

**BOROUGH OF WALDWICK**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

# BOROUGH OF WALDWICK

## TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
 <b><u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u></b>		
<b>Independent Auditor’s Report</b>		1-3
 <b>Financial Statements</b>		
A	Comparative Balance Sheets – Regulatory Basis - Current Fund	4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	5
A-2	Statement of Revenues – Regulatory Basis – Current Fund	6-7
A-3	Statement of Expenditures – Regulatory Basis – Current Fund	8-12
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds	13-14
B-1	Statement of Revenues – Regulatory Basis – Municipal Open Space Trust Fund	15
B-2	Statement of Appropriations – Regulatory Basis – Municipal Open Space Trust Fund	15
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund	16
C-1	Comparative Statements of Changes in Fund Balances – Regulatory Basis - General Capital Fund	17
D	Comparative Balance Sheets – Regulatory Basis - Water Utility Operating Fund and Water Utility Capital Fund	18-19
D-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Water Utility Operating Fund	20
D-2	Comparative Statements of Changes in Fund Balances – Regulatory Basis - Water Utility Capital Fund	21
D-3	Statement of Revenues – Regulatory Basis - Water Utility Operating Fund	21
D-4	Statement of Expenditures – Regulatory Basis - Water Utility Operating Fund	22
E	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group	23
Notes to Financial Statements		24-67
 <b>Supplementary Schedules</b>		
<b><u>Current Fund</u></b>		
A-4	Statement of Current Cash - Collector-Treasurer	68
A-5	Statement of Change Funds	69
A-6	Statement of Due from State of New Jersey Senior Citizens' and Veterans' Deductions	69
A-7	Statement of Deferred Charges	70
A-8	Statement of Deferred Charges – Special Emergency – Revaluation Program	70
A-9	Statement of Taxes Receivable	71
A-10	Statement of Grants Receivable	72
A-11	Statement of Revenue Accounts Receivable	73
A-12	Statement of 2021 Appropriation Reserves	74-75
A-13	Statement of Accounts Payable	76
A-14	Statement of Prepaid Taxes	76
A-15	Statement of Tax Overpayments	77
A-16	Statement of County Taxes Payable	77
A-17	Statement of Local District School Taxes Payable	77
A-18	Statement of Miscellaneous Reserves	78

# BOROUGH OF WALDWICK

## TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
	<b><u>Current Fund (Continued)</u><sup>5</sup></b>	
A-19	Statement of Appropriated Reserves – Public and Private Programs	78
A-20	Statement of Unappropriated Reserves – Public and Private Programs	79
A-21	Statement of Due to State of New Jersey – Construction Code Fees Payable	79
	<b><u>Trust Funds</u></b>	
B-3	Statement of Trust Cash - Collector-Treasurer	80
B-4	Statement of Due from State of New Jersey – Animal Control Fund	81
B-5	Statement of Reserve for Animal Control Expenditures – Animal Control Fund	81
B-6	Statement of Due from Current Fund – Park and Ride Contingency Fund	82
B-7	Statement of Reserve for Park and Ride Expenditures – Park and Ride Contingency Fund	82
B-8	Statement of Due from State of New Jersey – Unemployment Insurance Trust Fund	82
B-9	Statement of Reserve for Unemployment Insurance Claims - Unemployment Insurance Trust Fund	83
B-10	Statement of Reserve for Property Insurance Expenditures – Self Insurance Trust Fund	83
B-11	Statement of Due from/to Current Fund – Other Trust Fund	84
B-12	Statement of Developer’s Escrow and Other Reserves – Other Trust Fund	84
B-13	Statement of Reserve for Payroll Deductions – Other Trust Fund	85
B-14	Statement of Reserve for COAH Expenditures – Other Trust Fund	85
B-15	Statement of Due from Current Fund – Municipal Open Space Trust Fund	85
B-16	Statement of Due from General Capital Fund – Municipal Open Space Trust Fund	86
B-17	Statement of Reserve for Municipal Open Space Expenditures – Municipal Open Space Trust Fund	86
	<b><u>General Capital Fund</u></b>	
C-2	Statement of General Capital Cash - Collector-Treasurer	87
C-3	Analysis of General Capital Cash	88
C-4	Statement of Due To Current Fund	89
C-5	Statement of Due to Municipal Open Space Trust	89
C-6	Statement of Deferred Charges to Future Taxation – Funded	90
C-7	Statement of Deferred Charges to Future Taxation – Unfunded	91
C-8	Statement of Grant and Other Receivables	92
C-9	Statement of General Serial Bonds	93
C-10	Statement of New Jersey Environmental Infrastructure (NJEIT) Loan Payable	94
C-11	Statement of Bond Anticipation Notes	95
C-12	Statement of Improvement Authorizations	96
C-13	Statement of Accounts Payable	97
C-14	Statement of Reserve for Payment of Debt Service	97
C-15	Statement of Reserve for Pistol Range	97
C-16	Statement of Capital Improvement Fund	97
C-17	Statement of Bonds and Notes Authorized But Not Issued	98

**BOROUGH OF WALDWICK**  
**TABLE OF CONTENTS**  
(Continued)

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
<b><u>Water Utility Fund</u></b>		
D-5	Statement of Water Utility Cash - Water Collector-Treasurer	99
D-6	Analysis of Water Utility Capital Cash	100
D-7	Statement of Consumer Accounts Receivable – Water Utility Operating Fund	100
D-8	Statement of Fixed Capital – Water Utility Capital Fund	101
D-9	Statement of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	102
D-10	Statement of 2022 Appropriation Reserves – Water Utility Operating Fund	103
D-11	Statement of Accounts Payable – Water Utility Operating and Capital Funds	103
D-12	Statement of Prepaid Water Rents – Water Utility Operating Fund	104
D-13	Statement of Water Rent Overpayments – Water Utility Operating Fund	104
D-14	Statement of State Water Loan Payable - Water Utility Capital Fund	104
D-15	Statement of Improvement Authorizations – Water Utility Capital Fund	105
D-16	Statement of Capital Improvement Fund – Water Utility Capital Fund	106
D-17	Statement of Due to Other Trust Fund – Water Utility Operating Fund	106
D-18	Statement of Accrued Interest Payable on Bonds and Notes – Water Utility Operating Fund	106
D-19	Statement of Water Serial Bonds – Water Utility Capital Fund	107
D-20	Statement of Bond Anticipation Notes – Water Utility Capital Fund	108
D-21	Statement of Accrued Interest Payable on Loans - Water Utility Operating Fund	109
D-22	Statement of Reserve for Tax Map – Water Utility Operating Fund	109
D-23	Statement of Reserve for Amortization – Water Utility Capital Fund	109
D-24	Statement of Deferred Reserve for Amortization – Water Utility Capital Fund	110
D-25	Statement of Reserve for Payment of Debt – Water Utility Capital Fund	110
D-26	Statement of Bonds and Notes Authorized But Not Issued – Water Utility Capital Fund	110
 <b><u>Part II – Government Auditing Standards</u></b>		
	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	111-112
	Schedule of Expenditures of Federal Awards, Schedule A	113
	Schedule of Expenditures of State Financial Assistance, Schedule B	114
	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	115-116
	Schedule of Findings and Responses	117-118
	Schedule of Prior Year Audit Findings	119



**BOROUGH OF WALDWICK**  
**TABLE OF CONTENTS**  
**(Continued)**

	<u>Page</u>
 <b><u>Part III – Supplementary Data and Letter of Comments and Recommendations</u></b>	
Comparative Schedule of Tax Rate Information	120
Comparison of Tax Levies and Collection Currently	120
Delinquent Taxes and Tax Title Liens	121
Property Acquired by Tax Title Lien Liquidation	121
Comparison of Water Utility Levies	121
Officials in Office	122
Schedule of Findings of Noncompliance	123-124
Recommendations	125

**BOROUGH OF WALDWICK**

**BERGEN COUNTY**

**NEW JERSEY**

---

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2023**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Waldwick  
Waldwick, New Jersey

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

#### ***Opinions***

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

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

In our opinion, 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 Waldwick as of December 31, 2023 and 2022, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2023 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

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

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Waldwick as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Waldwick. 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.

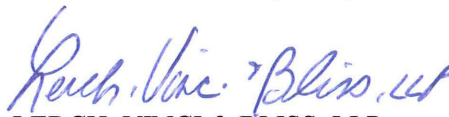
### ***Other Information***

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 July 9, 2024 on our consideration of the Borough of Waldwick'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 Waldwick'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 Waldwick's internal control over financial reporting and compliance.

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

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR000411

Fair Lawn, New Jersey  
July 9, 2024

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

<b>ASSETS</b>	<b>Reference</b>	<b>2023</b>	<b>2022</b>
Cash and Cash Equivalents	A-4	\$ 9,826,679	\$ 10,605,719
Cash - Change Funds	A-5	1,200	1,200
Grants Receivable	A-10	19,970	9,970
Due from State of NJ Senior Citizens' & Veterans' Deductions	A-6	49,194	47,346
		<u>9,897,043</u>	<u>10,664,235</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	233,906	244,313
Property Acquired for Taxes - Assessed Valuation	A	35,510	35,510
Revenue Accounts Receivable	A-11	4,976	3,498
Due from Other Trust Fund	B-11	2,120	
Due from General Capital Fund	C-4	76,262	11,341
		<u>352,774</u>	<u>294,662</u>
Deferred Charges			
Emergency Authorization	A-7		200,000
Special Emergency Authorization	A-8	-	275,000
		<u>-</u>	<u>475,000</u>
Total Assets		<u>\$ 10,249,817</u>	<u>\$ 11,433,897</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	A-3,A-12	\$ 527,089	\$ 581,326
Accounts Payable	A-13	224,341	961,432
Prepaid Taxes	A-14	192,231	222,143
Tax Overpayments	A-15	11,599	
County Taxes Payable	A-16	16,419	12,149
Due to Park and Ride Trust Fund	B-6	5,457	4,376
Due to Other Trust Fund	B-11		92,500
Miscellaneous Reserves	A-18	359,000	365,307
Appropriated Reserves - Public and Private Programs	A-19	35,278	39,755
Unappropriated Reserves - Public and Private Programs	A-20	1,370,689	1,229,399
Construction Code Fees Payable	A-21	4,295	3,995
		<u>2,746,398</u>	<u>3,512,382</u>
Reserve for Receivables and Other Assets	A	352,774	294,662
Fund Balance	A-1	<u>7,150,645</u>	<u>7,626,853</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,249,817</u>	<u>\$ 11,433,897</u>

The Accompanying Notes are an Integral Part of these Financial Statements



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

	<u>2023</u>	<u>2022</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>		
Fund Balance Utilized	\$ 2,127,809	\$ 1,967,959
Miscellaneous Revenues Anticipated	4,366,004	3,873,718
Receipts from Delinquent Taxes	240,615	205,012
Receipts from Current Taxes	47,493,443	46,270,193
Non-Budget Revenue	426,042	236,081
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	505,877	593,323
Cancelled Accounts Payable		11,200
Cancelled Grant Reserve Balance	400	
Interfunds Liquidated	-	362,928
	<u>55,160,190</u>	<u>53,520,414</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operations		
Salaries and Wages	\$ 4,920,548	4,750,734
Other Expenses	7,059,264	7,008,646
Capital Improvements	210,000	371,100
Municipal Debt Service	1,374,645	1,298,775
Deferred Charges and Statutory Expenditures	1,714,003	1,265,161
County Taxes	4,461,947	4,256,782
County Open Space Preservation	195,281	175,756
County Share of Added and Omitted Taxes	16,419	12,150
Local District School Taxes	33,381,472	32,720,992
Municipal Open Space Taxes	82,089	81,742
Other Debits		
Senior Citizens Deductions Disallowed for Prior Year Taxes	258	3,421
Refund of Prior Year Revenue	25,622	20,640
Cancelled Grants Receivable		17,914
Interfunds Created	67,041	-
Total Expenditures	<u>53,508,589</u>	<u>51,983,813</u>
Excess in Revenue	1,651,601	1,536,601
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	475,000
Statutory Excess to Surplus	1,651,601	2,011,601
Fund Balance, January 1	<u>7,626,853</u>	<u>7,583,211</u>
	9,278,454	9,594,812
Decreased by:		
Utilization as Anticipated Revenue	<u>2,127,809</u>	<u>1,967,959</u>
Fund Balance, December 31	<u>\$ 7,150,645</u>	<u>\$ 7,626,853</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<b>FUND BALANCE ANTICIPATED</b>	<u>\$ 2,127,809</u>	<u>-</u>	<u>\$ 2,127,809</u>	<u>-</u>
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	18,970		18,720	\$ (250)
Other	19,000		23,668	4,668
Fees and Permits				
Construction Code Official	240,000		201,435	(38,565)
Other	230,000		229,944	(56)
Fines and Costs				
Municipal Court	52,000		58,020	6,020
Interest and Costs on Taxes	55,000		62,879	7,879
Sewer Privileges	114,000		99,545	(14,455)
Energy Receipts Tax	2,344,357		2,344,357	
Supplemental Energy Receipts Tax	141,307		141,307	
Municipal Relief Fund	128,772		128,772	
Police Training - Various Municipal Agreements	57,468		64,199	6,731
Police Vest Fund - Reserve	1,625		1,625	
Recycling Tonnage Grant - Reserve	12,349		12,349	
Clean Communities - Reserve	19,593		19,593	
Opioid Settlement - Reserve	8,667		8,667	
Storm Water Assistance Grant		\$ 25,000	25,000	
Cable Television Franchise Fees	143,514		138,368	(5,146)
Uniform Fire Safety Act - Other Fees & Permits	14,420		16,786	2,366
Cell Site Rental	337,132		335,524	(1,608)
Cell Site Rental - Prior Year Verizon	224,806		224,806	-
Trust Reserve for Recreation	2,120		2,120	
Pistol Range Reserve - Debt Svc	25,480		25,480	
Insurance Reimbursement	197,500		177,380	(20,120)
Solar Energy Credit	5,000	-	5,460	460
	<u>4,393,080</u>	<u>25,000</u>	<u>4,366,004</u>	<u>(52,076)</u>
Total Miscellaneous Revenues				
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<u>241,857</u>	<u>-</u>	<u>240,615</u>	<u>(1,242)</u>
<b>AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Municipal Operations	8,820,591		9,686,106	865,515
Free Public Library	647,344	-	647,344	-
	<u>9,467,935</u>	<u>-</u>	<u>10,333,450</u>	<u>865,515</u>
<b>Total General Revenues</b>	<u>\$ 16,230,681</u>	<u>\$ 25,000</u>	<u>\$ 17,067,878</u>	<u>\$ 812,197</u>
<b>Non-Budget Revenue</b>			<u>426,042</u>	
			<u>\$ 17,493,920</u>	

The Accompanying Notes are an Integral Part of these Financial Statements



**BOROUGH OF WALDWICK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(Continued)**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collection	
Revenue from Collections	\$ 47,493,443
Less: Allocation to School, County and Municipal Open Space Taxes	<u>38,137,208</u>
	9,356,235
Add: Appropriation "Reserve for Uncollected Taxes"	<u>977,215</u>
Balance for Support of Municipal Budget Appropriations	<u>\$ 10,333,450</u>
 Fees and Permits - Other	
Borough Clerk	\$ 24,999
Tax Collector	410
Fire Prevention Bureau	21,364
Police	6,033
Swimming Pool	126,025
Park and Ride	49,113
Sewer Connection	<u>2,000</u>
	<u>\$ 229,944</u>
 Licenses - Other	
Borough Clerk	\$ 1,000
Board of Health	<u>22,668</u>
	<u>\$ 23,668</u>
 Non-Budget	
Cash Received	\$ 354,398
Due From General Capital Fund	<u>71,644</u>
	<u>\$ 426,042</u>

