charges to budget of Succeeding Year	<u>-</u>		<u>4,158</u>		
Statutory Excess to Surplus	107,287		31,249		
Fund Balance, January 1	<u>1,087,893</u>		<u>1,056,644</u>		
	1,195,180		1,087,893		
Decreased by:					
Utilized in Sewer Operating Budget	<u>287,655</u>		<u>-</u>		
Fund Balance, December 31	<u>\$ 907,525</u>		<u>\$ 1,087,893</u>		

BOROUGH OF MOONACHIE
COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$2.295</u>	<u>\$2.307</u>	<u>\$2.311</u>
<u>Apportionment of Tax Rate</u>			
Municipal	\$.999	\$1.026	\$1.045
County	.270	.262	.235
Local School	1.026	1.019	1.031

Assessed Valuation

2021	<u>\$893,783,492</u>	
2020		<u>\$865,638,528</u>
2019		<u>\$838,967,490</u>

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>		<u>Levy</u>		<u>Cash Collections (1)</u>
2021	\$	1,361,235	\$	1,424,987
2020		1,665,068		1,796,025
2019		2,393,190		2,335,479

(1) Includes collection of prior year's receivables.

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>		<u>Tax Levy</u>		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$	20,555,624	\$	20,183,139	98.19%
2020		19,980,116		19,603,408	98.11%
2019		19,391,277		19,149,836	98.75%

BOROUGH OF MOONACHIE
DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>December 31</u>	Amount of Delinquent Taxes	Amount of Tax Title Liens	Total Delinquent	Percentage of Tax Levy
2021	\$ 254,099	\$ 698,730	\$ 952,829	4.64%
2020	315,782	674,293	990,075	4.96%
2019	182,994	625,608	808,602	4.17%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2021 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>
2021	\$2,850
2020	2,850
2019	2,850

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	Balance, <u>December 31</u>	Utilized In Budget of <u>Succeeding Year</u>
<u>Current Fund</u>	2021	\$7,140,172	\$1,670,000
	2020	6,099,303	1,550,000
	2019	5,405,259	1,466,000
 <u>Sewer Utility Operating Fund</u>	2021	\$907,525	\$320,525
	2020	1,087,893	287,655
	2019	1,056,644	

BOROUGH OF MOONACHIE
OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Dennis Vaccaro	Mayor
Kathy Kinsella	Councilwoman - President
Robert Bauer	Councilman
Antonio Cirillo	Councilman
Manuel Martinez	Councilman
Karen Surak	Councilwoman
John Wende	Councilman
Anthony Ciannamea	Administrator Chief Finance Officer
Supriya Sanyal	Borough Clerk Assessment Search Officer Registrar of Vital Statistics Planning Board Secretary
Lisa Ciannamea	Tax Collector Deputy Registrar of Vital Statistics
Frank Migliorino	Borough Attorney
Kevin Boswell	Borough Engineer
Philip N. Boggia	Judge
Brittany DeOliveira	Court Administrator
Kathleen Riker	Deputy Court Administrator (2/1/2021-12/31/2021)
Gino Tessaro	Zoning Official and Construction Official
Keith Dalton	Fire Sub-Code Official
Frederick J. Dressel IV	Fire Official
Ilarione Mario Patruno	Electrical Sub-Code Official
Dominick Luminova	Plumbing Sub-Code Official/Building Sub-Code Official

BOROUGH OF MOONACHIE
OFFICIALS IN OFFICE AND SURETY BONDS (Continued)

<u>Name</u>	<u>Title</u>
Lynn Rose	Building Department Inspection Control Clerk Fire Prevention Clerk
Jennifer Cooney	Board of Health Secretary Deputy Borough Clerk Deputy Emergency Management Coordinator (7/1/2021-12/31/2021)
Paul Barbire	Tax Assessor
Richard Behrens	Chief of Police and Emergency Management Coordinator
Mary Ellen Lyons	Municipal DPW Superintendent (1/1/2021-6/30/2021) Deputy Emergency Management Coordinator (1/1/2021-6/30/2021)
Dennis Williams	Assistant Municipal DPW Superintendent (7/1/2021-12/31/2021) Sewer Inspector

There is a statutory bond limit in the Municipal Joint Insurance Fund that covers the Chief Financial Officer, Tax Collector and any assistant or deputy "in title to" these positions, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000.

