

BOROUGH OF WALDWICK
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2024

BOROUGH OF WALDWICK

BERGEN COUNTY

NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2024

BOROUGH OF WALDWICK

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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 financial statements of the Borough of Waldwick which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying 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, 2024 and 2023, 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, 2024 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 accompanying 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, 2024 and 2023, 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.

Supplementary Information

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 as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by NJ OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Waldwick. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

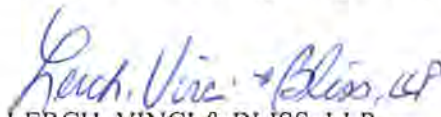
Other Information


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 10, 2025 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 10, 2025

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

ASSETS	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	A-4	\$ 8,016,248	\$ 9,826,679
Cash - Change Funds	A-5	1,200	1,200
Grants Receivable	A-8	154,719	19,970
Due from State of NJ Senior Citizens' & Veterans' Deductions	A-6	<u>49,444</u>	<u>49,194</u>
		<u>8,221,611</u>	<u>9,897,043</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-7	305,339	233,906
Property Acquired for Taxes - Assessed Valuation	A	35,510	35,510
Revenue Accounts Receivable	A-9	4,755	4,976
Due from Other Trust Fund	B-12	1,736	2,120
Due from General Capital Fund	C-4	<u>28,330</u>	<u>76,262</u>
		<u>375,670</u>	<u>352,774</u>
Total Assets		<u>\$ 8,597,281</u>	<u>\$ 10,249,817</u>

LIABILITIES, RESERVES AND FUND BALANCE

Liabilities			
Appropriation Reserves	A-3,A-10	\$ 532,505	\$ 527,089
Accounts Payable	A-11	354,453	224,341
Prepaid Taxes	A-12	218,194	192,231
Tax Overpayments	A-13	250	11,599
County Taxes Payable	A-14	3,001	16,419
Due to Park and Ride Trust Fund	B-6	5,075	5,457
Due to Water Utility Operating Fund	D-7	6,157	
Miscellaneous Reserves	A-16	343,005	359,000
Appropriated Reserves - Public and Private Programs	A-17	80,633	35,278
Unappropriated Reserves - Public and Private Programs	A-18	87,004	1,370,689
Construction Code Fees Payable	A-19	<u>7,499</u>	<u>4,295</u>
		1,637,776	2,746,398
Reserve for Receivables and Other Assets	A	375,670	352,774
Fund Balance	A-1	<u>6,583,835</u>	<u>7,150,645</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,597,281</u>	<u>\$ 10,249,817</u>

BOROUGH OF WALDWICK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND OTHER INCOME		
Fund Balance Utilized	\$ 2,195,071	\$ 2,127,809
Miscellaneous Revenues Anticipated	5,514,425	4,366,004
Receipts from Delinquent Taxes	235,088	240,615
Receipts from Current Taxes	48,498,130	47,493,443
Non-Budget Revenue	575,060	426,042
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	330,324	505,877
Cancelled Accounts Payable	9,500	
Cancelled Grant Reserve Balance	4,240	400
Interfunds Liquidated	48,316	-
	<u>57,410,154</u>	<u>55,160,190</u>
EXPENDITURES		
Budget Appropriations		
Operations		
Salaries and Wages	4,985,927	4,920,548
Other Expenses	8,332,171	7,059,264
Capital Improvements	223,700	210,000
Municipal Debt Service	1,468,588	1,374,645
Deferred Charges and Statutory Expenditures	1,489,324	1,714,003
County Taxes	4,809,836	4,461,947
County Open Space Preservation	216,241	195,281
County Share of Added and Omitted Taxes	3,001	16,419
Local District School Taxes	34,169,266	33,381,472
Municipal Open Space Taxes	82,128	82,089
Other Debits		
Senior Citizens Deductions Disallowed for Prior Year Taxes	1,182	258
Refund of Prior Year Revenue	529	25,622
Interfunds Created	-	67,041
	<u>55,781,893</u>	<u>53,508,589</u>
Excess in Revenue	1,628,261	1,651,601
Fund Balance, January 1	<u>7,150,645</u>	<u>7,626,853</u>
	8,778,906	9,278,454
Decreased by:		
Utilization as Anticipated Revenue	<u>2,195,071</u>	<u>2,127,809</u>
Fund Balance, December 31	<u>\$ 6,583,835</u>	<u>\$ 7,150,645</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, 2024

	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	\$ 2,195,071	-	\$ 2,195,071	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	18,500		18,720	\$ 220
Other	23,000		24,617	1,617
Fees and Permits				
Construction Code Official	201,000		254,192	53,192
Other	235,000		265,957	30,957
Fines and Costs				
Municipal Court	58,000		80,484	22,484
Interest and Costs on Taxes	62,000		75,014	13,014
Sewer Rents	99,500		43,645	(55,855)
Energy Receipts Tax	2,498,037		2,498,037	-
Supplemental Energy Receipts Tax				
Municipal Relief Fund - Reserve	257,489		257,489	
Police Training - Various Municipal Agreements	64,000		69,612	5,612
Police Vest Fund - Reserve	5,387		5,387	
ARP - Local Fiscal Recovery Fund - Reserve		\$ 1,057,990	1,057,990	
NJ DCA Recreation Grant - Lions Park		70,000	70,000	
ARP - FireFighters Grant		55,000	55,000	
BPU Community Energy Plan Grant		10,000	10,000	
Recycling Tonnage Grant - Reserve	13,239		13,239	
Clean Communities - Reserve	21,975		21,975	
Opioid Settlement - Reserve	14,219		14,219	
Cable Television Franchise Fees	138,000		140,337	2,337
Uniform Fire Safety Act - Other Fees & Permits	16,000		30,608	14,608
Cell Site Rental	335,000		333,661	(1,339)
Tax Appeal Settlement	100,000		124,177	24,177
JIF Accreditation Payment	25,000			(25,000)
Reserve for Payment of Debt Service	45,000		45,000	-
Solar Energy Credit	5,000	-	5,065	65
Total Miscellaneous Revenues	<u>4,235,346</u>	<u>1,192,990</u>	<u>5,514,425</u>	<u>86,089</u>
RECEIPTS FROM DELINQUENT TAXES	<u>233,613</u>	<u>-</u>	<u>235,088</u>	<u>1,475</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Municipal Operations	8,919,578		9,494,545	574,967
Free Public Library	700,328	-	700,328	-
	<u>9,619,906</u>	<u>-</u>	<u>10,194,873</u>	<u>574,967</u>
Total General Revenues	<u>\$ 16,283,936</u>	<u>\$ 1,192,990</u>	<u>\$ 18,139,457</u>	<u>\$ 662,531</u>
Non-Budget Revenue			<u>575,060</u>	
			<u><u>\$ 18,714,517</u></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, 2024
(Continued)