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

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
General Administration					
Salaries and Wages	\$ 207,520	\$ 212,255	\$ 212,255	-	
Other Expenses	26,880	26,880	26,856	\$ 24	
Mayor and Council					
Salaries and Wages	11,600	11,600	10,800	800	
Other Expenses	8,000	8,000	6,278	1,722	
Municipal Clerk					
Salaries and Wages	139,951	142,001	142,001	-	
Other Expenses	84,690	84,690	81,368	3,322	
Financial Administration					
Salaries and Wages	150,778	150,778	149,639	1,139	
Other Expenses	7,950	7,950	(2,050)	10,000	
Audit Services					
Other Expenses	37,000	37,000	35,850	1,150	
Revenue Administration					
Salaries and Wages	51,458	51,458	49,074	2,384	
Other Expenses	127,850	134,850	134,403	447	
Other Expenses - Liquid of TTLs/Foreclosed				-	
Property	100	100	-	100	
Tax Assessment Administration					
Salaries and Wages	39,926	39,926	39,753	173	
Other Expenses	20,755	14,970	12,424	2,546	
Special Emerg-Complete Borough Wide Reval				-	
Legal Services and Costs					
Other Expenses	106,000	106,000	88,569	17,431	
Engineering Services & Costs					
Other Expenses	11,000	11,000	6,731	4,269	
Planning Board					
Salaries and Wages	10,043	10,043	10,043	-	
Other Expenses	6,300	6,300	4,665	1,635	
Board of Adjustment					
Salaries and Wages	10,043	10,043	10,043	-	
Other Expenses	6,100	6,100	4,124	1,976	
Insurance					
Self Insurance & Surety Bonds	15,000	15,000	15,000	-	
General Liability	350,549	350,549	264,061	86,488	
Employee Group Health	642,717	657,717	657,295	422	
Health Benefit Waiver	30,000	15,000	14,865	135	
<b>PUBLIC SAFETY</b>					
Police					
Salaries and Wages	2,972,736	3,037,736	3,026,491	11,245	
Other Expenses	173,321	173,321	141,821	31,500	
Pistol Range Contribution	7,476	7,476	7,476	-	
Office of Emergency Management					
Other Expenses	1,500	1,500	1,473	27	

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

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>					
<b>PUBLIC SAFETY (Cont'd)</b>					
Aid to Volunteer Ambulance Companies (First Aid Contribution)	\$ 21,000	\$ 21,000	\$ 21,000	-	
Fire					
Salaries and Wages	8,550	8,550	7,318	\$ 1,232	
Other Expenses	69,850	69,850	56,041	13,809	
Other Expenses-Fire Hydrant Service	25,000	25,000	25,000	-	
Fire Prevention Bureau					
Salaries and Wages	24,656	25,656	24,819	837	
Other Expenses	20,540	20,540	8,859	11,681	
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance					
Salaries and Wages	869,177	799,177	783,469	15,708	
Other Expenses	51,420	51,420	42,683	8,737	
Other Expenses - Snow Removal	62,500	42,500	40,677	1,823	
Other Public Works Function					
Other Expenses - Municipal Park and Ride	2,625	2,625	1,527	1,098	
Other Expenses - Traffic Control Devices	7,000	7,000	5,484	1,516	
Solid Waste Collection (Sanitation)					
Garbage Collection	376,257	376,257	376,257	-	
Recycling					
Other Expenses	229,233	251,233	251,233	-	
Public Buildings and Grounds					
Other Expenses	202,500	257,500	253,731	3,769	
Other Expenses - Emergency Authorization				-	
Vehicle Maintenance (Municipal Garage)					
Other Expenses	210,000	200,000	194,283	5,717	
<b>HEALTH &amp; HUMAN SERVICES</b>					
Public Health Services					
Other Expenses - Northwest Bergen					
Comm. Contractual	113,904	113,904	110,079	3,825	
Animal Control					
Other Expenses	2,500	2,500	2,500	-	
Welfare/Administration of Public Assistance					
Other Expenses	100	100	-	100	
<b>PARKS AND RECREATION</b>					
Recreation Services and Programs (Parks and Playgrounds)					
Salaries and Wages	129,474	100,204	98,315	1,889	
Other Expenses	58,100	59,100	58,223	877	
Other Expenses-Community Television				-	
<b>MUNICIPAL COURT</b>					
Salaries and Wages	67,121	57,121	52,460	4,661	
Other Expenses	8,800	11,800	11,796	4	
Public Defender					
Other Expenses	16,000	16,000	15,373	627	

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
<b>OPERATIONS - WITHIN "CAPS" (Cont'd)</b>					
<b>OTHER COMMON OPERATING</b>					
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	\$ 11,000	\$ 11,000	\$ 11,000	-	
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY</b>					
<b>DEDICATED REVENUES (NJAC5:23-4.17)</b>					
Uniform Construction Code Enforcement					
Salaries and Wages	230,076	236,576	236,324	\$ 252	
Other Expenses	4,240	4,240	4,240	-	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Fuel Oil	110,000	110,000	74,621	35,379	
Electricity	98,000	101,500	101,500	-	
Telephone	52,000	56,500	50,959	5,541	
Natural Gas	35,000	28,000	23,378	4,622	
Street Lighting	121,000	124,500	122,512	1,988	
Water	30,000	30,000	28,083	1,917	
Sewerage Processing and Disposal	23,000	23,000	16,961	6,039	
Landfill/Solid Waste Disposal Costs					
Sanitary Landfill Dump Fees	350,000	350,000	240,382	109,618	-
Total Operations Within "CAPS"	8,897,866	8,924,596	8,502,395	422,201	-
Detail:					
Salaries and Wages	4,953,109	4,908,124	4,867,669	40,455	-
Other Expenses (Including Contingent)	3,944,757	4,016,472	3,634,726	381,746	-
<b>STATUTORY EXPENDITURES</b>					
Social Security System	375,110	350,110	343,155	6,955	
Police & Firemen's Retirement System of NJ	648,523	648,523	648,523	-	
Public Employee Retirement System	232,370	232,370	228,804	3,566	
Defined Contribution Retirement Plan	12,000	8,000	7,241	759	-
Total Statutory Expenditures	1,268,003	1,239,003	1,227,723	11,280	-
Total Statutory Expenditures - Municipal Within "CAPS"	1,268,003	1,239,003	1,227,723	11,280	-
Total General Appropriations for Municipal Purposes Within "CAPS"	10,165,869	10,163,599	9,730,118	433,481	-

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Northwest Bergen Sewer Authority					
Share of Costs	\$ 1,828,791	\$ 1,828,791	\$ 1,828,791		
Village of Ridgewood - Contractual - Sewer	3,330	5,600	5,600		
Boro of Ho-Ho-Kus - Contractual - Sewer	5,600	5,600	-	\$ 5,600	
Recycling Tax Appropriation	12,600	12,600	8,927	3,673	
<b>EDUCATION</b>					
Maintenance of Free Public Library	647,344	647,344	647,344	-	
<b>INSURANCE</b>					
Workers Compensation Insurance	7,967	7,967	-	7,967	
Employee Group Health	105,764	105,764	105,764	-	
<b>PUBLIC SAFETY</b>					
"911" Telecommunications System	11,100	11,100	11,100	-	
<b>PUBLIC WORKS</b>					
Recycling - Other Expenses	49,100	49,100	49,100		
Garbage Collections	132,410	132,410	132,410	-	
<b>INTERLOCAL MUNICIPAL SERVICE</b>					
<b>AGREEMENTS</b>					
Public Safety - Police Training					
Salaries and Wages	12,424	12,424	12,424	-	
Other Expense	45,044	45,044	18,522	26,522	
<b>STATUTORY EXPENDITURES</b>					
Public Employee Retirement System	12,856	12,856	12,856	-	
Police & Firemen's Retirement System of NJ	111,379	111,379	111,379	-	
<b>PUBLIC AND PRIVATE PROGRAMS</b>					
<b>OFFSET BY REVENUES</b>					
County of Bergen Drug and Alcohol Awareness Grant					
Municipal Alliance					
Local Share				-	
Recycling Tonnage Grant	12,349	12,349	12,349	-	
Police Vest Fund	1,628	1,628	1,562	66	
Storm Water Assistance		25,000	-	25,000	
Opioid Settlement	8,667	8,667	3,480	5,187	
Clean Communities Grant	19,593	19,593	-	19,593	-
Total Operations Excluded from "CAPS"	3,027,946	3,055,216	2,961,608	93,608	-
Detail:					
Salaries and Wages	12,424	12,424	12,424	-	-
Other Expenses	3,015,522	3,042,792	2,949,184	93,608	-
<b>CAPITAL IMPROVEMENTS</b>					
Capital Improvement Fund	210,000	210,000	210,000	-	-
Total Capital Improvements-Excluded from "CAPS"	210,000	210,000	210,000	-	-

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

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b>MUNICIPAL DEBT SERVICE</b>					
Payment of Bond Principal	\$ 1,145,000	\$ 1,145,000	\$ 1,145,000		
Interest on Bonds	108,260	108,260	108,260		
Interest on Notes	109,650	109,650	109,645		\$ 5
NJ Infrastructure Trust Loan					
Loan Repayments for Principal and Interest	<u>11,741</u>	<u>11,741</u>	<u>11,740</u>	<u>-</u>	<u>1</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,374,651</u>	<u>1,374,651</u>	<u>1,374,645</u>	<u>-</u>	<u>6</u>
<b>DEFERRED CHARGES MUNICIPAL</b>					
Deferred Charges					
Emergency Authorization	200,000	200,000	200,000	-	-
Special Emergency - 5 Years	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>	<u>-</u>
Total Deferred Charges-Municipal Excluded from "CAPS"	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>5,087,597</u>	<u>5,114,867</u>	<u>5,021,253</u>	<u>\$ 93,608</u>	<u>6</u>
Subtotal General Appropriations	15,253,466	15,278,466	14,751,371	527,089	6
Reserve for Uncollected Taxes	<u>977,215</u>	<u>977,215</u>	<u>977,215</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 16,230,681</u>	<u>\$ 16,255,681</u>	<u>\$ 15,728,586</u>	<u>\$ 527,089</u>	<u>\$ 6</u>
Adopted Budget		\$ 16,230,681			
Appropriation by 40A:4-87		<u>25,000</u>			
		<u>\$ 16,255,681</u>			
Cash Disbursed			\$ 14,065,525		
Accounts Payable			210,846		
Deferred Charges - Emergency Authorization			200,000		
Deferred Charges - Special Emergency Authorization			275,000		
Reserve for Uncollected Taxes			<u>977,215</u>		
			<u>\$ 15,728,586</u>		

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

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL FUND</b>			
Cash	B-3	\$ 16,493	\$ 15,650
Due from State of New Jersey	B-4	<u>1,680</u>	<u>764</u>
		<u>18,173</u>	<u>16,414</u>
<b>PARK AND RIDE CONTINGENCY FUND</b>			
Cash	B-3	36,674	32,298
Due from Current Fund	B-6	<u>5,457</u>	<u>4,376</u>
		<u>42,131</u>	<u>36,674</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	2,515,986	2,163,635
Due from Current Fund	B-11		92,500
Due from Water Operating Fund	D-17	<u>-</u>	<u>10,000</u>
		<u>2,515,986</u>	<u>2,266,135</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Cash and Cash Equivalents	B-3	79,708	73,614
Due from State of New Jersey	B-8	<u>5,918</u>	<u>5,918</u>
		<u>85,626</u>	<u>79,532</u>
<b>SELF INSURANCE TRUST FUND</b>			
Cash	B-3	<u>48,333</u>	<u>26,619</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	120,451	41,936
Due from General Capital Fund	B-16	<u>19,149</u>	<u>70,366</u>
		<u>139,600</u>	<u>112,302</u>
Total Assets		<u>\$ 2,849,849</u>	<u>\$ 2,537,676</u>

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2023 AND 2022**  
**(Continued)**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL FUND</b>			
Reserve for Animal Control Expenditures	B-5	\$ 18,173	\$ 16,414
		<u>18,173</u>	<u>16,414</u>
<b>PARK AND RIDE CONTINGENCY FUND</b>			
Reserve for Park and Ride Expenditures	B-7	42,131	36,674
		<u>42,131</u>	<u>36,674</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund	B-11	2,120	
Developer's Escrow and Other Reserves	B-12	2,050,133	1,762,487
Reserve for Payroll Deductions Payable	B-13	69,744	73,141
Reserve for COAH Expenditures	B-14	393,989	430,507
		<u>2,515,986</u>	<u>2,266,135</u>
<b>UNEMPLOYMENT INSURANCE TRUST FUND</b>			
Reserve for Unemployment Claims	B-9	85,626	79,532
		<u>85,626</u>	<u>79,532</u>
<b>SELF-INSURANCE TRUST FUND</b>			
Reserve for Property Insurance Expenditures	B-10	48,333	26,619
		<u>48,333</u>	<u>26,619</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Reserve for Expenditures	B-17	139,600	112,302
		<u>139,600</u>	<u>112,302</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,849,849</u>	<u>\$ 2,537,676</u>



**BOROUGH OF WALDWICK  
STATEMENT OF REVENUES-REGULATORY BASIS  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Anticipated Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 81,801	\$ 81,801	\$ 82,089	\$ 288
	<u>\$ 81,801</u>	<u>\$ 81,801</u>	<u>\$ 82,089</u>	<u>\$ 288</u>

## EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS  
MUNICIPAL OPEN SPACE TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>
Development of Lands for Recreation and Conservation: Other Expenses	\$ 81,801	\$ 81,801	\$ 75,000	\$ 6,801
	<u>\$ 81,801</u>	<u>\$ 81,801</u>	<u>\$ 75,000</u>	<u>\$ 6,801</u>

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

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	C-2,C-3	\$ 2,875,283	\$ 2,394,617
Deferred Charges to Future Taxation			
Funded	C-6	5,972,998	7,127,758
Unfunded	C-7	6,447,602	2,805,602
Grant and Other Receivable	C-8	<u>614,877</u>	<u>510,287</u>
		<u>\$ 15,910,760</u>	<u>\$ 12,838,264</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-9	\$ 5,911,000	\$ 7,056,000
Loans Payable	C-10	61,998	71,758
Bond Anticipation Notes	C-11	4,247,000	2,805,000
Improvement Authorizations			
Funded	C-12	691,073	941,415
Unfunded	C-12	1,448,835	946,502
Accounts Payable	C-13	2,945,181	566,015
Due to Current Fund	C-4	76,262	11,341
Due to Municipal Open Space Trust Fund	C-5	19,149	70,366
Reserve for Payment of Debt Service	C-14	90,257	34,536
Reserve for Pistol Range	C-15	35,960	36,762
Capital Improvement Fund	C-16	48,984	21,262
Fund Balance	C-1	<u>335,061</u>	<u>277,307</u>
		<u>\$ 15,910,760</u>	<u>\$ 12,838,264</u>

There were bonds and notes authorized but not issued of \$2,200,602 and \$602 at December 31, 2023 and 2022 respectively (Exhibit C-17).