**BOROUGH OF MOONACHIE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

Prior Year Unresolved Comments

Our audit of the payroll deductions revealed that there are several employees eligible for the Defined Contribution Retirement Plan (DCRP) that have not been enrolled. It is recommended that the Borough enroll the eligible employees into the Defined Contribution Retirement Plan (DCRP).

Current Year Comments

There are none.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 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 or 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.

The threshold permitted by the State of New Jersey is \$17,500 unless the Borough has a qualified purchasing agent. If the Borough's purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c. 198 (c.40A:11-9), the Borough may establish a bid threshold up to \$44,000. The Borough does not have a qualified purchasing agent.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year.

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

Installation of Emergency Generator at Moonachie Ave. Pump Station

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

**BOROUGH OF MOONACHIE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4 (Continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. The Borough does maintain an accumulation of cost by vendor. Disbursements were reviewed to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any instances where expenditures exceeded the bid threshold of \$17,500 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those 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.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 7, 2020. There was no tax sale in 2021.

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

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

<u>Year</u>	<u>Number of Liens</u>
2021	2
2020	2
2019	2

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

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 4, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Moonachie that it does hereby fix the rate of interest to be charged for the non-payment of taxes or assessments to be eight (8%) per annum on the first \$1,500 delinquency and 18 percent (18%) per annum on any amount in excess of \$1,500 from the date of delinquency(s) to date of payment, providing however, that payments made during the first ten days of delinquency shall not be subject to interest charges."

WHEREAS, recently enacted Assembly Bill No. 4425 and Senate Bill No. 2579 have been signed into law effective March 29, 1995 and April 4, 1992 respectively amending NJSA 54:4-67 and,

WHEREAS, the Mayor and Council of the Borough of Moonachie are desirous of enacting the following changes with respect to the aforementioned bills:

Interest now charged on a property tax delinquency shall be calculated on the sum of all taxes from year to year and not calculated on a yearly basis.

**BOROUGH OF MOONACHIE
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (Continued)

An additional penalty of 6% will be added on the amount of a property tax delinquency in excess of \$10,000.

In regard to Tax Sale Certificates, when taxes, interest and cost shall exceed the sum of \$5,000, an additional sum shall be equal to 4% of the amount paid. When that sum exceeds \$10,000, such additional sum shall be equal to 6% of amount paid. This shall also apply to all existing certificates held by the Borough on the effective date of this act.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Moonachie, County of Bergen, State of New Jersey, hereby authorize the Tax Collector to implement the above stated changes.

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

Suggestions to Management

The Borough's disaster recovery plan/back-up procedures for their computer software/data revealed that they do not have an adequate plan in place that would allow them to recover all data from their servers and be operational in another location in the event of a disaster. It is suggested to management that the Borough develop a formal disaster recover/back-up plan that will allow them to recover all data from their servers and be operational in another location. In addition to the development this plan needs to be tested to ensure that it is adequate to meet the Borough's needs.

Billing procedures for amounts due from police outside duty vendors be reviewed in order for receivable balances to be collected in a more timely manner.

APPRECIATION

We desire to express our appreciation to the Borough Administrator and other Borough Staff who assisted us during the course of our audit.

**BOROUGH OF MOONACHIE
RECOMMENDATIONS**

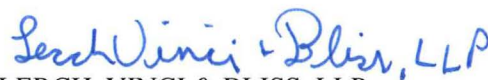
- * It is recommended that The Borough enroll the eligible employees into the Defined Contribution Retirement Plan (DCRP).

Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was not taken on the above recommendations denoted with an asterisk (*).

* * * * *

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



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



Andrew D. Parente
Registered Municipal Accountant
RMA Number CR00529