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection	
Revenue from Collections	\$ 48,498,130
Less: Allocation to School, County and Municipal Open Space Taxes	<u>39,280,472</u>
	9,217,658
Add: Appropriation "Reserve for Uncollected Taxes"	<u>977,215</u>
Balance for Support of Municipal Budget Appropriations	<u><u>\$ 10,194,873</u></u>
 Fees and Permits - Other	
Borough Clerk	\$ 36,754
Tax Collector	500
Fire Prevention Bureau	34,018
Police	3,850
Swimming Pool	144,320
Park and Ride	45,675
Sewer Connection	<u>840</u>
	<u><u>\$ 265,957</u></u>
 Licenses - Other	
Borough Clerk	\$ 7,127
Board of Health	<u>17,490</u>
	<u><u>\$ 24,617</u></u>
 Non-Budget	
Cash Received	\$ 484,960
Due From Other Trust Fund	1,736
Due From Self Insurance Trust Fund	1,248
Due From General Capital Fund	<u>87,116</u>
	<u><u>\$ 575,060</u></u>

BOROUGH OF WALDWICK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
OPERATIONS - WITHIN "CAPS"		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 210,264	\$ 210,264	\$ 207,777	\$ 2,487	
Other Expenses	27,240	27,240	27,237	3	
Mayor and Council					
Salaries and Wages	11,600	11,600	11,000	600	
Other Expenses	8,200	8,200	7,913	287	
Municipal Clerk					
Salaries and Wages	142,710	142,710	140,829	1,881	
Other Expenses	71,940	71,940	64,662	7,278	
Financial Administration					
Salaries and Wages	154,860	154,860	152,887	1,973	
Other Expenses	8,700	8,700		8,700	
Audit Services					
Other Expenses	38,110	38,110	36,600	1,510	
Revenue Administration					
Salaries and Wages	53,651	53,651	51,851	1,800	
Other Expenses	123,420	130,920	117,197	13,723	
Other Expenses - Liquid of TTLs/Foreclosed Property	100	100		100	
Tax Assessment Administration					
Salaries and Wages	40,724	40,824	40,634	190	
Other Expenses	15,255	5,155	3,351	1,804	
Legal Services and Costs					
Other Expenses	111,000	111,000	106,978	4,022	
Engineering Services & Costs					
Other Expenses	11,000	11,000	11,000	-	
Planning Board					
Salaries and Wages	10,244	10,244	10,244	-	
Other Expenses	21,300	21,300	16,746	4,554	
Board of Adjustment					
Salaries and Wages	10,244	10,244	10,244	-	
Other Expenses	6,100	6,100	1,360	4,740	
Insurance					
Self Insurance & Surety Bonds	15,000			-	
General Liability	362,818	403,818	394,592	9,226	
Employee Group Health	830,576	830,576	744,045	86,531	
Health Benefit Waiver	25,000	25,000	21,296	3,704	
PUBLIC SAFETY					
Police					
Salaries and Wages	3,046,761	3,073,961	3,060,210	13,751	
Other Expenses	178,430	151,230	121,203	30,027	
Pistol Range Contribution	8,144	8,144	8,144	-	
Office of Emergency Management					
Other Expenses	6,500	6,500	4,222	2,278	

BOROUGH OF WALDWICK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	Balance <u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Cont'd)					
Aid to Volunteer Ambulance Companies (First Aid Contribution)	\$ 21,000	\$ 21,000	\$ 20,000	\$ 1,000	
Fire					
Salaries and Wages	8,550	8,550	6,194	2,356	
Other Expenses	71,500	71,500	64,333	7,167	
Other Expenses-Fire Hydrant Service	25,000	25,000	25,000	-	
Fire Prevention Bureau					
Salaries and Wages	25,147	42,147	40,225	1,922	
Other Expenses	15,540	6,540	6,540	-	
PUBLIC WORKS					
Streets and Road Maintenance					
Salaries and Wages	787,286	767,286	756,325	10,961	
Other Expenses	53,120	53,120	37,374	15,746	
Other Expenses - Snow Removal	44,000	44,000	42,016	1,984	
Other Public Works Function					
Other Expenses - Municipal Park and Ride	2,000	2,000	1,192	808	
Other Expenses - Traffic Control Devices	6,000	6,000	6,000	-	
Solid Waste Collection (Sanitation)					
Garbage Collection	533,461	564,211	558,200	6,011	
Recycling					
Other Expenses	266,739	266,739	266,684	55	
Public Buildings and Grounds					
Other Expenses	207,500	207,500	202,498	5,002	
Vehicle Maintenance (Municipal Garage)					
Other Expenses	185,000	210,000	203,936	6,064	
HEALTH & HUMAN SERVICES					
Public Health Services					
Other Expenses - Northwest Bergen					
Comm. Contractual	112,000	112,000	110,824	1,176	
Animal Control					
Other Expenses	2,500	2,500	2,500	-	
Welfare/Administration of Public Assistance					
Other Expenses	100	100	-	100	
PARKS AND RECREATION					
Recreation Services and Programs (Parks and Playgrounds)					
Salaries and Wages	130,123	115,123	113,902	1,221	
Other Expenses	68,750	68,750	68,653	97	
MUNICIPAL COURT					
Salaries and Wages	70,664	70,664	52,167	18,497	
Other Expenses	12,300	12,300	10,615	1,685	
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, 2024