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

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ 277,307	\$ 277,307
Increased by:		
Premium on Sale of Bond Anticipation Notes	22,703	
Cancelled Improvement Authorizations	<u>35,051</u>	<u>-</u>
Balance, December 31	<u>\$ 335,061</u>	<u>\$ 277,307</u>

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**

<b>ASSETS</b>	<b>Reference</b>	<b>2023</b>	<b>2022</b>
Cash and Cash Equivalents	D-5	\$ 2,367,960	\$ 2,248,268
Change Fund	D	<u>100</u>	<u>100</u>
		<u>2,368,060</u>	<u>2,248,368</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-7	<u>70,579</u>	<u>62,566</u>
Total Assets		<u>\$ 2,438,639</u>	<u>\$ 2,310,934</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Liabilities			
Appropriation Reserves	D-4,D-10	\$ 73,118	\$ 89,172
Accounts Payable	D-11	75,185	107,289
Prepaid Water Rents	D-12	2,895	23,531
Water Rent Overpayments	D-13	6,916	4,901
Due to Other Trust Fund	D-17		10,000
Reserve for Tax Map	D-22	3,667	3,667
Accrued Interest Payable on Bonds and Notes	D-18	12,836	5,960
Accrued Interest Payable on Loans	D-21	<u>5,417</u>	<u>6,042</u>
		180,034	250,562
Reserve for Receivables	D	70,579	62,566
Fund Balance	D-1	<u>2,188,026</u>	<u>1,997,806</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,438,639</u>	<u>\$ 2,310,934</u>

**BOROUGH OF WALDWICK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**AS OF DECEMBER 31, 2023 AND 2022**  
**(Continued)**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	D-5,D-6	\$ 383,337	\$ 518,164
Fixed Capital	D-8	10,088,577	9,765,044
Fixed Capital Authorized and Uncompleted	D-9	<u>7,651,889</u>	<u>5,828,937</u>
Total Assets		<u>\$ 18,123,803</u>	<u>\$ 16,112,145</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Serial Bonds Payable	D-19	\$ 896,000	\$ 1,056,000
State Water Loans Payable	D-14	468,717	528,533
Bond Anticipation Notes	D-20	1,867,000	841,000
Accounts Payable	D-11	4,775,458	121,033
Improvement Authorization			
Funded	D-15	147,071	151,257
Unfunded	D-15	1,517,673	5,222,338
Reserves for			
Amortization	D-23	8,391,256	8,151,555
Deferred Amortization	D-24	16,000	16,000
Payment of Debt	D-25	4,008	4,008
Capital Improvement Fund	D-16	30,143	20,143
Fund Balance	D-2	<u>10,477</u>	<u>278</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 18,123,803</u>	<u>\$ 16,112,145</u>

There were bonds and notes authorized but not issued of \$6,101,493 and \$5,000,893, at December 31, 2023 and 2022, respectively. (Exhibit D-26).

**BOROUGH OF WALDWICK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>REVENUES AND OTHER INCOME</b>		
Surplus Anticipated	\$ 170,000	\$ 170,000
Rents	1,881,812	1,928,575
Fire Hydrant Service	25,000	25,000
Miscellaneous	89,172	10,487
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	67,820	97,500
Cancelled Accounts Payable	-	39
	<u>2,233,804</u>	<u>2,231,601</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operating	1,380,618	1,365,224
Capital Improvements	30,000	30,000
Debt Service	289,858	252,577
Deferred Charges and Statutory Expenditures	173,108	156,423
	<u>1,873,584</u>	<u>1,804,224</u>
Statutory Excess to Surplus	360,220	427,377
Fund Balance, January 1	<u>1,997,806</u>	<u>1,740,429</u>
	2,358,026	2,167,806
Decreased by:		
Utilization by Water Operating Budget	<u>170,000</u>	<u>170,000</u>
Fund Balance, December 31	<u><u>\$ 2,188,026</u></u>	<u><u>\$ 1,997,806</u></u>

**BOROUGH OF WALDWICK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS**  
**WATER UTILITY CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ 278	\$ 278
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>10,199</u>	<u>-</u>
Balance, December 31	<u>\$ 10,477</u>	<u>\$ 278</u>

EXHIBIT D-3

**STATEMENT OF REVENUES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Utilized	\$ 170,000	\$ 170,000	
Rents	1,679,433	1,881,812	\$ 202,379
Fire Hydrant Service	<u>25,000</u>	<u>25,000</u>	<u>-</u>
	<u>\$ 1,874,433</u>	<u>\$ 2,076,812</u>	<u>\$ 202,379</u>
Analysis of Miscellaneous Not Anticipated			
Interest on Investments and Deposits		\$ 61,755	
Interest and Costs on Delinquent Accounts		5,417	
Tapping Fees		<u>22,000</u>	
		<u>\$ 89,172</u>	
Analysis of Miscellaneous Revenue			
Cash Receipts		\$ 67,172	
Transferred from Prepaid Water Rents		<u>22,000</u>	
		<u>\$ 89,172</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**WATER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries and Wages	\$ 708,213	\$ 708,113	\$ 679,435	\$ 28,678	
Other Expenses	673,610	672,505	638,291	34,214	
Capital Improvements					
Capital Improvement Fund	10,000	10,000	10,000		
Capital Outlay	20,000	20,000	19,885	115	
Water Treatment System Improvements		450,000			\$ 450,000
Debt Service					
Payment of Bond Principal	160,000	160,000	160,000	-	
Interest on Bonds	16,615	16,615	16,392	-	223
Interest on Notes	39,980	39,980	39,980	-	
Environmental Trust Principal & Interest	74,112	74,112	73,486	-	626
Statutory Expenditures					
Public Employees Retirement System	114,233	115,438	115,432	6	
Social Security System	<u>57,670</u>	<u>57,670</u>	<u>47,565</u>	<u>10,105</u>	<u>-</u>
	<u>\$ 1,874,433</u>	<u>\$ 2,324,433</u>	<u>\$ 1,800,466</u>	<u>\$ 73,118</u>	<u>\$ 450,849</u>
Cash Disbursed			\$ 1,618,333		
Accounts Payable			52,274		
Interest on Bonds and Notes			56,372		
Interest on Loans			<u>73,487</u>		
			<u>\$ 1,800,466</u>		



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

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Land	\$ 8,628,600	\$ 8,628,600
Land Improvements	574,893	159,702
Buildings and Building Improvements	5,749,311	5,461,927
Machinery and Equipment	<u>10,090,804</u>	<u>9,838,620</u>
 Total Assets	 <u>\$ 25,043,608</u>	 <u>\$ 24,088,849</u>
 <b>FUND BALANCE</b>		
 Investment in General Fixed Assets	 <u>\$ 25,043,608</u>	 <u>\$ 24,088,849</u>

## **NOTES TO FINANCIAL STATEMENTS**

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Waldwick (the "Borough") was incorporated in 1919 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 municipal library, 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 Waldwick 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 WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

The Borough has the following funds and account group:

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

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

Animal Control 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.

Park and Ride Contingency Fund - This fund is used to account for the receipts and disbursements relating to parking permit fees collected.

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.

Self- Insurance Fund - This fund is used to account for the resources and expenditures for property claims.

Municipal Open Space Trust Fund – This fund is used to account for resources that have accumulated from a dedicated tax and other resources to be used for the preservation of open space, recreation and farmland property.

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.

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Borough's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

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 water utility fund. The Borough's infrastructure is not reported in the account group.

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

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

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

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

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

**Financial Statements – Regulatory Basis**

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

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

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

The Borough of Waldwick 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. 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 WALDWICK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

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

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

**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 water 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.

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

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

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

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

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

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

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

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

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

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

**Incurred 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 proprietary funds and government-wide financial statements.

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

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

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

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

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

**Financing Agreements** – Capital financing and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the Borough by the end of the agreement and do not contain termination options. The Borough appropriates in its annual budget the amounts required to repay these agreements which are recorded when paid in accordance with the terms of the financings agreement. GAAP requires financing agreements to be reported as other financing sources in the governmental funds and long-term liabilities in the proprietary funds and government-wide financial statements.

**Leases Receivable** – Leases for the use of the Borough's land or property are recorded as revenue when repayment is received during the year. GAAP requires leases receivable to be recorded at year-end with an offsetting deferred outflow of resources in both the fund and government-wide financial statements.

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

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

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

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

General Fixed Assets purchased after December 31, 2017 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, 2017 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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



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

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

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

**General Fixed Assets (Continued)**

Property and equipment purchased by the water utility fund is 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.

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), 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 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 Funds (Except Municipal Open Space Trust Fund)  
General Capital  
Water Utility Capital Fund

both the budget appropriations and the municipal tax levy can increase in the annual budget.

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023 and 2022 the Borough Council increased the original budget by \$25,000 and \$475,000. The increases were funded by additional aid allotted to the Borough in 2023 and emergency resolutions for the revaluation of all real property within the Borough and storm damage to the municipal complex in 2022. In addition, the governing body approved several budget transfers during 2023 and 2022.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$17,348,530 and \$17,219,241 and bank and brokerage firm balances of the Borough's deposits amounted to \$18,056,480 and \$18,002,582, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 16,763,174	\$ 16,849,701
Uninsured and Collateralized	1,293,306	1,152,881
	<u>\$ 18,056,480</u>	<u>\$ 18,002,582</u>

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

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

**A. Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2023 and 2022, the Borough’s bank balances of \$1,293,306 and \$1,152,881 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 1,293,306	\$ 1,152,881
	<u>\$ 1,293,306</u>	<u>\$ 1,152,881</u>

**B. Investments**

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

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

<u>Investment Type:</u>	<u>Valuation Basis</u>	<u>2023</u>	<u>2022</u>
N.J. Cash Management Fund	Book Value	\$ 948,193	\$ 902,579

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

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

**B. Investments (Continued)**

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 credit risk. As of December 31, 2023 and 2022, \$948,193 and \$902,579 of the Borough's investments was exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 948,193	\$ 902,579

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). The Borough does not have an investment policy that would further limit its investment choices.

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 N.J. Cash Management Fund. These investments are 100% of the Borough's total investments.

Fair Value of Investments. The Borough of Waldwick 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 N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2023 and 2022 are categorized as Level 2.

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

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

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE**

Receivables at December 31, 2023 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<b><u>2023</u></b>			
Property Taxes	\$ 233,906		\$ 233,906
Utility Rents	<u>-</u>	<u>\$ 70,579</u>	<u>70,579</u>
	<u>\$ 233,906</u>	<u>\$ 70,579</u>	<u>\$ 304,485</u>

In 2023, the Borough collected \$240,615 and \$197,943 from delinquent taxes and utility charges, which represented 98% and 100% of the delinquent tax and water charges receivable at December 31, 2022.

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<b><u>2022</u></b>			
Property Taxes	\$ 244,313		\$ 244,313
Utility Rents	<u>-</u>	<u>\$ 62,566</u>	<u>62,566</u>
	<u>\$ 244,313</u>	<u>\$ 62,566</u>	<u>\$ 306,879</u>

In 2022, the Borough collected \$205,012 and \$85,482 from delinquent taxes and utility charges, which represented 100% and 100% of the delinquent tax and water charges receivable at December 31, 2021.

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

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

	<b><u>2023</u></b>		<b><u>2022</u></b>	
	<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:	\$ 87,673	\$ 5,457	\$ 11,341	\$ 96,876
Trust Fund:				
Park and Ride Contingency	5,457		4,376	
Other Trust	-	2,120	102,500	
Municipal Open Space	-		70,366	
General Capital Fund		85,553		81,707
Water Utility Fund:				
Operating	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total	<u>\$ 93,130</u>	<u>\$ 93,130</u>	<u>\$ 188,583</u>	<u>\$ 188,583</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 WALDWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS (Continued)**

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>
<b><u>2022</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$275,000	\$275,000	-
Emergency Authorization	200,000	200,000	-

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and 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:

	<b><u>2023</u></b>		<b><u>2022</u></b>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 7,081,481	\$ 2,195,071	\$ 7,094,537	\$ 2,127,809
Non-Cash Surplus	<u>69,164</u>	<u>-</u>	<u>532,316</u>	<u>-</u>
	<u>\$ 7,150,645</u>	<u>\$ 2,195,071</u>	<u>\$ 7,626,853</u>	<u>\$ 2,127,809</u>
Water Utility Operating Fund				
Cash Surplus	\$ <u>2,188,026</u>	\$ <u>244,000</u>	\$ <u>1,997,806</u>	\$ <u>170,000</u>
	<u>\$ 2,188,026</u>	<u>\$ 244,000</u>	<u>\$ 1,997,806</u>	<u>\$ 170,000</u>

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

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

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

	Balance January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>				
Land	\$ 8,628,600			\$ 8,628,600
Land Improvements	159,702	\$ 415,191		574,893
Buildings and Building Improvements	5,461,927	287,384		5,749,311
Machinery and Equipment	<u>9,838,620</u>	<u>456,222</u>	<u>\$ 204,038</u>	<u>10,090,804</u>
	<u>\$ 24,088,849</u>	<u>\$ 1,158,797</u>	<u>\$ 204,038</u>	<u>\$ 25,043,608</u>
	Balance January 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Land	\$ 8,508,600	\$ 120,000		\$ 8,628,600
Land Improvements		159,702		159,702
Buildings and Building Improvements	5,491,472	27,855	\$ 57,400	5,461,927
Machinery and Equipment	<u>8,861,677</u>	<u>1,002,668</u>	<u>25,725</u>	<u>9,838,620</u>
	<u>\$ 22,861,749</u>	<u>\$ 1,310,225</u>	<u>\$ 83,125</u>	<u>\$ 24,088,849</u>

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

**NOTE 8 FIXED ASSETS (Continued)**

**B. Water Utility Fund Fixed Assets**

The following is a summary of changes in the Water Utility Fund fixed assets for the years ended December 31, 2023 and 2022.