	<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>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
OTHER COMMON OPERATING					
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	\$ 13,500	\$ 13,500	\$ 11,940	\$ 1,560	
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY					
DEDICATED REVENUES (NJAC5:23-4.17)					
Uniform Construction Code Enforcement					
Salaries and Wages	234,577	236,127	236,106	21	
Other Expenses	16,840	16,840	16,296	544	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	111,500	114,500	109,700	4,800	
Street Lighting	125,500	125,500	116,591	8,909	
Telephone	53,000	55,500	54,183	1,317	
Water	30,000	30,050	25,546	4,504	
Natural Gas	35,000	27,450	14,497	12,953	
Fuel Oil	110,000	105,500	97,247	8,253	
Sewerage Processing and Disposal	15,000	15,000	13,996	1,004	
Landfill/Solid Waste Disposal Costs					
Sanitary Landfill Dump Fees	350,000	319,250	247,080	72,170	-
Total Operations Within "CAPS"	9,309,088	9,325,638	8,925,955	399,683	-
Detail:					
Salaries and Wages	4,962,405	4,973,255	4,911,891	61,364	-
Other Expenses (Including Contingent)	4,346,683	4,352,383	4,014,064	338,319	-
STATUTORY EXPENDITURES					
Public Employee Retirement System	273,896	273,896	273,896	-	
Social Security System	378,272	361,722	352,549	9,173	
Police & Firemen's Retirement System of NJ	843,706	843,706	843,706	-	
Defined Contribution Retirement Plan	10,000	10,000	5,820	4,180	-
Total Statutory Expenditures	1,505,874	1,489,324	1,475,971	13,353	-
Total Statutory Expenditures - Municipal Within "CAPS"	1,505,874	1,489,324	1,475,971	13,353	-
Total General Appropriations for Municipal Purposes Within "CAPS"	10,814,962	10,814,962	10,401,926	413,036	-

BOROUGH OF WALDWICK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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>
OPERATIONS - EXCLUDED FROM "CAPS"					
UTILITY EXPENSES AND BULK PURCHASES					
Northwest Bergen Sewer Authority					
Share of Costs	\$ 1,859,102	\$ 1,859,102	\$ 1,859,102		
Village of Ridgewood - Contractual - Sewer	3,300	3,300		\$ 3,300	
Boro of Ho-Ho-Kus - Contractual - Sewer	5,600	5,600	5,600	-	
Recycling Tax Appropriation	10,000	10,000	8,468	1,532	
EDUCATION					
Maintenance of Free Public Library	700,328	700,328	700,328	-	
INSURANCE					
General Liability Insurance	40,262	40,262	40,262	-	
Employee Group Health	25,958	25,958	25,958	-	
PUBLIC SAFETY					
"911" Telecommunications System	11,100	11,100	11,100	-	
PUBLIC WORKS					
NJPDES Stormwater Permit					
Streets and Roads					
Other Expenses	25,000	25,000	5,000	20,000	
INTERLOCAL MUNICIPAL SERVICE					
AGREEMENTS					
Public Safety - Police Training					
Salaries and Wages	12,672	12,672	12,672	-	
Other Expense	51,328	51,328	38,780	12,548	
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Recycling Tonnage Grant	13,239	13,239	-	13,239	
Police Vest Fund	5,387	5,387	-	5,387	
Local Fiscal Recovery - APRA	-	1,057,990	1,057,990	-	-
NJ DCA-Recreation Grant - Lions Park	-	70,000	33,300	36,700	-
ARPA - Firefighter Grant		55,000	54,838	162	
BPU - Community Energy Plan	-	10,000	-	10,000	-
Clean Communities Grant	21,975	21,975	19,593	2,382	-
Opioid Settlement	14,219	14,219	-	14,219	-
Total Operations Excluded from "CAPS"	2,799,470	3,992,460	3,872,991	119,469	-
Detail:					
Salaries and Wages	12,672	12,672	12,672	-	-
Other Expenses	2,786,798	3,979,788	3,860,319	119,469	-
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	223,700	223,700	223,700	-	-
Total Capital Improvements-Excluded from "CAPS"	223,700	223,700	223,700	-	-

**BOROUGH OF WALDWICK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<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>
MUNICIPAL DEBT SERVICE					
Payment of Bond Principal	\$ 1,145,000	\$ 1,145,000	\$ 1,145,000		
Interest on Bonds	99,498	99,498	99,498		
Interest on Notes	212,350	212,350	212,350		
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>1,468,589</u>	<u>1,468,589</u>	<u>1,468,588</u>	<u>-</u>	<u>1</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,491,759</u>	<u>5,684,749</u>	<u>5,565,279</u>	<u>\$ 119,469</u>	<u>1</u>
Subtotal General Appropriations	15,306,721	16,499,711	15,967,205	532,505	1
Reserve for Uncollected Taxes	<u>977,215</u>	<u>977,215</u>	<u>977,215</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 16,283,936</u>	<u>\$ 17,476,926</u>	<u>\$ 16,944,420</u>	<u>\$ 532,505</u>	<u>\$ 1</u>
Adopted Budget		\$ 16,283,936			
Appropriation by 40A:4-87		<u>1,192,990</u>			
		<u>\$ 17,476,926</u>			
Cash Disbursed			\$ 15,657,513		
Accounts Payable			303,535		
Due to Water Utility Operating Fund			6,157		
Reserve for Uncollected Taxes			<u>977,215</u>		
			<u>\$ 16,944,420</u>		

**BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023**

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-3	\$ 17,268	\$ 16,493
Due from State of New Jersey	B-4	<u>1,032</u>	<u>1,680</u>
		<u>18,300</u>	<u>18,173</u>
PARK AND RIDE CONTINGENCY FUND			
Cash	B-3	42,131	36,674
Due from Current Fund	B-6	<u>5,075</u>	<u>5,457</u>
		<u>47,206</u>	<u>42,131</u>
OTHER TRUST FUND			
Cash	B-3	<u>2,298,497</u>	<u>2,515,986</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash and Cash Equivalents	B-3	55,872	79,708
Due from State of New Jersey	B-8	<u>5,918</u>	<u>5,918</u>
		<u>61,790</u>	<u>85,626</u>
SELF INSURANCE TRUST FUND			
Cash	B-3	<u>48,333</u>	<u>48,333</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Cash	B-3	139,956	120,451
Due from General Capital Fund	B-16	<u>-</u>	<u>19,149</u>
		<u>139,956</u>	<u>139,600</u>
Total Assets		<u>\$ 2,614,082</u>	<u>\$ 2,849,849</u>

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023
(Continued)

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Reserve for Animal Control Expenditures	B-5	\$ 18,300	\$ 18,173
		<u>18,300</u>	<u>18,173</u>
PARK AND RIDE CONTINGENCY FUND			
Reserve for Park and Ride Expenditures	B-7	47,206	42,131
		<u>47,206</u>	<u>42,131</u>
OTHER TRUST FUND			
Due to Current Fund	B-12	1,736	2,120
Developer's Escrow and Other Reserves	B-13	1,787,665	2,050,133
Reserve for Payroll Deductions Payable	B-14	100,145	69,744
Reserve for COAH Expenditures	B-15	408,951	393,989
		<u>2,298,497</u>	<u>2,515,986</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Reserve for Unemployment Claims	B-9	61,790	85,626
		<u>61,790</u>	<u>85,626</u>
SELF-INSURANCE TRUST FUND			
Reserve for Property Insurance Expenditures	B-10	48,333	48,333
		<u>48,333</u>	<u>48,333</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Reserve for Expenditures	B-17	139,956	139,600
		<u>139,956</u>	<u>139,600</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,614,082</u>	<u>\$ 2,849,849</u>

**BOROUGH OF WALDWICK
STATEMENT OF REVENUES-REGULATORY BASIS
MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Budget</u>	<u>Anticipated Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 82,075	\$ 82,075	\$ 82,127	\$ 52
	<u>\$ 82,075</u>	<u>\$ 82,075</u>	<u>\$ 82,127</u>	<u>\$ 52</u>

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<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	\$ 82,075	\$ 82,075	\$ 84,500	\$ (2,425)
	<u>\$ 82,075</u>	<u>\$ 82,075</u>	<u>\$ 84,500</u>	<u>\$ (2,425)</u>
2024 Appropriations			\$ 82,075	
Reserve for Municipal Open Space			<u>2,425</u>	
			<u>\$ 84,500</u>	

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and Cash Equivalents	C-2,C-3	\$ 3,604,278	\$ 2,875,283
Deferred Charges to Future Taxation			
Funded	C-6	4,818,047	5,972,998
Unfunded	C-7	10,424,487	6,447,602
Grant and Other Receivable	C-8	<u>348,281</u>	<u>614,877</u>
		<u>\$ 19,195,093</u>	<u>\$ 15,910,760</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-9	\$ 4,766,000	\$ 5,911,000
Loans Payable	C-10	52,047	61,998
Bond Anticipation Notes	C-11	7,955,890	4,247,000
Improvement Authorizations			
Funded	C-12	613,032	691,073
Unfunded	C-12	2,451,024	1,448,835
Accounts Payable	C-13	2,715,523	2,945,181
Due to Current Fund	C-4	28,330	76,262
Due to Municipal Open Space Trust Fund	C-5		19,149
Reserve for Payment of Debt Service	C-14	45,257	90,257
Reserve for Pistol Range	C-15	35,960	35,960
Capital Improvement Fund	C-16	147,792	48,984
Fund Balance	C-1	<u>384,238</u>	<u>335,061</u>
		<u>\$ 19,195,093</u>	<u>\$ 15,910,760</u>

There were bonds and notes authorized but not issued of \$2,468,597 and \$2,200,602 at December 31, 2024 and 2023 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, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Balance, January 1	\$ 335,061	\$ 277,307
Increased by:		
Premium on Sale of Bond Anticipation Notes	49,177	22,703
Cancelled Improvement Authorizations	<u>-</u>	<u>35,051</u>
Balance, December 31	<u>\$ 384,238</u>	<u>\$ 335,061</u>

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY OPERATING FUND
AS OF DECEMBER 31, 2024 AND 2023

ASSETS	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	D-5	\$ 2,456,395	\$ 2,367,960
Change Fund	D	100	100
Due from Current Fund	D-7	<u>6,157</u>	<u>-</u>
		<u>2,462,652</u>	<u>2,368,060</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-9	75,277	70,579
Deferred Charges			
Emergency Authorization	D-8	<u>110,000</u>	<u>-</u>
Total Assets		<u>\$ 2,647,929</u>	<u>\$ 2,438,639</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	D-4,D-14	\$ 87,128	\$ 73,118
Accounts Payable	D-15	249,285	75,185
Prepaid Water Rents	D-16	5,109	2,895
Water Rent Overpayments	D-17	8,194	6,916
Reserve for Tax Map	D-25	3,667	3,667
Accrued Interest Payable on Bonds and Notes	D-21	12,563	12,836
Accrued Interest Payable on Loans	D-24	<u>4,792</u>	<u>5,417</u>
		370,738	180,034
Reserve for Receivables	D	75,277	70,579
Fund Balance	D-1	<u>2,201,914</u>	<u>2,188,026</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,647,929</u>	<u>\$ 2,438,639</u>

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023
(Continued)