<b>Water Utility Fund</b>	<b>Balance January 1, <u>2023</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b>Balance, December 31, <u>2023</u></b>
<b><u>2023</u></b>				
Fixed Capital				
System and System Improvements	\$ 3,409,770	\$ 80,850		\$ 3,490,620
Building and Building Improvements	3,453,181	42,040		3,495,221
Vehicles and Equipment	<u>2,902,093</u>	<u>200,643</u>	<u>\$ -</u>	<u>3,102,736</u>
	<u>\$ 9,765,044</u>	<u>\$ 323,533</u>	<u>\$ -</u>	<u>\$ 10,088,577</u>
	<b>Balance January 1, <u>2022</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b>Balance, December 31, <u>2022</u></b>
<b><u>2022</u></b>				
Fixed Capital				
System and System Improvements	\$ 3,395,252	\$ 14,518		\$ 3,409,770
Building and Building Improvements	3,055,205	397,976		3,453,181
Vehicles and Equipment	<u>2,895,233</u>	<u>6,860</u>	<u>\$ -</u>	<u>2,902,093</u>
	<u>\$ 9,345,690</u>	<u>\$ 419,354</u>	<u>\$ -</u>	<u>\$ 9,765,044</u>



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

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for 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>2023</u>	<u>2022</u>
Issued		
General		
Bonds, Notes and Loans	\$ 10,219,998	\$ 9,932,758
Water Utility		
Bonds, Notes and Loans	<u>3,231,717</u>	<u>2,425,533</u>
Total Issued	13,451,715	12,358,291
Less Funds Temporarily Held to Pay Bonds and Notes	<u>94,265</u>	<u>38,544</u>
Net Debt Issued	13,357,450	12,319,747
Authorized But Not Issued		
General		
Bonds and Notes	2,200,602	602
Water Utility		
Bonds, Notes and Loans	<u>6,101,493</u>	<u>5,000,893</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 21,659,545</u>	<u>\$ 17,321,242</u>

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .63% and .54% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2023</u></b>			
General Debt	\$ 12,420,600	\$ 90,257	\$ 12,330,343
School Debt	29,580,000	29,580,000	-
Water Utility Debt	<u>9,333,210</u>	<u>9,333,210</u>	<u>-</u>
Total	<u>\$ 51,333,810</u>	<u>\$ 39,003,467</u>	<u>\$ 12,330,343</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
General Debt	\$ 9,933,360	\$ 34,536	\$ 9,898,824
School Debt	30,550,000	30,550,000	-
Water Utility Debt	<u>7,426,426</u>	<u>7,426,426</u>	<u>-</u>
Total	<u>\$ 47,909,786</u>	<u>\$ 38,010,962</u>	<u>\$ 9,898,824</u>

**Statutory Borrowing Power**

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

	<u>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 68,500,072	\$ 64,140,303
Less: Net Debt	<u>12,330,343</u>	<u>9,898,824</u>
Remaining Borrowing Power	<u>\$ 56,169,729</u>	<u>\$ 54,241,479</u>

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2023</u>	<u>2022</u>
\$4,508,000, 2014 Bonds, due in annual installments of \$418,000 to \$420,000 through November, 2026, interest at 2.50%	\$ 1,258,000	\$ 1,678,000
\$6,978,000, 2020 Bonds, due in annual installments of \$578,000 to \$725,000 through July, 2030, interest at 0.05% to 2.00%	<u>4,653,000</u>	<u>5,378,000</u>
Total	<u>\$ 5,911,000</u>	<u>\$ 7,056,000</u>

**General Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing relating to the Borough sanitary sewer infiltration and inflow reduction improvements. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
\$86,874, 2011 Fund Loan due in Semi-annual installments of \$1,589 to \$3,178 through August 2029, interest free	\$ 26,491	\$ 31,258
\$86,874, 2011 Trust Loan due in Annual installments of \$996 to \$6,368 through August 2030, interest at 3.28% to 4.51%	<u>35,507</u>	<u>40,500</u>
	<u>\$ 61,998</u>	<u>\$ 71,758</u>

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Water Utility Bonds**

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

	<u>2023</u>	<u>2022</u>
\$564,000, 2014 Bonds, due in annual installments of \$59,000 to \$60,000 through November, 2026, interest at 2.50%	\$ 179,000	\$ 239,000
\$1,017,000, 2020 Bonds, due in annual installments of \$100,000 to \$105,000 through July, 2030, interest at 0.05% to 2.00%	<u>717,000</u>	<u>817,000</u>
	<u>\$ 896,000</u>	<u>\$ 1,056,000</u>

**Water Utility Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing relating to the water storage tank booster pump and water main construction projects. The Borough pledges revenue from operations to pay debt service on utility intergovernmental loans issued. Utility intergovernmental loans outstanding of the water utility at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
\$566,508, 2010 Fund Loan due in Semi-annual installments of \$9,939 to \$19,877 through August 2030, interest free	\$ 208,717	\$ 238,533
\$545,000, 2010 Trust Loan due in Annual installments of \$30,000 to \$45,000 through August 2030, interest at 5.00%	<u>260,000</u>	<u>290,000</u>
	<u>\$ 468,717</u>	<u>\$ 528,533</u>

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

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

Calendar Year	General Bonds		General Loans		Water Utility Bonds		Water Utility Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 1,145,000	\$ 99,498	\$ 9,951	\$ 1,511	\$ 160,000	\$ 15,365	\$ 59,817	\$ 13,000	\$ 1,504,142
2025	1,145,000	88,635	10,159	1,304	160,000	13,815	64,817	11,500	1,495,230
2026	1,143,000	70,885	10,381	1,082	159,000	11,315	64,817	9,750	1,470,230
2027	650,000	49,560	10,619	843	105,000	8,340	64,817	8,000	897,179
2028	625,000	36,560	10,870	593	105,000	6,240	69,816	6,250	860,329
2029-2031	1,203,000	35,620	10,018	372	207,000	6,180	144,632	6,500	1,613,322
Total	<u>\$ 5,911,000</u>	<u>\$ 380,758</u>	<u>\$ 61,998</u>	<u>\$ 5,705</u>	<u>\$ 896,000</u>	<u>\$ 61,255</u>	<u>\$ 468,716</u>	<u>\$ 55,000</u>	<u>\$ 7,840,432</u>

**Changes in Long-Term Municipal Debt**

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

	Balance, January 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 7,056,000		\$ 1,145,000	\$ 5,911,000	\$ 1,145,000
Intergovernmental Loans Payable	<u>71,758</u>	<u>-</u>	<u>9,760</u>	<u>61,998</u>	<u>9,951</u>
General Capital Fund Long-Term Liabilities	<u>\$ 7,127,758</u>	<u>\$ -</u>	<u>\$ 1,154,760</u>	<u>\$ 5,972,998</u>	<u>\$ 1,154,951</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 1,056,000		\$ 160,000	\$ 896,000	\$ 160,000
Intergovernmental Loans	<u>528,533</u>	<u>-</u>	<u>59,816</u>	<u>468,717</u>	<u>59,817</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,584,533</u>	<u>\$ -</u>	<u>\$ 219,816</u>	<u>\$ 1,364,717</u>	<u>\$ 219,817</u>

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, January 1, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<b><u>2022</u></b>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 8,226,000		\$ 1,170,000	\$ 7,056,000	\$ 1,145,000
Intergovernmental Loans Payable	<u>81,342</u>	<u>-</u>	<u>9,584</u>	<u>71,758</u>	<u>9,760</u>
General Capital Fund Long-Term Liabilities	<u>\$ 8,307,342</u>	<u>\$ -</u>	<u>\$ 1,179,584</u>	<u>\$ 7,127,758</u>	<u>\$ 1,154,760</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 1,216,000		\$ 160,000	\$ 1,056,000	\$ 160,000
Intergovernmental Loans	<u>588,349</u>	<u>-</u>	<u>59,816</u>	<u>528,533</u>	<u>59,817</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,804,349</u>	<u>\$ -</u>	<u>\$ 219,816</u>	<u>\$ 1,584,533</u>	<u>\$ 219,817</u>

**B. Short-Term Debt**

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

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, January 1, <u>2023</u>	<u>Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>						
<u>General Capital Fund</u>						
Various Public Improvements & Acquisitions	5.00%	10/10/2024	\$ 2,805,000	\$ 4,247,000	\$ 2,805,000	\$ 4,247,000
Total General Capital Fund			<u>\$ 2,805,000</u>	<u>\$ 4,247,000</u>	<u>\$ 2,805,000</u>	<u>\$ 4,247,000</u>
<u>Water Utility Capital Fund</u>						
Various Public Improvements & Acquisitions	5.00%	10/10/2024	\$ 841,000	\$ 1,867,000	\$ 841,000	\$ 1,867,000
Total Water Utility Capital Fund			<u>\$ 841,000</u>	<u>\$ 1,867,000</u>	<u>\$ 841,000</u>	<u>\$ 1,867,000</u>

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

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Bond Anticipation Notes (Continued)**

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Issued</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
<b><u>2022</u></b>				
<u>General Capital Fund</u>				
Various Public Improvements & Acquisitions	3.92%	10/13/2023	\$ 2,805,000	\$ 2,805,000
Total General Capital Fund			\$ 2,805,000	\$ 2,805,000
<u>Water Utility Capital Fund</u>				
Various Public Improvements & Acquisitions	3.92%	10/13/2023	\$ 841,000	\$ 2,805,000
Total Water Utility Capital Fund			\$ 841,000	\$ 2,805,000

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 water utility activities are accounted for in the Water 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.

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

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2023</u></b>		
Design and Treatment of Various Wells	\$ 139,827	2024
Platforms Aerial Ladder Truck	1,913,039	2024
Water Treatment System Improvements	4,368,781	2024
Acquisition of Sewer Truck	244,963	2024
Hudson Ave./Bohnert Pl. Improvements	281,287	2024
<b><u>2022</u></b>		
Borough Hall Parking	\$ 273,934	2023
Borough Wide Reassessment	265,000	2023
Admin. Building Remediation and Repairs	128,500	2023

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefit and 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 \$665,613 and \$760,483 at December 31, 2023 and 2022, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2023 and 2022, the Borough has reserved in the Other Trust Fund \$249,641 and \$249,641, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**B. Financing Agreements**

**Capital Financing Agreements**

The Borough entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the Borough's approved budget.

Capital financing agreements at December 31 are comprised of the following:

	<u>2023</u>	<u>2022</u>
\$37,768, 2021 Agreement for the acquisition of a police vehicle for a term of 2 years due in annual principal installments of \$18,884 through September 15, 2023 interest at 6.35%	\$ -	\$ 18,884



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

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

**C. Deferred Pension Obligation**

**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, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
Compensated Absences	\$ 760,483		\$ 94,870	\$ 665,613	
Capital Financing Agreements	18,884			18,884	\$ 18,884
Net Pension Liability - PERS (1)	4,932,309			4,932,309	
Net Pension Liability - PFRS (1)	<u>6,688,006</u>	<u>-</u>	<u>-</u>	<u>6,688,006</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 12,399,682</u>	<u>\$ -</u>	<u>\$ 94,870</u>	<u>\$ 12,304,812</u>	<u>\$ 18,884</u>
	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<b><u>2022</u></b>					
Compensated Absences	\$ 822,936		\$ 62,453	\$ 760,483	
Capital Financing Agreements	37,768		18,884	18,884	\$ 18,884
Net Pension Liability - PERS	1,557,129	\$ 3,748,660	373,480	4,932,309	
Net Pension Liability - PFRS	<u>3,929,641</u>	<u>3,384,957</u>	<u>626,592</u>	<u>6,688,006</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 6,347,474</u>	<u>\$ 7,133,617</u>	<u>\$ 1,081,409</u>	<u>\$ 12,399,682</u>	<u>\$ 18,884</u>

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

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

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

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

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 PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

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

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

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

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

**Measurement Focus and Basis of Accounting**

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

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

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

**NOTE 12 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](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

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

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

**Actuarial Methods and Assumptions**

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

**Employer and Employee Pension Contributions**

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

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

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

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

**Employer and Employee Pension Contributions (Contributions)**

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

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 759,902	\$ 412,198	\$ 7,241
2022	626,592	373,480	13,448
2021	564,516	331,305	12,382

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

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

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

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

**Public Employees Retirement System (PERS)**

At December 31, 2022, the Borough reported a liability of \$4,932,309 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .03269 percent, which was an increase of .0008 percent from its proportionate share measured as of June 30, 2021 of .03189 percent.

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

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

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

For the year ended December 31, 2022, the pension system has determined the Borough's pension expense (benefit) to be (\$597,008), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$373,480. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<b>2022</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 35,603	\$ 31,397
Changes of Assumptions	15,284	738,652
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	204,169	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>346,552</u>	<u>632,962</u>
Total	<u>\$ 601,608</u>	<u>\$ 1,403,011</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (740,086)
2024	(373,429)
2025	15,244
2026	295,021
2027	1,847
Thereafter	<u>-</u>
	<u>\$ (801,403)</u>

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

**NOTE 12 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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

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

***Mortality Rates***

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

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

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

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

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

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

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

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

***Discount Rate***

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



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

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

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

***Sensitivity of Net Pension Liability***

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b><u>2022</u></b>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,336,572</u>	<u>\$ 4,932,309</u>	<u>\$ 3,737,224</u>

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

***Pension Plan Fiduciary Net Position***

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

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

At December 31, 2022, the Borough reported a liability of \$6,688,006 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .05843 percent, which was an increase of .00467 percent from its proportionate share measured as of June 30, 2021 of .05376 percent.

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

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

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

For the year ended December 31, 2022, the pension system has determined the Borough pension expense (benefit) to be (\$139,053), for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$626,592. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	<b>2022</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 302,717	\$ 409,731
Changes of Assumptions	18,329	841,888
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	612,425	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,127,188</u>	<u>666,736</u>
Total	<u>\$ 2,060,659</u>	<u>\$ 1,918,355</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ 63,044
2024	63,044
2025	63,044
2026	63,045
2027	(90,062)
Thereafter	<u>(19,811)</u>
	<u>\$ 142,304</u>

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

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

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

*Actuarial Assumptions*

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

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

*Mortality Rates*

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

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

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

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

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

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

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

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

***Discount Rate***

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

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

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

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

***Sensitivity of Net Pension Liability***

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

<b><u>2022</u></b>	<b><u>1% Decrease (6.00%)</u></b>	<b><u>Current Discount Rate (7.00%)</u></b>	<b><u>1% Increase (8.00%)</u></b>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 9,176,667</u>	<u>\$ 6,688,006</u>	<u>\$ 4,616,184</u>

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

***Special Funding Situation – PFRS***

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

At December 31, 2022, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,190,269. For the year ended December 31, 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$137,826, which is less than the actual contribution the State made on behalf of the Borough of \$148,183. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PFRS net pension liability attributable to the Borough was .05843 percent, which was an increase of .00467 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .05376 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

***Pension Plan Fiduciary Net Position***

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

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

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

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

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

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

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

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

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

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

**Plan Membership and Contributing Employers**

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

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

**Measurement Focus and Basis of Accounting**

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

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

**Collective Net OPEB Liability**

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

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

**Actuarial Methods and Assumptions**

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

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

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

**Post-Retirement Medical Benefits Contribution**

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

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

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough is not required to make contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2023, 2022 and 2021.

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

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

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

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



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

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

***Special Funding Situation***

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

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

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$7,798,358. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$1,279,095. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .23114 percent, which was a decrease of .00887 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .24001 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

***OPEB Plan Fiduciary Net Position***

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

**NOTE 14 RISK MANAGEMENT**

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

The Borough has established a Self-Insurance Trust Fund for the purpose of funding non-reimbursable property, plant and equipment claims as well as the deductible portion of the claims. As of December 31, 2023 and 2022 the Borough has available in the Self Insurance Trust Fund \$48,333 and \$26,619, respectively for the payment of self-insurance claims.

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

**NOTE 14 RISK MANAGEMENT (Continued)**

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

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 9,735	\$ 4,759	\$ 85,626
2022	7,554	5,636	79,532
2021	7,096	299	77,516

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be immaterial. As of December 31, 2023 and 2022, the Borough reserved \$341,157 and \$347,464, 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.

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

**NOTE 15 CONTINGENT LIABILITIES (Continued)**

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

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

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

**NOTE 17 LEASES RECEIVABLE**

On November 10, 2009 the Borough began leasing cell tower space at 19 Industrial Way to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough recognized \$36,282 and \$36,282 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$267 and \$400, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$36,148 and \$72,163, respectively.

On December 22, 2009 the Borough began leasing cell tower space at 19 Industrial Way to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough recognized \$33,396 and \$33,396 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$1,273 and \$1,919, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$29,998 and \$62,121, respectively.

On October 28, 2018 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 5 years. The Borough recognized \$40,000 and \$48,000 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$911 and \$1,982, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$0 and \$39,089, respectively.

On November 4, 2018 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 5 years. The Borough recognized \$47,500 and \$57,000 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$1,082 and \$2,355, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$0 and \$46,418, respectively.

On March 20, 2006 the Borough began leasing cell tower space at 19 Industrial Way to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough recognized \$46,512 and \$45,157 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$152 and \$197, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$105,352 and \$151,713, respectively.

On May 1, 2014 the Borough began leasing cell tower space at 15 East Prospect Street to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough recognized \$10,140 and \$10,140 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$270 and \$468, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$3,312 and \$13,182, respectively.

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

**NOTE 17 LEASES RECEIVABLE (Continued)**

On December 28, 2014 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough recognized \$72,930 and \$70,124 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$547 and \$804, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$75,567 and \$147,949, respectively.

On November 9, 2004 the Borough began leasing cell tower space at the Wyckoff Ave. transfer station to a third party. The lease is for 5 years and has been subsequently renewed for additional five year lease periods. The Borough recognized \$56,287 and \$54,122 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$2,183 and \$3,227, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$52,407 and \$106,510, respectively.

The future lease revenue principal and interest payments as of December 31, 2023 were as follows:

<u>Calendar Year</u>	<u>Total</u>
2024	\$ 247,509
2025	49,345
2026	<u>8,264</u>
Total	<u>\$ 305,118</u>

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

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

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

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

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

The Borough of Waldwick’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 Waldwick’s primary revenue source for supporting its budget. The Borough of Waldwick 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.

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

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

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

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

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

The Borough has received \$1,057,990, the full amount of its relief funds under the plan as of December 31, 2022. The Borough will utilize the funds in the amount of \$1,057,990 in 2024 to fund a bond ordinance for the rehabilitation of water tanks and water system improvements. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**NOTE 19 SUBSEQUENT EVENTS**

**Debt Authorized**

On March 12, 2024 and April 9, 2024 the Borough adopted two bond ordinances authorizing the issuance \$4,215,000 in bonds or bond anticipation notes to fund the acquisition of property and certain other general capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On April 9, 2024 the Borough adopted a bond ordinance authorizing the issuance of \$274,500 in bonds or bond anticipation notes to fund certain water utility capital fund capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

## **SUPPLEMENTARY SCHEDULES**

**CURRENT FUND**



**BOROUGH OF WALDWICK**  
**STATEMENT OF CURRENT CASH - COLLECTOR-TREASURER**

Balance, January 1, 2023		\$ 10,605,719
Increased by Receipts:		
Revenue Accounts Receivable	\$ 4,142,398	
Non-Budget Revenue	354,398	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	54,394	
Taxes Receivable	47,455,415	
Grants Receivable	15,000	
Receipts from Other Trust Fund	5,457	
Receipts from General Capital Fund	32,203	
Tax Overpayments	43,483	
Prepaid Taxes	192,231	
Public and Private Programs - Unappropriated Reserves	312,696	
Construction Code Fees Payable	<u>12,261</u>	
		<u>52,619,936</u>
		63,225,655
Decreased by Disbursements:		
2023 Budget Appropriations	14,065,525	
2022 Appropriation Reserves	119,268	
Accounts Payable	904,118	
Public and Private Programs- Appropriated Reserves	4,477	
Tax Overpayments	31,884	
County Taxes Payable	4,669,377	
Local District School Taxes Payable	33,381,472	
Miscellaneous Reserves	6,307	
Payments to Park and Ride Trust Fund	4,376	
Payments to Other Trust Fund	92,500	
Payments to Municipal Open Space Trust Fund	82,089	
Construction Code Fees Payable	11,961	
Refund of Prior Year Revenue	<u>25,622</u>	
		<u>53,398,976</u>
Balance, December 31, 2023		<u>\$ 9,826,679</u>

**BOROUGH OF WALDWICK  
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2023</u>	Balance, December 31, <u>2023</u>
Collector-Treasurer	\$ 975	\$ 975
Municipal Court	125	125
Municipal Clerk	50	50
Swimming Pool	<u>50</u>	<u>50</u>
	<u>\$ 1,200</u>	<u>\$ 1,200</u>

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

Balance, January 1, 2023		\$ 47,346
Increased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 6,750	
Veterans' Deductions Per Tax Billings	<u>50,000</u>	
		<u>56,750</u>
		104,096
Decreased by:		
Cash Received from State of New Jersey	54,394	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2023	250	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2022	<u>258</u>	
		<u>54,902</u>
Balance, December 31, 2023		<u>\$ 49,194</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DEFERRED CHARGES**

	Balance January 1, 2023	Reduced in 2023	Balance December 31, 2023
Emergency Authorization	\$ 200,000	\$ 200,000	\$ -

**STATEMENT OF DEFERRED CHARGES  
SPECIAL EMERGENCY - REVALUATION PROGRAM**

	Net Amount Authorized	1/5 of Net Amount Authorized	Balance January 1, 2023	Reduced in 2023	Balance December 31, 2023
Revaluation of Real Property	\$ 275,000	\$ 55,000	\$ 275,000	\$ 275,000	\$ -

**BOROUGH OF WALDWICK  
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	Balance, January 1, <u>2023</u>	<u>2023 Levy</u>	Senior Citizens' and Veterans' Deductions <u>Disallowed</u>	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	<u>Cancelled</u>	Balance, December 31, <u>2023</u>
				<u>2022</u>	<u>2023</u>			
2021	\$ 12				\$ 12			
2022	<u>244,301</u>	<u>-</u>	<u>\$ 258</u>	<u>-</u>	<u>240,603</u>	<u>-</u>	<u>\$ 3,956</u>	<u>-</u>
	244,313	-	258	-	240,615	-	3,956	-
2023	<u>-</u>	<u>\$ 47,756,439</u>	<u>250</u>	<u>\$ 222,143</u>	<u>47,214,800</u>	<u>\$ 56,750</u>	<u>29,090</u>	<u>\$ 233,906</u>
	<u>\$ 244,313</u>	<u>\$ 47,756,439</u>	<u>\$ 508</u>	<u>\$ 222,143</u>	<u>\$ 47,455,415</u>	<u>\$ 56,750</u>	<u>\$ 33,046</u>	<u>\$ 233,906</u>

**Analysis of 2023 Property Tax Levy**

**Tax Yield**

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

\$ 47,588,847  
167,592  
\$ 47,756,439

**Tax Levy**

Local District School Tax (Abstract)  
County Tax (Abstract)  
County Open Space Tax (Abstract)  
Due for Added and Omitted Taxes (54:4-63.1 et seq.)

\$ 33,381,472  
\$ 4,461,947  
195,281  
16,419  
4,673,647

Local Tax for Municipal Purposes  
Minimum Library Tax  
Municipal Open Space Tax  
Municipal Open Space Tax Added  
Add Additional Tax Levies

8,820,591  
647,344  
81,088  
288  
152,009  
9,701,320  
\$ 47,756,439  
-

**BOROUGH OF WALDWICK**  
**STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2023</u>	<u>Accrued</u>	<u>Collections</u>	Balance, December 31, <u>2023</u>
Municipal Alliance Program-Donation	\$ 1,484			\$ 1,484
Clean Communities	3,979			3,979
BCUA Recycling Enhancement	251			251
Storm Water Management		\$ 25,000	\$ 15,000	10,000
Police Donation	<u>4,256</u>	<u>-</u>	<u>-</u>	<u>4,256</u>
	<u>\$ 9,970</u>	<u>\$ 25,000</u>	<u>\$ 15,000</u>	<u>\$ 19,970</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2023</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Borough Clerk				
Licenses				
Alcoholic Beverage		\$ 18,720	\$ 18,720	
Other		1,000	1,000	
Fees and Permits		24,999	24,999	
Tax Collector				
Fees and Permits		410	410	
Board of Health				
Licenses		22,668	22,668	
Construction Code Official				
Fees and Permits		201,435	201,435	
Fire Prevention Bureau				
Fees and Permits		21,364	21,364	
Police				
Fees and Permits		6,033	6,033	
Swimming Pool				
Fees and Permits		126,025	126,025	
Park and Ride Contingency Fund				
Fees and Permits		49,113	49,113	
Sewer Connection				
Fees and Permits		2,000	2,000	
Municipal Court				
Fines and Costs	\$ 3,498	59,498	58,020	\$ 4,976
Interest and Costs on Taxes		62,879	62,879	
Sewer Privileges - Midland Park and Wyckoff		99,545	99,545	
Cable Television Franchise Fees		138,368	138,368	
Energy Receipts Tax		2,344,357	2,344,357	
Supplemental Energy Receipts Tax		141,307	141,307	
Police Training - Various Municipal Agreements		64,199	64,199	
Uniform Fire Safety Act		16,786	16,786	
Solar Energy Credit		5,460	5,460	
Insurance Reimbursement		177,380	177,380	
Cell Site Rent	-	560,330	560,330	-
	<u>\$ 3,498</u>	<u>\$ 4,143,876</u>	<u>\$ 4,142,398</u>	<u>\$ 4,976</u>

**BOROUGH OF WALDWICK  
STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, January 1, <u>2023</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages					
General Administration	\$ 1,009		\$ 1,009		\$ 1,009
Mayor and Council	800		800		800
Municipal Clerk	34		34		34
Financial Administration	2,851		2,851	\$ 2,500	351
Revenue Administration	275		275		275
Tax Assessment Administration	182		182	174	8
Uniform Construction Code	2,199		2,199	385	1,814
Police	7,636		7,636	7,574	62
Fire	1,702		1,702	-	1,702
Fire Prevention	4,277		4,277	2,055	2,222
Streets and Road Maintenance	69,082		69,082	16,480	52,602
Recycling			-	-	-
Recreation Services and Programs	3		3	-	3
Municipal Court	14,446	-	14,446	1,200	13,246
Total Salaries and Wages	104,496	-	104,496	30,368	74,128
Other Expenses					
General Administration	6,289		6,289	6,149	140
Mayor and Council	17	\$ 926	943		943
Municipal Clerk	38		38	25	13
Financial Admin	13,267		13,267	7,716	5,551
Audit Services	32,000		32,000	30,970	1,030
Revenue Administration	1,378		1,378	1,341	37
Tax Title Liens		100	100		100
Tax Assessment Administration	41,173		41,173		41,173
Legal Services & Costs	2,201	36,597	38,798		38,798
Engineering Services & Costs	3,000	161	3,161		3,161
Planning Board	1,639		1,639	1,592	47
Board of Adjustments	1,113		1,113	957	156
Insurance					
General Liability	25,841		25,841		25,841
Employee Group Health	53,626		53,626	8,314	45,312
Health Benefit Waiver	2,861		2,861		2,861
Police	930	565	1,495		1,495
Public Safety - "911" Telecommunications			-		-
Office of Emergency Management	300		300		300
Aid to Volunteer Ambulance Companies	7,412		7,412	7,412	-
Fire	2,645		2,645	167	2,478
Fire Prevention	13,589		13,589	1,538	12,051
Streets and Road Maintenance	60	7,270	7,330		7,330
Snow Removal	9,625		9,625	1,448	8,177
Municipal Park and Ride			-		-
Traffic Control Devices			-		-
Garbage Collection	2,000		2,000		2,000
Recycling	25,959	199	26,158		26,158
Public Buildings and Grounds	19,584	3,843	23,427		23,427
Vehicle Maintenance	1,166	1,503	2,669		2,669
Maintenance of Free Public Library	1,783	300	2,083		2,083

**BOROUGH OF WALDWICK**  
**STATEMENT OF 2022 APPROPRIATION RESERVES**  
**(Continued)**

	Balance, January 1, <u>2023</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Northwest Bergen Comm. Contractual	\$ 4,580		\$ 4,580		\$ 4,580
Welfare/Administration of Public Assistance	100		100		100
Recreation Services & Programs	1,117	\$ 4,520	5,637		5,637
Municipal Court	58		58	\$ 20	38
Public Defender	627		627		627
Celebration of Public Events	125		125		125
Uniform Construction Code	1,200		1,200	1,140	60
Fuel Oil	171	324	495		495
Electricity	15,550	248	15,798		15,798
Telephone	3,694		3,694	145	3,549
Natural Gas	4,900		4,900	2,000	2,900
Street Lighting	-		-		-
Water	91		91		91
Sewerage Processing and Disposal	2,262		2,262		2,262
Sanitary Landfill Dump Fees	109,254		109,254	23,381	85,873
Social Security System	49,074	759	49,833		49,833
Public Employee Retirement System	-		-		-
Police & Firemen's Retirement System of NJ	1		1		1
Defined Contribution Retirement Plan	4,284		4,284	562	3,722
Boro of Ho-Ho-Kus - Contractual - Sewer	215		215		215
Recycling Tax Appropriation	3,457		3,457	945	2,512
Police Vest Fund	-		-		-
Motor Vehicle Inspection	-		-		-
Public Safety - Police Training	6,574	-	6,574	6,574	-
	<u>476,830</u>	<u>57,315</u>	<u>534,145</u>	<u>102,396</u>	<u>431,749</u>
Total Other Expenses	<u>476,830</u>	<u>57,315</u>	<u>534,145</u>	<u>102,396</u>	<u>431,749</u>
	<u>\$ 581,326</u>	<u>\$ 57,315</u>	<u>\$ 638,641</u>	<u>\$ 132,764</u>	<u>\$ 505,877</u>
Cash Disbursed				\$ 119,268	
Accounts Payable				<u>13,496</u>	
				<u>\$ 132,764</u>	



**BOROUGH OF WALDWICK  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2023		\$	961,432
Increased by:			
Charges to 2023 Budget Appropriation	\$	210,846	
Transferred from 2022 Appropriation Reserves		<u>13,496</u>	
			<u>224,342</u>
			1,185,774
Decreased by:			
Cash Disbursements		904,118	
Cancelled Payables Restored to 2022 Appropriation Reserves		<u>57,315</u>	
			<u>961,433</u>
Balance, December 31, 2023		\$	<u>224,341</u>

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2023		\$	222,143
Increased by:			
2024 Taxes Collected			<u>192,231</u>
			414,374
Decreased by:			
Applied to 2023 Taxes			<u>222,143</u>
Balance, December 31, 2023		\$	<u>192,231</u>

**BOROUGH OF WALDWICK  
STATEMENT OF TAX OVERPAYMENTS**

Increased by:		
Overpayments in 2023	\$	43,483
Decreased by:		
Cash Disbursements		<u>31,884</u>
Balance, December 31, 2023	\$	<u>11,599</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2023	\$	12,149
Increased by:		
2023 Tax Levy		
County Taxes	\$	4,461,947
County Open Space Preservation		195,281
Added and Omitted Taxes		<u>16,419</u>
		<u>4,673,647</u>
		4,685,796
Decreased by:		
Payments		<u>4,669,377</u>
Balance, December 31, 2023	\$	<u>16,419</u>

**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:		
Levy - Calendar Year 2023	\$	33,381,472
Decreased by:		
Payments	\$	<u>33,381,472</u>

**BOROUGH OF WALDWICK  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, January 1, <u>2023</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2023</u>
Tax Appeals	\$ 347,464	\$ 6,307	\$ 341,157
Sale of Municipal Assets	12,162		12,162
Police Donations	<u>5,681</u>	<u>-</u>	<u>5,681</u>
	<u>\$ 365,307</u>	<u>\$ 6,307</u>	<u>\$ 359,000</u>