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	D-5,D-6	\$ 1,275,261	\$ 383,337
Loan Receivable	D-10	104,101	-
Fixed Capital	D-11	10,135,664	10,088,577
Fixed Capital Authorized and Uncompleted	D-12	<u>7,948,302</u>	<u>7,651,889</u>
Total Assets		<u>\$ 19,463,328</u>	<u>\$ 18,123,803</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	D-22	\$ 736,000	\$ 896,000
State Water Loans Payable	D-18	4,214,521	468,717
Bond Anticipation Notes	D-23	1,944,110	1,867,000
Accounts Payable	D-15	1,011,823	4,775,458
Improvement Authorization			
Funded	D-19	132,128	147,071
Unfunded	D-19	421,179	1,517,673
Reserves for			
Amortization	D-26	8,657,072	8,391,256
Deferred Amortization	D-27	2,293,850	16,000
Payment of Debt	D	4,008	4,008
Capital Improvement Fund	D-20	26,143	30,143
Fund Balance	D-2	<u>22,494</u>	<u>10,477</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,463,328</u>	<u>\$ 18,123,803</u>

There were bonds and notes authorized but not issued of \$238,413 and \$6,101,493, at December 31, 2024 and 2023, respectively. (Exhibit D-28).

BOROUGH OF WALDWICK
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND OTHER INCOME		
Surplus Anticipated	\$ 244,000	\$ 170,000
Rents	1,878,595	1,881,812
Fire Hydrant Service	25,000	25,000
Miscellaneous	102,466	89,172
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	50,968	67,820
Cancelled Accounts Payable	<u>8,417</u>	<u>-</u>
	<u>2,309,446</u>	<u>2,233,804</u>
EXPENDITURES		
Budget Appropriations		
Operating	1,504,032	1,380,618
Capital Improvements	150,000	30,000
Debt Service	340,479	289,858
Deferred Charges and Statutory Expenditures	<u>167,047</u>	<u>173,108</u>
	<u>2,161,558</u>	<u>1,873,584</u>
Excess in Revenue	147,888	360,220
Adjustments to Income Before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	<u>110,000</u>	<u>-</u>
Statutory Excess to Surplus	257,888	360,220
Fund Balance, January 1	<u>2,188,026</u>	<u>1,997,806</u>
	2,445,914	2,358,026
Decreased by:		
Utilization by Water Operating Budget	<u>244,000</u>	<u>170,000</u>
Fund Balance, December 31	<u><u>\$ 2,201,914</u></u>	<u><u>\$ 2,188,026</u></u>

BOROUGH OF WALDWICK
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Balance, January 1	\$ 10,477	\$ 278
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>12,017</u>	<u>10,199</u>
Balance, December 31	<u>\$ 22,494</u>	<u>\$ 10,477</u>

EXHIBIT D-3

STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Utilized	\$ 244,000	\$ 244,000	
Rents	1,783,456	1,878,595	\$ 95,139
Fire Hydrant Service	<u>25,000</u>	<u>25,000</u>	<u>-</u>
	<u>\$ 2,052,456</u>	<u>\$ 2,147,595</u>	<u>\$ 95,139</u>
Analysis of Non-Budget Revenue			
Interest on Investments and Deposits		\$ 88,971	
Interest and Costs on Delinquent Accounts		5,197	
Sprinkler Charges		7,800	
Other Miscellaneous		<u>498</u>	
		<u>\$ 102,466</u>	

BOROUGH OF WALDWICK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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	\$ 734,729	\$ 734,729	\$ 732,425	\$ 2,304	
Other Expenses	769,953	769,303	692,767	76,536	
Capital Improvements					
Capital Improvement Fund	10,000	10,000	10,000		
Capital Outlay	30,000	30,000	30,000		
Water Treatment System Improvements		110,000	110,000		
Debt Service					
Payment of Bond Principal	160,000	160,000	160,000		
Interest on Bonds	15,365	15,365	15,092		\$ 273
Interest on Notes	93,350	93,350	93,350		
Environmental Trust Principal & Interest	72,662	72,662	72,037		625
Statutory Expenditures					
Public Employees Retirement System	108,397	109,047	109,015	32	
Social Security System	58,000	58,000	49,744	8,256	-
	<u>\$ 2,052,456</u>	<u>\$ 2,162,456</u>	<u>\$ 2,074,430</u>	<u>\$ 87,128</u>	<u>\$ 898</u>
Adopted Budget		\$ 2,052,456			
Emergency Authorization		110,000			
		<u>\$ 2,162,456</u>			
Cash Disbursements			\$ 1,818,157		
Accounts Payable			238,918		
Interest on Bonds and Notes			12,563		
Interest on Loans			4,792		
			<u>\$ 2,074,430</u>		

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Land	\$ 10,778,400	\$ 8,628,600
Land Improvements	596,007	578,930
Buildings and Building Improvements	6,258,846	5,495,197
Machinery and Equipment	<u>11,203,472</u>	<u>10,340,881</u>
 Total Assets	 <u>\$ 28,836,725</u>	 <u>\$ 25,043,608</u>
 FUND BALANCE		
Investment in General Fixed Assets	 <u>\$ 28,836,725</u>	 <u>\$ 25,043,608</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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. However under the regulatory basis of accounting municipalities are required to follow GASB pronouncements with regard to disclosure requirements for notes to the financial statements.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 AND 2023**

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, 2023 balances to conform to the December 31, 2024 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, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's 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, 2024 AND 2023**

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, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 non-cancellable 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 its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of 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, 2024 AND 2023**

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

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

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

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. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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 2024 and 2023 the Borough Council increased the original Current Fund budget by \$1,192,990 and \$25,000. The increases were funded by additional aid allotted to the Borough in 2024 and 2023. In addition, during 2024, the Borough Council increased the Water Utility Operating Budget by \$110,000. This increase was an emergency appropriation for improvements to the water treatment system. In addition, the governing body approved several budget transfers during 2024 and 2023.