## EXHIBIT A-19

**STATEMENT OF APPROPRIATED RESERVES -  
PUBLIC AND PRIVATE PROGRAMS**

	Balance, January 1, <u>2023</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2023</u>
Drunk Driving Enforcement Fund	\$ 27,524	\$ 3,379	\$ 24,145
NJ Alcohol Rehab. Program - Court	5,723	600	5,123
Police Vest Fund	533	498	35
Motor Vehicle Inspection	400		400
History Grant	274		274
Crime Prevention Grant	1,988		1,988
Municipal Alliance - Local Share	1,484		1,484
Steed Grant	1,578		1,578
BCUA Recycling Enhanced Grant	<u>251</u>	<u>-</u>	<u>251</u>
	<u>\$ 39,755</u>	<u>\$ 4,477</u>	<u>\$ 35,278</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF UNAPPROPRIATED RESERVES- PUBLIC AND PRIVATE PROGRAMS**

	Balance, January 1, 2023	Cash Received	Anticipated 2023 Budget	Cancelled	Balance, December 31, 2023
ARP - Local Fiscal Recovery Funds	\$ 1,057,990				\$ 1,057,990
Clean Communities	19,593	\$ 21,975	\$ 19,593		21,975
NJ Municipal Relief Funds	128,772	257,489	128,772		257,489
Opioid Settlement	8,667	14,219	8,667		14,219
Police Vest	1,628	5,384	1,625		5,387
Motor Vehicle Inspection	400			\$ 400	-
Alcohol Education		390			390
Recycling Tonnage Grant	12,349	13,239	\$ 12,349	-	13,239
	<u>\$ 1,229,399</u>	<u>\$ 312,696</u>	<u>\$ 171,006</u>	<u>\$ 400</u>	<u>\$ 1,370,689</u>

EXHIBIT A-21

**STATEMENT OF DUE TO STATE OF NEW JERSEY-  
CONSTRUCTION CODE FEES PAYABLE**

Balance, January 1, 2023	\$ 3,995
Increased by:	
Cash Received	<u>12,261</u>
	16,256
Decreased by:	
Payments to State of New Jersey	<u>11,961</u>
Balance, December 31, 2023	<u>\$ 4,295</u>

## **TRUST FUNDS**

**BOROUGH OF WALDWICK**  
**STATEMENT OF TRUST CASH - COLLECTOR-TREASURER**

	<u>Animal Control</u>	<u>Park and Ride</u>	<u>Other Trust</u>	<u>State Unemployment</u>	<u>Self-Insurance</u>	<u>Municipal Open Space</u>
Balance, January 1, 2023	\$ 15,650	\$ 32,298	\$ 2,163,635	\$ 73,614	\$ 26,619	\$ 41,936
Increased by Receipts:						
Insurance Reimbursements					\$ 34,648	
Budget Appropriation					15,000	
COAH Proceeds			\$ 53,560			
Interest on Investments and Deposits				\$ 1,118		\$ 1,060
Employee Payroll Deductions			6,166,956	9,735		
Developer's Escrow and Other Reserves			899,660			
State Dog License Fees	\$ 1,109					
Dog License Fees	10,654					
Late Fees Collected	690					
Receipts from Current Fund			92,500			82,089
Receipts from Other Trust Fund		4,376				
Receipts from General Capital						70,366
Receipts for Water Operating Fund	-	-	10,000	-	-	-
	<u>12,453</u>	<u>4,376</u>	<u>7,222,676</u>	<u>10,853</u>	<u>49,648</u>	<u>153,515</u>
	28,103	36,674	9,386,311	84,467	76,267	195,451
Decreased by Disbursements:						
Expenditures Under R.S. 4:19-15.11	9,585					
Payments to General Capital Fund						75,000
Payments to State of New Jersey	2,025			4,759		
Developer's Escrow and Other Reserves			609,894			
Payroll Deductions Payable			6,170,353			
Reserve for COAH Expenditures			90,078			
Self-Insurance Expenditures	-	-	-	-	27,934	-
	<u>11,610</u>	<u>-</u>	<u>6,870,325</u>	<u>4,759</u>	<u>27,934</u>	<u>75,000</u>
Balance, December 31, 2023	<u>\$ 16,493</u>	<u>\$ 36,674</u>	<u>\$ 2,515,986</u>	<u>\$ 79,708</u>	<u>\$ 48,333</u>	<u>\$ 120,451</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE FROM STATE OF NEW JERSEY  
ANIMAL CONTROL FUND**

Balance, January 1, 2023	\$ 764
Increased by:	
Payments to State of New Jersey	<u>2,025</u>
	2,789
Decreased by:	
State Share Dog License Fees Collected	<u>1,109</u>
Balance, December 31, 2023	<u><u>\$ 1,680</u></u>

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

Balance, January 1, 2023	\$ 16,414
Increased by:	
Dog License Fees Collected	\$ 10,654
Late Fees Collected	<u>690</u>
	<u>11,344</u>
	27,758
Decreased by:	
Expenditures Under R.S. 4:19 - 15.11	<u>9,585</u>
Balance, December 31, 2023	<u><u>\$ 18,173</u></u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE FROM CURRENT FUND  
PARK AND RIDE CONTINGENCY FUND**

Balance, January 1, 2023	\$ 4,376
Increased by:	
Park and Ride Permits Collected in Current Fund	<u>5,457</u>
	9,833
Decreased by:	
Cash Receipts	<u>4,376</u>
Balance, December 31, 2023	<u><u>\$ 5,457</u></u>

**STATEMENT OF RESERVE FOR PARK AND RIDE EXPENDITURES  
PARK AND RIDE CONTINGENCY FUND**

Balance, January 1, 2023	\$ 36,674
Increased by:	
Park and Ride Permits Collected	<u>5,457</u>
Balance, December 31, 2023	<u><u>\$ 42,131</u></u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY  
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, January 1, 2023	\$ 5,918
Balance, December 31, 2023	<u><u>\$ 5,918</u></u>



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

Balance, January 1, 2023		\$ 79,532
Increased by:		
Interest on Investments and Deposits	\$ 1,118	
Employee Payroll Deductions	<u>9,735</u>	
		<u>10,853</u>
		90,385
Decreased by:		
Cash Disbursements - Benefits Due to State of NJ		<u>4,759</u>
Balance, December 31, 2023		<u><u>\$ 85,626</u></u>

**STATEMENT OF RESERVE FOR PROPERTY INSURANCE EXPENDITURES**  
**SELF INSURANCE TRUST FUND**

Balance, January 1, 2023		\$ 26,619
Increased by:		
2023 Budget Appropriation	\$ 15,000	
Insurance Reimbursements	<u>34,648</u>	
		<u>49,648</u>
		76,267
Decreased by:		
Expenditures		
Property Insurance Expenditures		<u>27,934</u>
Balance, December 31, 2023		<u><u>\$ 48,333</u></u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF DUE FROM/TO CURRENT FUND**  
**OTHER TRUST FUND**

Balance, January 1, 2023 (Due From)	\$ 92,500
Decreased by:	
Received from Current Fund	\$ 92,500
2023 Anticipated Revenue	<u>2,120</u>
	<u>94,620</u>
Balance, December 31, 2023 (Due To)	<u>\$ 2,120</u>

**STATEMENT OF DEVELOPER'S ESCROW AND OTHER RESERVES**  
**OTHER TRUST FUND**

	Balance, January 1, <u>2023</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2023</u>
Performance and Maintenance Bonds	\$ 169,160	\$ 105,051	\$ 57,000	\$ 217,211
Developer's and Other Escrows	429,913	76,623	81,134	425,402
Road Openings	14,100	143,347	1,500	155,947
Dumpster Permits	-	1,600	1,200	400
Vacant Properties	43,002	10,266	8,000	45,268
TTL Premiums	316,100	153,000	100,500	368,600
Municipal Court - P.O.A.A.	2,692	132	-	2,824
Police Outside Duty/Vehicle Maintenance	275,451	390,916	336,135	330,232
Police Donations	7,239	258	7,149	348
Swim Meet	2,050	4,005	3,467	2,588
Basketball Program	-	-	-	-
Municipal Alliance - Teen Canteen	13,517	4,200	3,793	13,924
Storm Recovery Trust	207,360	-	-	207,360
Wall of Heroes	7,903	1,225	2,480	6,648
Yoga in the Park	1,061	-	1,061	-
Fire Prevention Trust Deposits	2,800	-	-	2,800
Fire Department Trust Deposits	2,760	-	-	2,760
Tennis	1,059	-	1,059	-
Accumulated Absences	249,641	-	-	249,641
Soil Movement	300	2,150	1,550	900
Beautification of Waldwick	500	-	-	500
Flexible Spending	<u>15,879</u>	<u>6,887</u>	<u>5,986</u>	<u>16,780</u>
	<u>\$ 1,762,487</u>	<u>\$ 899,660</u>	<u>\$ 612,014</u>	<u>\$ 2,050,133</u>
Cash Receipts		\$ 899,660		
Cash Disbursements			\$ 609,894	
Due To/From Current Fund		<u>-</u>	<u>2,120</u>	
		<u>\$ 899,660</u>	<u>\$ 612,014</u>	

**BOROUGH OF WALDWICK  
STATEMENT OF RESERVE FOR PAYROLL DEDUCTIONS  
OTHER TRUST FUND**

Balance, January 1, 2023	\$ 73,141
Increased by:	
Cash Receipts	<u>6,166,956</u>
	6,240,097
Decreased by:	
Cash Disbursements	<u>6,170,353</u>
Balance, December 31, 2023	<u>\$ 69,744</u>

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

Balance, January 1, 2023	\$ 430,507
Increased by:	
Cash Receipts	<u>53,560</u>
	484,067
Increased by:	
Cash Disbursements	<u>90,078</u>
Balance, December 31, 2023	<u>\$ 393,989</u>

**STATEMENT OF DUE FROM CURRENT FUND  
MUNICIPAL OPEN SPACE TRUST FUND**

Increased by:		
2023 Tax Levy	\$ 81,801	
2023 Added Tax Levy	<u>288</u>	
		<u>82,089</u>
		82,089
Decreased by:		
Cash Receipts		<u>\$ 82,089</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE FROM GENERAL CAPITAL FUND  
MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2023		\$ 70,366
Increased by:		
Cash Disbursements	\$ 75,000	
Cancelled Improvement Authorization	<u>19,149</u>	
		<u>94,149</u>
		164,515
Decreased by:		
Improvement Authorizations Funded by Municipal Open Space	\$ 75,000	
Cash Receipts	<u>70,366</u>	
		<u>145,366</u>
Balance, December 31, 2023		<u><u>\$ 19,149</u></u>

**STATEMENT OF RESERVE FOR MUNICIPAL OPEN SPACE EXPENDITURES  
MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2023		\$ 112,302
Increased by:		
Due from Current Fund:		
2023 Tax Levy	\$ 81,801	
2023 Added Tax Levy	<u>288</u>	
		\$ 82,089
Interest on Investments and Deposits		1,060
Cancelled Improvement Autohization	<u>19,149</u>	
		<u>102,298</u>
		214,600
Decreased by:		
Improvement Authorizations Funded by Municipal Open Space Fund		<u>75,000</u>
Balance, December 31, 2023		<u><u>\$ 139,600</u></u>

**GENERAL CAPITAL FUND**

**BOROUGH OF WALDWICK**  
**STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER**

Balance, January 1, 2023		\$ 2,394,617
Increased by:		
Grants and Other Receivables	\$ 273,427	
2023 Budget Appropriation		
Capital Improvement Fund	210,000	
Receipts from Municipal Open Space Trust Fund	75,000	
Interest on Investments and Deposits	71,644	
Bond Anticipation Notes Issued	4,247,000	
Reserve for Pistol Range	24,678	
Premium on Sale of Bond Anticipation Notes	<u>22,703</u>	
		<u>4,924,452</u>
		7,319,069
Decreased by Disbursements:		
Bond Anticipation Notes	2,805,000	
Improvement Authorizations	1,010,309	
Payments to Current Fund	32,203	
Payments to Municipal Open Space Trust Fund	70,366	
Accounts Payable	<u>525,908</u>	
		<u>4,443,786</u>
Balance, December 31, 2023		<u><u>\$ 2,875,283</u></u>

**BOROUGH OF WALDWICK  
ANALYSIS OF GENERAL CAPITAL CASH**

		Balance, December 31, <u>2023</u>
Fund Balance		\$ 335,061
Capital Improvement Fund		48,984
Grant and Other Receivables		(614,877)
Accounts Payable		2,945,181
Due to Current Fund		76,262
Due to Municipal Open Space Trust Fund		19,149
Reserve for Payment of Debt Service		90,257
Reserve for Pistol Range		35,960
Improvement Authorizations:		
Ord. No.	<u>Improvement Description</u>	
01-18	Various Public Improvements & Acquisitions	161,564
12-18/22-18	Various Public Improvements	21,002
02-19	Various Public Improvements	7,444
03-19	Various Public Improvements	145,095
07-19	Various Public Improvements	10,000
02-20	Various Public Improvements	30,671
08-20	Various Public Improvements & Acquisitions	133,156
07-20/11-20	Various Public Improvements & Acquisitions	127,384
05-21	Various Public Improvements & Acquisitions	106,287
07-21	Various Public Improvements & Acquisitions	29,269
09-22	Various Public Improvements & Acquisitions	625,770
13-22	Various Public Improvements & Acquisitions of Vehicles & Equipment	23,548
08-23	Various Public Improvements & Acquisitions	(1,483,824)
10-23	Various Acquisitions of Equipment	1,940
		<u>\$ 2,875,283</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DUE TO CURRENT FUND**

Balance, January 1, 2023		\$ 11,341
Increased by:		
Interest on Investments	\$ 71,644	
2023 Anticipated Revenue - Reserve for Pistol Range	<u>25,480</u>	
		<u>97,124</u>
		108,465
Decreased by:		
Payments to Current Fund		<u>32,203</u>
Balance, December 31, 2023		<u>\$ 76,262</u>

**STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2023		\$ 70,366
Increased by:		
Cash Receipts	\$ 75,000	
Cancelled Imprvment Authorizations	<u>19,149</u>	
		<u>94,149</u>
		164,515
Decreased by:		
Improvement Authorizations Funded by Municipal Open Space	75,000	
Cash Disbursements	<u>70,366</u>	
		<u>145,366</u>
Balance, December 31, 2023		<u>\$ 19,149</u>



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

Balance, January 1, 2023		\$	7,127,758
Decreased by:			
2023 Budget Appropriation			
Bond Principal	\$	1,145,000	
Loan Principal		<u>9,760</u>	
			<u>1,154,760</u>
Balance, December 31, 2023		\$	<u>5,972,998</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance, January 1, 2023	2023 Authorizations	Balance, December 31, 2023	Analysis of Balance		
					Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
8-20	Various Public Improvements & Acquisitions	\$ 602		\$ 602			\$ 602
05-21	Various Public Improvements & Acquisitions	1,336,000		1,336,000	\$ 1,336,000		
09-22	Various Public Improvements & Acquisitions	1,469,000		1,469,000	1,469,000		
08-23	Various Public Improvements & Acquisitions	-	\$ 3,642,000	3,642,000	1,442,000	\$ 1,483,824	716,176
		<u>\$ 2,805,602</u>	<u>\$ 3,642,000</u>	<u>\$ 6,447,602</u>	<u>\$ 4,247,000</u>	<u>\$ 1,483,824</u>	<u>\$ 716,778</u>
Improvement Authorizations - Unfunded							\$ 1,448,835
Less: Unexpended Proceeds of Bond Anticipation Notes							
						\$ 106,287	
						<u>625,770</u>	
							<u>732,057</u>
							<u>\$ 716,778</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF GRANT AND OTHER RECEIVABLES**

	Balance, January 1, <u>2023</u>	Grants <u>Awarded</u>	<u>Decreased by:</u> Cash <u>Receipts</u> <u>Cancelled</u>		Balance, December 31, <u>2023</u>
NJ Department Env. Protection					
Ord. No. 2-13 - Recycling Grant	\$ 23,470			\$ 23,470	
Ord. No. 8-23 - EV Charging Station		\$ 75,000			\$ 75,000
NJ Department of Transportation					
Ord. No. 01-18 - Rehab of Maple Ave.	23,794				23,794
Ord. No. 09-22 - Impvt. to E. Prospect St. Phase II	211,000		\$ 158,250		52,750
Ord. No. 09-22 - Impvt. to E. Prospect St. Phase I	205,000		115,177		89,823
Ord. No. 8-23 - Rehab of Hudson Ave.		112,840			112,840
County of Bergen					
Municipal Open Space					
Ord. No. 1-15 - Pool Canopy	7,633			7,633	
Ord. No. 28-21/06-22 - Park Impvt. Grant	33,052			33,052	-
Ord. No. 8-23 - Impvt. At Brookview Park		75,000			75,000
CDBG					
Ord. No. 9-15 - ADA Curb Cuts	1,138				1,138
Ord. No. 11-15 - Barrier Free Doors	5,200				5,200
Ord. No. 8-23 - Rehab of Bohnert Place		101,332			101,332
Federal					
Ord. No. 8-23 - Fire Dept. Equipment		28,000			28,000
Local - PSEG					
Ord No. 8-23 - EV Charging Station	-	50,000	-	-	50,000
	<u>\$ 510,287</u>	<u>\$ 442,172</u>	<u>\$ 273,427</u>	<u>\$ 64,155</u>	<u>\$ 614,877</u>

**BOROUGH OF WALDWICK  
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2023</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	11/1/2014	\$ 4,508,000	11/1/2024-25	\$ 420,000	2.500 %			
			11/1/2026	418,000	2.500	\$ 1,678,000	\$ 420,000	\$ 1,258,000
General Improvements	7/15/2020	6,978,000	7/15/2024	725,000	0.050			
			7/15/2025	725,000	1.000			
			7/15/2026	725,000	1.500			
			7/15/2027	650,000	2.000			
			7/15/2028-29	625,000	2.000			
			7/15/2030	578,000	2.000			
						<u>5,378,000</u>	<u>725,000</u>	<u>4,653,000</u>
						<u>\$ 7,056,000</u>	<u>\$ 1,145,000</u>	<u>\$ 5,911,000</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE (NJEIT)**  
**LOAN PAYABLE**

Balance, January 1, 2023	\$ 71,758
Decreased by:	
Paid by Budget Appropriation	<u>9,760</u>
Balance, December 31, 2023	<u>\$ 61,998</u>
<u>Analysis of Balance</u>	
NJEIT - Fund Loan	\$ 26,491
NJEIT- Trust Loan	<u>35,507</u>
	<u>\$ 61,998</u>

**BOROUGH OF WALDWICK  
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate		Balance, January 1, 2023	Increased	Decreased	Balance, December 31, 2023
05-21	Various Public Improvements and Acquisitions	10/14//22	10/14/2022 10/10/2023	10/13/2023 10/10/2024	3.92 5.00	% \$	1,336,000		\$ 1,336,000	
								\$ 1,336,000		\$ 1,336,000
09-22	Various Public Improvements & Acquisitions	10/14/2022	10/14/2022 10/10/2023	10/13/2023 10/10/2024	3.92 5.00		1,469,000		1,469,000	
								1,469,000		1,469,000
08-23	Various Public Improvements & Acquisitions	10/13/2023	10/10/2023	10/10/2024	5.00		-	1,442,000	-	1,442,000
							<u>\$ 2,805,000</u>	<u>\$ 4,247,000</u>	<u>\$ 2,805,000</u>	<u>\$ 4,247,000</u>
					Notes Issued			\$ 1,442,000		
					Renewals			<u>2,805,000</u>	<u>\$ 2,805,000</u>	
								<u>\$ 4,247,000</u>	<u>\$ 2,805,000</u>	

**BOROUGH OF WALDWICK  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

2023 Authorizations																							
Ord. No.	Improvement Description	Balance, January 1, 2023		Down- payment or Capital Impvt. Fund	Deferred Charges to Future Taxation Unfunded	Grants Receivable and Other Receivables	Open Space Trust Fund	Cancelled Accounts Payable	Paid or Charged	Cancelled Improvement Authorization	Balance, December 31, 2023												
		Funded	Unfunded								Funded	Unfunded											
02-96	Various Impvts. & Acq. of Equip.	\$	6,700							\$	6,700												
21-98/8-00	Various Improvements & Acq. Of Equipment		240								240												
01-09	Various Public Improvements and the Acq. of New, Additional or Replacement Equip.		2,933								2,933												
05-10	Various Public Impvts. & Acq. Of Equip.		5,313								5,313												
2-11/7-11	Various Public Improvements, the Acq. of New Additional or Replacement Equip., a New Automotive Vehicle and Addition to the Waldwick Public Library		11,788								11,788												
2-13	Various Public Improvements & Acquisitions		23,470								23,470												
1-15	Various Public Improvements & Acquisitions		44,472								44,472												
1-16/10-17	Various Public Improvements & Acquisitions		25,178								25,178												
1-17	Various Public Improvements & Acquisitions		1502								1,502												
18-17	Various Public Improvements		279								279												
01-18	Various Public Improvements & Acquisitions		189,715						\$	28,151	\$	161,564											
12-18/22-18	Various Public Improvements		20,072					\$	930			21,002											
02-19	Various Public Improvements & Acquisitions		7,444									7,444											
03-19	Various Public Improvements & Acquisitions		145,095									145,095											
07-19	Various Public Improvements & Acquisitions		10,000									10,000											
02-20	Various Public Improvements		28,707					1,964				30,671											
08-20	Various Public Improvements & Acquisitions		141,100	\$	602				7,944		133,156	\$	602										
7-20/11-20	Various Public Improvements & Acquisitions		127,384									127,384											
05-21	Various Public Improvements & Acquisitions				237,113				130,826		-		106,287										
07-21	Various Public Improvements & Acquisitions		29,269								29,269												
28-21/22-06	Various Improvements to Ted Bell Park		91,804					5,397		97,201	-												
09-22	Various Public Improvements & Acquisitions				708,787				83,017		-		625,770										
13-22	Various Public Improvements & Acquisitions of Vehicles & Equip.		28,950						5,402		23,548												
08-23	Various Public Improvements & Acquisitions			\$	182,328	\$	3,642,000	\$	442,172	\$	75,000		716,176										
10-23	Various Acquisitions of Equipment		-		-		-		-		43,010		-										
		\$	941,415	\$	946,502	\$	227,278	\$	3,642,000	\$	442,172	\$	75,000	\$	8,291	\$	3,923,674	\$	219,076	\$	691,073	\$	1,448,835
									Cash Disbursements	\$	1,010,309												
									Accounts Payable		2,913,365												
											<u>3,923,674</u>												
										Fund Balance	\$	35,051											
										Grants Receivable		64,155											
										Reserve for Payment of Debt		55,721											
										Due to Municipal Open Space		19,149											
										Capital Improvement Fund		<u>45,000</u>											
											\$	219,076											

**BOROUGH OF WALDWICK  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2023		\$ 566,015
Increased by:		
Charges to Improvement Authorizations		<u>2,913,365</u>
		3,479,380
Decreased by:		
Cash Disbursements	\$ 525,908	
Cancelled	<u>8,291</u>	
		<u>534,199</u>
Balance, December 31, 2023		<u><u>\$ 2,945,181</u></u>

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE**

Balance, January 1, 2023		\$ 34,536
Increased by:		
Cancelled Improvement Authorizations		<u>55,721</u>
Balance, December 31, 2023		<u><u>\$ 90,257</u></u>

**STATEMENT OF RESERVE FOR PISTOL RANGE**

Balance, January 1, 2023		\$ 36,762
Increased by:		
Cash Receipts		
Contributions	\$ 700	
2022 Budget Appropriation - Interlocal Agreement	6,574	
2023 Budget Appropriation - Interlocal Agreement	<u>17,404</u>	
		<u>24,678</u>
		61,440
Decreased by:		
Cash Disbursement		
2023 Anticipated Current Fund Revenue		<u>25,480</u>
Balance, December 31, 2023		<u><u>\$ 35,960</u></u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2023		\$ 21,262
Increased by:		
2023 Budget Appropriation	\$ 210,000	
Cancelled Improvement Authorization	<u>45,000</u>	
		<u>255,000</u>
		276,262
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>227,278</u>
Balance, December 31, 2023		<u><u>\$ 48,984</u></u>



**BOROUGH OF WALDWICK**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. <u>No.</u>		Balance, January 1, <u>2023</u>	2023 Authori- <u>zations</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2023</u>
08-20	Various Public Improvements & Acquisitions	\$ 602			\$ 602
08-23	Various Public Improvements & Acquisitions	<u>-</u>	<u>\$ 3,642,000</u>	<u>\$ 1,442,000</u>	<u>2,200,000</u>
		<u>\$ 602</u>	<u>\$ 3,642,000</u>	<u>\$ 1,442,000</u>	<u>\$ 2,200,602</u>

**WATER UTILITY FUND**

**BOROUGH OF WALDWICK**  
**STATEMENT OF WATER UTILITY CASH - WATER COLLECTOR-TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2023	\$ 2,248,268	\$ 518,164
Increased by:		
Consumer Accounts Receivable	\$ 1,875,380	
Fire Hydrant Service	25,000	
Miscellaneous	67,172	
Water Overpayments	6,916	
Prepaid Water Rents	2,895	
Bond Anticipation Notes		\$ 1,867,000
Capital Improvement Fund		10,000
Premium on Sale of Bonds	-	10,199
	<u>1,977,363</u>	<u>1,887,199</u>
	4,225,631	2,405,363
Decreased by:		
2023 Budget Appropriations	1,618,333	
2022 Appropriation Reserves	3,551	
Accounts Payable	102,179	101,952
Improvement Authorizations		1,079,074
Bond Anticipation Notes		841,000
Interest on Bonds and Notes	49,496	
Interest on Water Loan	74,112	
Payments to Other Trust Fund	10,000	-
	<u>1,857,671</u>	<u>2,022,026</u>
Balance, December 31, 2023	<u>\$ 2,367,960</u>	<u>\$ 383,337</u>

**BOROUGH OF WALDWICK  
ANALYSIS OF WATER UTILITY CAPITAL CASH**

	Balance, December 31, <u>2023</u>
Fund Balance	\$ 10,477
Capital Improvement Fund	30,143
Accounts Payable	4,775,458
Reserve for Payment of Debt	4,008
Ord.	
<u>No.</u> <u>Improvement Description</u>	
2-17    Various Public Improvements & Acquisitions	5,005
04-19    Various Public Improvements & Acquisitions	5,269
09-20    Various Public Improvements & Acquisitions	120,797
06-21    Various Public Improvements & Acquisitions	(278,675)
23-21    Various Public Improvements & Acquisitions	16,000
10-22    Various Public Improvements & Acquisitions	182,912
16-22    Various Public Improvements & Acquisitions	(4,999,181)
9-23    Various Public Improvements & Acquisitions	971,292
19-23    Various Public Improvements & Acquisitions	<u>(460,168)</u>
	<u>\$ 383,337</u>

EXHIBIT D-7

**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2023	\$ 62,566
Increased by:	
Water Rents Levied	<u>1,889,825</u>
	1,952,391
Decreased by:	
Collections	\$ 1,875,380
Overpayments Applied	4,901
Prepaid Water Rents Applied	<u>1,531</u>
	<u>1,881,812</u>
Balance, December 31, 2023	<u>\$ 70,579</u>

**BOROUGH OF WALDWICK  
STATEMENT OF FIXED CAPITAL  
WATER UTILITY CAPITAL FUND**

	Balance, January 1, <u>2023</u>	Additions by		Balance, December 31, <u>2023</u>
		Budget <u>Capital Outlay</u>	<u>Ordinance</u>	
Generator	\$ 74,817			\$ 74,817
Springs and Wells	522,732		\$ 60,241	582,973
Reservoirs	50,034			50,034
Filters	812,936			812,936
Tanks, Pumping Station Structures	3,453,181	\$ 2,940	39,100	3,495,221
Distribution Mains and Accessories	1,731,291	11,831	8,778	1,751,900
Meters and Accessories	991,940	5,114		997,054
Fire Hydrants	263,193		44,936	308,129
General Equipment	1,538,410		24,966	1,563,376
Engineering, Legal	184,407		60,548	244,955
Vehicles	31,842		60,584	92,426
Other Costs and System Improvements	<u>110,261</u>	<u>-</u>	<u>\$ 4,495</u>	<u>114,756</u>
	<u>\$ 9,765,044</u>	<u>\$ 19,885</u>	<u>\$ 303,648</u>	<u>\$ 10,088,577</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**  
**WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2023	2023 Authorizations		Balance, December 31, 2023
				Deferred Charge to Future Revenue	Costs Fixed Capital	
02-17	Various Public Improvements & Acquisitions	\$ 109,000	\$ 5,005			\$ 5,005
04-19	Various Public Improvements & Acquisitions	246,100	5,269			5,269
09-20	Various Public Improvements & Acquisitions	421,000	421,000		\$ 299,785	121,215
06-21	Various Public Improvements & Acquisitions	465,000	5,188		3,863	1,325
23-21	Various Public Improvements & Acquisitions	49,000	16,000			16,000
10-22	Various Public Improvements & Acquisitions	376,475	376,475			376,475
16-22	Various Public Improvements & Acquisitions	5,000,000	5,000,000			5,000,000
09-23	Various Public Improvements & Acquisitions	1,306,600		\$ 1,306,600		1,306,600
19-23	Various Public Improvements & Acquisitions	820,000	-	820,000	-	820,000
			<u>\$ 5,828,937</u>	<u>\$ 2,126,600</u>	<u>\$ 303,648</u>	<u>\$ 7,651,889</u>

**BOROUGH OF WALDWICK**  
**STATEMENT OF 2022 APPROPRIATION RESERVES**  
**WATER UTILITY OPERATING FUND**

	Balance, January 1, <u>2023</u>	Cancelled <u>Payables</u>	Budget After <u>Modifications</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Operating					
Salaries and Wages	\$ 59,864		\$ 59,864	\$ 26,349	\$ 33,515
Other Expenses	16,641	\$ 5,110	21,751		21,751
Capital Improvements					
Capital Outlay	3,287		3,287		3,287
Statutory Expenditures					
Public Employees Retirement System	30		30		30
Social Security	9,350	-	9,350	113	9,237
	<u>\$ 89,172</u>	<u>\$ 5,110</u>	<u>\$ 94,282</u>	<u>\$ 26,462</u>	<u>\$ 67,820</u>
Cash Disbursements				\$ 3,551	
Accounts Payable				22,911	
				<u>\$ 26,462</u>	

EXHIBIT D-11

**STATEMENT OF ACCOUNTS PAYABLE**  
**WATER UTILITY OPERATING AND CAPITAL FUNDS**

	Operating <u>Fund</u>	Capital <u>Fund</u>
Balance, January 1, 2023	\$ 107,289	\$ 121,033
Increased by:		
Charges to 2023 Appropriations	52,274	
Charges to 2022 Appropriations	22,911	
Charges to Improvement Authorizations	-	4,756,377
	182,474	4,877,410
Decreased by:		
Cash Disbursements	102,179	101,952
Cancelled Payables - 2022 Budget	5,110	-
	<u>107,289</u>	<u>101,952</u>
Balance, December 31, 2023	<u>\$ 75,185</u>	<u>\$ 4,775,458</u>