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, 2024 and 2023, the book value of the Borough's deposits were \$17,647,254 and \$17,348,530 and bank and brokerage firm balances of the Borough's deposits amounted to \$18,329,870 and \$18,056,480, 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>2024</u>	<u>2023</u>
Insured	\$ 17,022,686	\$ 16,763,174
Uninsured and Collateralized	<u>1,307,184</u>	<u>1,293,306</u>
	<u>\$ 18,329,870</u>	<u>\$ 18,056,480</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, the Borough’s bank balances of \$1,307,184 and \$1,293,306 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 1,307,184	\$ 1,293,306
	<u>\$ 1,307,184</u>	<u>\$ 1,293,306</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, 2024 and 2023 the Borough had the following investments:

<u>Investment Type:</u>	<u>Valuation Basis</u>	<u>2024</u>	<u>2023</u>
N.J. Cash Management Fund	Book Value	<u>\$ 308,285</u>	<u>\$ 948,193</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, \$308,285 and \$948,193 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ 308,285	\$ 948,193

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, 2024 and 2023 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, 2024 AND 2023

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2024 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2024</u>			
Property Taxes	\$ 305,339		\$ 305,339
Utility Rents	<u>-</u>	<u>\$ 75,277</u>	<u>75,277</u>
	<u>\$ 305,339</u>	<u>\$ 75,277</u>	<u>\$ 380,616</u>

In 2024, the Borough collected \$235,088 and \$70,579 from delinquent taxes and utility charges and fees, which represented 101% and 100% of the delinquent tax and water charges receivable at December 31, 2023.

Receivables at December 31, 2023 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2023</u>			
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.

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2024</u>		<u>2023</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund:	\$ 30,066	\$ 11,232	\$ 87,673	\$ 5,457
Trust Fund:				
Park and Ride Contingency	5,075		5,457	
Other Trust		1,736	-	2,120
General Capital Fund		28,330		85,553
Water Utility Operating Fund	<u>6,157</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 41,298</u>	<u>\$ 41,298</u>	<u>\$ 93,130</u>	<u>\$ 93,130</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, 2024 AND 2023

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:

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<u>2024</u>			
Water Operating Fund			
Emergency Authorization	\$110,000	\$110,000	

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>2024</u>		<u>2023</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 6,379,672	\$ 2,526,594	\$ 7,081,481	\$ 2,195,071
Non-Cash Surplus	<u>204,163</u>	<u>-</u>	<u>69,164</u>	<u>-</u>
	<u>\$ 6,583,835</u>	<u>\$ 2,526,594</u>	<u>\$ 7,150,645</u>	<u>\$ 2,195,071</u>
Water Utility Operating Fund				
Cash Surplus	\$ 2,091,914	\$ 592,286	\$ 2,188,026	\$ 244,000
Non-Cash Surplus	<u>110,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,201,914</u>	<u>\$ 592,286</u>	<u>\$ 2,188,026</u>	<u>\$ 244,000</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023.

	Balance January 1, <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, December 31, <u>2024</u>
<u>2024</u>					
Land	\$ 8,628,600	\$ 2,149,800			\$ 10,778,400
Land Improvements	578,930	17,077			596,007
Buildings and Building Improvements	5,495,197	763,649			6,258,846
Machinery and Equipment	<u>10,340,881</u>	<u>914,262</u>	<u>\$ 51,671</u>	<u>-</u>	<u>11,203,472</u>
	<u>\$ 25,043,608</u>	<u>\$ 3,844,788</u>	<u>\$ 51,671</u>	<u>\$ -</u>	<u>\$ 28,836,725</u>
	Balance January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	Balance, December 31, <u>2023</u>
<u>2023</u>					
Land	\$ 8,628,600				\$ 8,628,600
Land Improvements	159,702	\$ 415,191		\$ 4,037	578,930
Buildings and Building Improvements	5,461,927	287,384		(254,114)	5,495,197
Machinery and Equipment	<u>9,838,620</u>	<u>456,222</u>	<u>\$ 204,038</u>	<u>250,077</u>	<u>10,340,881</u>
	<u>\$ 24,088,849</u>	<u>\$ 1,158,797</u>	<u>\$ 204,038</u>	<u>\$ -</u>	<u>\$ 25,043,608</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 and 2023.

Water Utility Fund	Balance January 1, <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
<u>2024</u>				
Fixed Capital				
System and System Improvements	\$ 3,490,620	\$ 47,087		\$ 3,537,707
Building and Building Improvements	3,495,221	-		3,495,221
Vehicles and Equipment	<u>3,102,736</u>	<u>-</u>	<u>-</u>	<u>3,102,736</u>
	<u>\$ 10,088,577</u>	<u>\$ 47,087</u>	<u>\$ -</u>	<u>\$ 10,135,664</u>
	Balance January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Fixed Capital				
System and System Improvements	\$ 3,409,770	\$ 80,850	\$ 47,087	\$ 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>\$ 47,087</u>	<u>\$ 10,088,577</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>2024</u>	<u>2023</u>
Issued		
General		
Bonds, Notes and Loans	\$ 12,773,937	\$ 10,219,998
Water Utility		
Bonds, Notes and Loans	<u>6,894,631</u>	<u>3,231,717</u>
Total Issued	19,668,568	13,451,715
Less Funds Temporarily Held to Pay Bonds and Notes	<u>49,265</u>	<u>94,265</u>
Net Debt Issued	19,619,303	13,357,450
Authorized But Not Issued		
General		
Bonds and Notes	2,468,597	2,200,602
Water Utility		
Bonds, Notes and Loans	<u>238,413</u>	<u>6,101,493</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 22,326,313</u>	<u>\$ 21,659,545</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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 .72% and .63% at December 31, 2024 and 2023, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	\$ 15,242,534	\$ 45,257	\$ 15,197,277
School Debt	28,585,000	28,585,000	-
Water Utility Debt	<u>7,133,044</u>	<u>7,133,044</u>	<u>-</u>
Total	<u>\$ 50,960,578</u>	<u>\$ 35,763,301</u>	<u>\$ 15,197,277</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
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>