**BOROUGH OF WALDWICK  
STATEMENT OF PREPAID WATER RENTS  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2023	\$ 23,531
Increased by:	
Prepaid Rents	<u>2,895</u>
	26,426
Decreased by:	
Applied to 2023 Water Rents	\$ 1,531
Applied to MRNA - Prior Year Tapping Fees	<u>22,000</u>
	<u>23,531</u>
Balance, December 31, 2023	<u><u>\$ 2,895</u></u>

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

Balance, January 1, 2023	\$ 4,901
Increased by:	
Overpayments	<u>6,916</u>
	11,817
Decreased by:	
Applied to 2023 Water Rents	<u>4,901</u>
Balance, December 31, 2023	<u><u>\$ 6,916</u></u>

**STATEMENT OF STATE WATER LOAN PAYABLE  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2023	\$ 528,533
Decreased by:	
Paid by Budget Appropriation	<u>59,816</u>
Balance, December 31, 2023	<u><u>\$ 468,717</u></u>



**BOROUGH OF WALDWICK  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2023		2023 Authorizations Deferred Charges to Future Revenue		Paid or Charged		Balance, December 31, 2023	
			Funded	Unfunded					Funded	Unfunded
02-17	Various Public Improvements & Acquisitions	\$ 109,000	\$ 5,005						\$ 5,005	
04-19	Various Public Improvements & Acquisitions	246,100	5,269						5,269	
09-20	Various Public Improvements & Acquisitions	421,000	124,983	\$ 418		\$ 4,186		120,797	\$ 418	
06-21	Various Public Improvements & Acquisitions	465,000		5,188		3,863				1,325
23-21	Various Public Improvements & Acquisitions	49,000	16,000	-				16,000		
10-22	Various Public Improvements & Acquisitions	376,475		280,448		97,061				183,387
16-22	Various Public Improvements & Acquisitions	5,000,000		4,936,284		4,935,465				819
09-23	Various Public Improvements & Acquisitions	1,306,600			\$ 1,306,600	334,708				971,892
19-23	Various Public Improvements & Acquisitions	820,000	-	-	820,000	460,168		-		359,832
			<u>\$ 151,257</u>	<u>\$ 5,222,338</u>	<u>\$ 2,126,600</u>	<u>\$ 5,835,451</u>	<u>\$ 147,071</u>	<u>\$ 1,517,673</u>		
							Cash Disbursed	\$ 1,079,074		
							Accounts Payable	<u>4,756,377</u>		
								<u>\$ 5,835,451</u>		

**BOROUGH OF WALDWICK  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2023	\$ 20,143
Increased by:	
2023 Budget Appropriation	<u>10,000</u>
Balance, December 31, 2023	<u><u>\$ 30,143</u></u>

**STATEMENT OF DUE TO OTHER TRUST FUND  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2023	\$ 10,000
Decreased by:	
Cash Disbursements	<u><u>\$ 10,000</u></u>

**STATEMENT OF ACCRUED INTEREST PAYABLE ON BONDS AND NOTES  
WATER UTILITY OPERATING FUND**

Balance, January 1, 2023	\$ 5,960
Increased by:	
Budget Appropriation	
Interest on Bonds	<u>56,372</u>
	62,332
Decreased by:	
Interest Paid	<u>49,496</u>
Balance, December 31, 2023	<u><u>\$ 12,836</u></u>

**BOROUGH OF WALDWICK  
STATEMENT OF WATER SERIAL BONDS  
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
Water Bonds	11/1/2014	\$ 564,000	11/1/2024	\$ 60,000	2.500 %				
			11/1/2025	60,000	2.500				
			11/1/2026	59,000	2.500	\$ 239,000		\$ 60,000	\$ 179,000
Water Bonds	7/15/2020	1,017,000	7/15/2024	100,000	0.050				
			7/15/2025	100,000	1.000				
			7/15/2026	100,000	1.500				
			7/15/2027	105,000	2.000				
			7/15/2028	105,000	2.000				
			7/15/2029	105,000	2.000				
			7/15/2030	102,000	2.000	817,000	\$ -	100,000	717,000
						<u>\$ 1,056,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ 896,000</u>

**BOROUGH OF WALDWICK  
STATEMENT OF BOND ANTICIPATION NOTES  
WATER UTILITY CAPITAL FUND**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2023	Increased	Decreased	Balance, December 31, 2023
06-21	Various Public Improvements and Acquisitions	10/14/2022	10/14/2022 10/10/2023	10/13/2023 10/10/2024	3.92% 5.00%	\$ 465,000	\$ 185,000	\$ 465,000	\$ 185,000
10-22	Various Public Improvements and Acquisitions	10/14/2022	10/14/2022 10/10/2023	10/13/2023 10/10/2024	3.92% 5.00%	376,000	376,000	376,000	- 376,000
09-23	Various Public Improvements and Acquisitions	10/13/2023	10/10/2023	10/10/2024	5.00%	-	1,306,000	-	1,306,000
						<u>\$ 841,000</u>	<u>\$ 1,867,000</u>	<u>\$ 841,000</u>	<u>\$ 1,867,000</u>
							\$ 1,306,000		
							561,000	\$ 561,000	
							-	280,000	
							<u>\$ 1,867,000</u>	<u>\$ 841,000</u>	

**BOROUGH OF WALDWICK**  
**STATEMENT OF ACCRUED INTEREST PAYABLE ON LOANS**  
**WATER UTILITY OPERATING FUND**

Balance, January 1, 2023	\$ 6,042
Increased by:	
Budget Appropriation	
Interest on Loans	<u>73,487</u>
	79,529
Decreased by:	
Interest Paid on Water Loan	<u>74,112</u>
Balance, December 31, 2023	<u>\$ 5,417</u>

**STATEMENT OF RESERVE FOR TAX MAP**  
**WATER UTILITY OPERATING FUND**

Balance, January 1, 2023	<u>\$ 3,667</u>
Balance, December 31, 2023	<u>\$ 3,667</u>

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

Balance, January 1, 2023	\$ 8,151,555
Increased by:	
2023 Budget Appropriations:	
Serial Bonds	\$ 160,000
Water Loans	59,816
Capital Outlay - Operating Budget	<u>19,885</u>
	<u>239,701</u>
Balance, December 31, 2023	<u>\$ 8,391,256</u>

**BOROUGH OF WALDWICK  
STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION  
WATER UTILITY CAPITAL FUND**

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	Balance, January 1, <u>2023</u>	Balance, December 31, <u>2023</u>
23-21	Various Public Improvements & Acquisitions	\$ 16,000	\$ 16,000
		<u>\$ 16,000</u>	<u>\$ 16,000</u>

EXHIBIT D-25

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT  
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2023	\$ 4,008
Balance, December 31, 2023	<u>\$ 4,008</u>

EXHIBIT D-26

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
WATER UTILITY CAPITAL FUND**

<u>Ord.</u>	<u>Improvement Description</u>	Balance, January 1, <u>2023</u>	2023 <u>Authorizations</u>	Notes <u>Not - Reissued</u>	Notes <u>Issued</u>	Balance, December 31, <u>2023</u>
09-20	Various Public Improvements & Acquisitions	\$ 418				\$ 418
06-21	Various Public Improvements & Acquisitions			\$ 280,000		280,000
10-22	Various Public Improvements & Acquisitions	475				475
16-22	Various Public Improvements & Acquisitions	5,000,000				5,000,000
09-23	Various Public Improvements & Acquisitions		\$ 1,306,600		\$ 1,306,000	600
19-23	Various Public Improvements & Acquisitions	-	820,000	-	-	820,000
		<u>\$ 5,000,893</u>	<u>\$ 2,126,600</u>	<u>\$ 280,000</u>	<u>\$ 1,306,000</u>	<u>\$ 6,101,493</u>

**BOROUGH OF WALDWICK**  
**BERGEN COUNTY, NEW JERSEY**

---

**PART II**  
**GOVERNMENT AUDITING SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

## 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 Waldwick  
Waldwick, 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 Waldwick as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated July 9, 2024. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

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

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



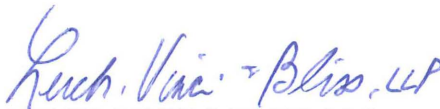
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Waldwick's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

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

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR000411

Fair Lawn, New Jersey  
July 9, 2024

## SCHEDULE A

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

	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2023 Grant Receipts</u>	<u>Balance, January 1, 2023</u>	<u>Revenue Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2023</u>	<u>(Memo Only) Cumulative Expenditures</u>
U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds - ARP	2021	21.027	\$ 1,057,990						
(Passed Through NJ Department of Community Affairs ) ARP Firefighters Grant - Ord. 08-2023	2023	21.021	28,000			\$ 28,000	\$ 26,423	\$ 1,577	\$ 26,423
U.S. Department of Housing and Urban Development Community Development Block Grant Bohnert Place Roadway Rehabilitation Ord. 08-2023	2023	14.218	101,332	-	<u>-</u>	<u>101,332</u>	<u>-</u>	<u>101,332</u>	-
					<u>\$ -</u>	<u>\$ 129,332</u>	<u>\$ 26,423</u>	<u>\$ 102,909</u>	

Note: This schedule is not subject to Single Audit as defined by U.S. Uniform Guidance.

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

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant/Loan Award</u>	<u>2023 Grant Receipts (Memo)</u>	<u>Balance, January 1, 2023</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>(Memo Only) Cumulative Expenditures</u>
Clean Communities Grant	4900-765-1789000	2024	\$ 21,975	\$ 21,975					
		2023	19,593			\$ 19,593		\$ 19,593	-
		2022							-
Body Armor Replacement Fund	1020-718-066-1020-001	2020	2,263		\$ 35			35	\$ 2,228
Police Vest Fund	N/A	2024	5,384					-	
		2023	1,625			1,625	\$ 1,562	63	1,562
		2021	1,789		498	-	498	-	1,789
Total Police Vest Cluster					498	1,625	2,060	63	
Drunk Driving Enforcement Fund	1110-448031020-22	2016	16,310		16,310			16,310	
		2013	3,000		3,000			3,000	
		2012	15,140		8,214		3,379	4,835	10,305
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2024	390					-	
		2019	579		579			579	-
		2016	7,153		5,144		600	4,544	2,609
Recycling Tonnage Grant	042-4910-100-224	2024	13,239						
		2023	12,349			12,349	12,349	-	
State Opioid Settlement	N/A	2024	14,219	14,219					
		2023	8,667			8,667	3,480	5,187	
Crime Prevention Grant	N/A	2016	3,136		1,988			1,988	1,148
NJ Department of Environmental Protection									
Storm Water Assistance Grant	N/A	2023		15,000		25,000		25,000	
DC Fast Charging Station - Ord 08-2023	EVFC-2022-00171	2023	75,000		-	75,000	75,000	-	
Total DEP Cluster					-	100,000	75,000	25,000	
Department of Transportation									
Municipal Aid Program									
Imp. to Hudson Ave 02 - Ord 08-2023	LA-2023-MA	2023	112,840		-	112,840	112,840	-	112,840
					\$ 35,768	\$ 255,074	\$ 209,708	\$ 81,134	

N/A - Not Available

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

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

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

**NOTE 1 REPORTING ENTITY**

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

**NOTE 2 BASIS OF PRESENTATION**

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

**NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 67,234	\$ 67,234
General Capital Fund	\$ 129,332	187,840	317,172
Total Financial Awards	<u>\$ 129,332</u>	<u>\$ 255,074</u>	<u>\$ 384,406</u>

## NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

#### NOTE 6 STATE LOANS OUTSTANDING

### Loan Program

NJ Environments Infrastructure Trust Loan	
Sanitary Sewer Improvement Loans - 2011	<u>61,998</u>
	\$ 530,715

**NOTE 7 INDIRECT COST RATE**

116

**BOROUGH OF WALDWICK  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements

Unmodified - Regulatory Basis

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 WALDWICK  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2023**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

There are none.



**BOROUGH OF WALDWICK  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

This section identifies the status of prior-year findings related to the financial statements 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 WALDWICK**  
**BERGEN COUNTY, NEW JERSEY**

---

**PART III**

**SUPPLEMENTARY DATA**  
**LETTER OF COMMENTS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$2.908</u>	<u>\$2.848</u>	<u>\$2.794</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.538	.526	.515
Library	.040	.037	.035
Municipal Open Space	.005	.005	.006
County	.285	.273	.271
Local School	2.040	2.007	1.967

Assessed Valuation

2023	<u>\$1,636,480,300</u>
2022	<u>\$1,630,354,800</u>
2021	<u>\$1,624,457,000</u>

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$ 47,756,439	\$ 47,493,443	99.45%
2022	46,559,224	46,270,193	99.38%
2021	45,520,684	45,308,946	99.53%

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2023	\$ 233,906	\$ 233,906	0.49%
2022	244,313	244,313	0.52%
2021	201,978	201,978	0.44%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2023	\$35,510
2022	35,510
2021	35,510

**Comparison of Water Utility Levies**

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2023	\$1,889,825	\$1,881,812
2022	1,905,659	1,928,575
2021	1,867,327	1,846,236

\* Includes collections of prior years receivables.

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE**

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

<u>Name</u>	<u>Title</u>
Thomas A. Giordano	Mayor
Theresa Sherman	Council President
Kathleen Cericola	Councilwoman
Michael Ritchie	Councilman
Paul Schatz	Councilman
Donald Sciolaro	Councilman
Michele Weber	Councilwoman
Patrick Wherry	Borough Administrator (January 1 – June 30)
Steven Neale	Borough Administrator (July 1 – December 31)
Colleen Ennis	Chief Financial Officer, Collector – Treasurer
	Supervisor of Water Consumer Accounts
	Tax Search Officer
Kelley Halewicz	Borough Clerk
	Officer for Searches for Municipal Improvements
Angela Mattiace	Tax Assessor
Mark Messner	Police Chief
Joseph Mysliwicz	Construction Code Official
Helene Herbert	Magistrate
Christine Oravetz	Court Administrator
Craig Bossong	Attorney
James McGinnis	Engineer

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**SCHEDULE OF FINDINGS OF NONCOMPLIANCE**

**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 \$44,000, except by contract or agreement."

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

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

Concessions Waldwick Municipal Pool	Recycling Material Disposal
Borough Wide ADA Curb Ramps Project	Yvonne Street Bank Stabilization
Water Treatment System Improvements	Repair and Equipment Replacement – Sewer Truck
Hudson Ave. and Bohnert Place Improvements	

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

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. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**Collection of Interest on Delinquent Taxes and Assessments**

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

The Governing Body on January 3, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Resolved that in accordance with N.J.S. 54:4-67, the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500. The Borough hereby grants a grace period of five days after that time, taxes will be delinquent and interest will be calculated from the first day that taxes were actually due."

"WHEREAS, Chapter 75 of Law 1991 made changes to certain portions of N.J.S.A. 54:4 & 5 to allow a municipality to employ a year end penalty for those accounts with tax arrears, interest or other municipal charges to charge a 6% penalty."

"NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Waldwick hereby approves this penalty."

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

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 7, 2023.

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

**BOROUGH OF WALDWICK  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

There are none.

**Status of Prior Years' Audit Findings/Recommendations**

There were no prior year recommendations.