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>2024</u>	<u>2023</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 74,403,313	\$ 68,500,072
Less: Net Debt	<u>15,197,277</u>	<u>12,330,343</u>
Remaining Borrowing Power	<u>\$ 59,206,036</u>	<u>\$ 56,169,729</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>2024</u>	<u>2023</u>
\$4,508,000, 2014 Bonds, due in annual installments of \$418,000 to \$420,000 through November, 2026, interest at 2.50%	\$ 838,000	\$ 1,258,000
\$6,978,000, 2020 Bonds, due in annual installments of \$578,000 to \$725,000 through July, 2030, interest at 1.00% to 2.00%	<u>3,928,000</u>	<u>4,653,000</u>
Total	<u>\$ 4,766,000</u>	<u>\$ 5,911,000</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>2024</u>	<u>2023</u>
\$86,874, 2011 Fund Loan due in Semi-annual installments of \$1,589 to \$3,178 through August 2029, interest free	\$ 21,724	\$ 26,491
\$86,874, 2011 Trust Loan due in Annual installments of \$996 to \$5,184 through August 2030, interest at 3.28% to 4.51%	<u>30,323</u>	<u>35,507</u>
	<u>\$ 52,047</u>	<u>\$ 61,998</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>2024</u>	<u>2023</u>
\$564,000, 2014 Bonds, due in annual installments of \$59,000 to \$60,000 through November, 2026, interest at 2.50%	\$ 119,000	\$ 179,000
\$1,017,000, 2020 Bonds, due in annual installments of \$100,000 to \$105,000 through July, 2030, interest at 1.00% to 2.00%	<u>617,000</u>	<u>717,000</u>
	<u>\$ 736,000</u>	<u>\$ 896,000</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, water main construction, and water treatment system improvement 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>2024</u>	<u>2023</u>
\$1,702,711, 2024/25 Fund Loan due in Semi-annual installments of \$17,464 to \$78,587 through August 2044, interest free	\$ 1,702,711	
\$1,245,000, 2024/25 Trust Loan due in Annual installments of \$75,000 to \$115,000 through August 2038, interest at 5.00%	1,245,000	
\$857,909, 2024/25 WIFIA Loan due in Annual installments of \$143,631 to \$146,350 through August 2044, interest at 3.710%	857,909	
\$566,508, 2010 Fund Loan due in Semi-annual installments of \$9,939 to \$19,877 through August 2030, interest free	178,901	\$ 208,717
\$545,000, 2010 Trust Loan due in Annual installments of \$30,000 to \$45,000 through August 2030, interest at 5.00%	<u>230,000</u>	<u>260,000</u>
	<u>\$ 4,214,521</u>	<u>\$ 468,717</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2024 is as follows:

Calendar Year	General Bonds		General Loans		Water Utility Bonds		Water Utility Loans		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2025	\$ 1,145,000	\$ 88,635	\$ 10,159	\$ 1,304	\$ 160,000	\$ 13,815	\$ 99,744	\$ 39,201	\$ 1,557,858
2026	1,143,000	70,885	10,381	1,082	159,000	11,315	227,135	103,828	1,726,626
2027	650,000	49,560	10,619	843	105,000	8,340	232,136	98,328	1,154,826
2028	625,000	36,560	10,870	593	105,000	6,240	237,136	92,578	1,113,977
2029	625,000	24,060	9,017	327	105,000	4,140	242,136	86,578	1,096,258
2030-2034	578,000	11,560	1,001	45	102,000	2,040	986,410	347,642	2,028,698
2035-2039							1,032,943	215,892	1,248,835
2040-2044	-	-	-	-	-	-	1,156,881	79,631	1,236,512
Total	<u>\$ 4,766,000</u>	<u>\$ 281,260</u>	<u>\$ 52,047</u>	<u>\$ 4,194</u>	<u>\$ 736,000</u>	<u>\$ 45,890</u>	<u>\$ 4,214,521</u>	<u>\$ 1,063,678</u>	<u>\$ 11,163,590</u>

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2024 and 2023 were as follows:

	Balance, January 1, 2024	Additions	Reductions	Balance, December 31, 2024	Due Within One Year
<u>2024</u>					
<u>General Capital Fund</u>					
Bonds Payable	\$ 5,911,000		\$ 1,145,000	\$ 4,766,000	\$ 1,145,000
Intergovernmental Loans Payable	<u>61,998</u>	<u>-</u>	<u>9,951</u>	<u>52,047</u>	<u>10,159</u>
 General Capital Fund Long-Term Liabilities	 <u>\$ 5,972,998</u>	 <u>\$ -</u>	 <u>\$ 1,154,951</u>	 <u>\$ 4,818,047</u>	 <u>\$ 1,155,159</u>
 <u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 896,000		\$ 160,000	\$ 736,000	\$ 160,000
Intergovernmental Loans	<u>468,717</u>	<u>\$ 3,805,620</u>	<u>59,816</u>	<u>4,214,521</u>	<u>99,744</u>
 Water Utility Capital Fund Long-Term Liabilities	 <u>\$ 1,364,717</u>	 <u>\$ 3,805,620</u>	 <u>\$ 219,816</u>	 <u>\$ 4,950,521</u>	 <u>\$ 259,744</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
<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>59,816</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>\$ 219,816</u>

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, January 1, <u>2024</u>	<u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2024</u>
<u>2024</u>						
<u>General Capital Fund</u>						
Various Public Improvements & Acquisitions	4.00%	10/10/2025	\$ 4,247,000	\$ 5,503,890	\$ 4,247,000	\$ 5,503,890
Acquisitions of Property	4.00%	10/10/2025	<u>-</u>	<u>2,452,000</u>	<u>-</u>	<u>2,452,000</u>
Total General Capital Fund			<u>\$ 4,247,000</u>	<u>\$ 7,955,890</u>	<u>\$ 4,247,000</u>	<u>\$ 7,955,890</u>
<u>Water Utility Capital Fund</u>						
Various Public Improvements & Acquisitions	4.00%	10/10/2025	\$ 1,867,000	\$ 1,944,110	\$ 1,867,000	\$ 1,944,110
Total Water Utility Capital Fund			<u>\$ 1,867,000</u>	<u>\$ 1,944,110</u>	<u>\$ 1,867,000</u>	<u>\$ 1,944,110</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>Balance,</u> <u>January 1,</u> <u>2023</u>	<u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>
<u>2023</u>						
<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			\$ 2,805,000	\$ 4,247,000	\$ 2,805,000	\$ 4,247,000
<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			\$ 841,000	\$ 1,867,000	\$ 841,000	\$ 1,867,000

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.

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 /</u> <u>Other</u> <u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
<u>2024</u>		
Platforms Aerial Ladder Truck	\$ 1,913,039	2025
<u>2023</u>		
Design and Treatment of Various Wells	\$ 139,827	2024
Platforms Aerial Ladder Truck	1,913,039	2025
Water Treatment System Improvements	4,368,781	2024
Acquisition of Sewer Truck	244,963	2024
Hudson Ave./Bohnert Pl. Improvements	281,287	2024

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 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 \$842,536 and \$665,613 at December 31, 2024 and 2023, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2024 and 2023, the Borough has reserved in the Other Trust Fund \$203,357 and \$249,641, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
Compensated Absences	\$ 665,613	\$ 223,207	\$ 46,284	\$ 842,536	
Net Pension Liability -					
PERS (1)	4,741,479			4,741,479	
PFRS (1)	<u>7,002,642</u>	<u>-</u>	<u>-</u>	<u>7,002,642</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 12,409,734</u>	<u>\$ 223,207</u>	<u>\$ 46,284</u>	<u>\$ 12,586,657</u>	<u>\$ -</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

C. Deferred Pension Obligation (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 760,483		\$ 94,870	\$ 665,613	
Capital Financing Agreements	18,884		18,884	-	
Net Pension Liability -					
PERS	4,932,309	221,368	412,198	4,741,479	
PFRS	<u>6,688,006</u>	<u>1,074,538</u>	<u>759,902</u>	<u>7,002,642</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 12,399,682</u>	<u>\$ 1,295,906</u>	<u>\$ 1,285,854</u>	<u>\$ 12,409,734</u>	<u>\$ -</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.

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.

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:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (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.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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:

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

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS 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 PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

**BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

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

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

Measurement Focus and Basis of Accounting

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

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

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. Empower (formerly Prudential Retirement) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 2024 and 2023 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 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2024, 2023 and 2022, 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>
2024	\$ 843,706	\$ 437,515	\$ 7,001
2023	759,902	412,198	7,241
2022	626,592	373,480	13,448

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, 2024 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, 2024 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, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2023, the Borough reported a liability of \$4,741,479 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the Borough's proportionate share was .03274 percent, which was an increase of .00005 percent from its proportionate share measured as of June 30, 2022 of .03269 percent.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2023, the pension system has determined the Borough's pension expense (benefit) to be \$(248,916) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$412,198. At December 31, 2023, 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:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 45,335	\$ 19,382
Changes of Assumptions	10,416	287,354
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	21,835	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>243,190</u>	<u>320,444</u>
Total	<u>\$ 320,776</u>	<u>\$ 627,180</u>

At December 31, 2023 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>
2024	\$ (434,433)
2025	(45,760)
2026	234,018
2027	(59,158)
2028	(1,071)
Thereafter	<u>-</u>
	<u>\$ (306,404)</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</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%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023) 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, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>2023</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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, 2024 AND 2023

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, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>2023</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 6,172,397	\$ 4,741,479	\$ 3,523,579

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. 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.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2023, the Borough reported a liability of \$7,002,642 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the Borough’s proportionate share was .06338 percent, which was an increase of .00495 percent from its proportionate share measured as of June 30, 2022 of .05843 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, 2023, the pension system has determined the Borough pension expense (benefit) to be \$363,070 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$759,902. At December 31, 2023, 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:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 299,839	\$ 333,964
Changes of Assumptions	15,114	472,846
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	356,631	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>1,351,520</u>	<u>278,622</u>
Total	<u>\$ 2,023,104</u>	<u>\$ 1,085,432</u>

At December 31, 2023 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>
2024	223,632
2025	223,632
2026	223,633
2027	70,526
2028	166,449
Thereafter	<u>29,800</u>
	<u>\$ 937,672</u>

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</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%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023) 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, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>2023</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2023. 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, 2024 AND 2023

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, 2023 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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2023</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>9,756,955</u>	\$ <u>7,002,642</u>	\$ <u>4,708,957</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. 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, 2023, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,290,318. For the year ended December 31, 2023, 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 \$146,771, which is less than the actual contribution the State made on behalf of the Borough of \$147,563. At December 31, 2023 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was .06338 percent, which was an increase of .00495 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .05843 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 in the Borough’s financial statements.

Pension Plan Fiduciary Net Position

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

**BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023:

Active Plan Members	65,613
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>34,771</u>
Total	<u>100,384</u>
Contributing Employers	574
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, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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, 2024 AND 2023**

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 can be 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 \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

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, 2024, 2023 and 2022.

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, 2024 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, 2024 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, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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, 2023, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$6,911,545. For the year ended December 31, 2023 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$1,253,198. At December 31, 2023, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the Borough was .19809 percent, which was a decrease of .03305 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2021) of .23114 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.

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, 2024 and 2023 the Borough has available in the Self Insurance Trust Fund \$48,333 and \$48,333, respectively for the payment of self-insurance claims.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>
2024	\$ 6,493	\$ 32,449	\$ 61,790
2023	9,735	4,759	85,626
2022	7,554	5,636	79,532

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, 2024 and 2023. 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, 2024 and 2023, the Borough reserved \$325,162 and \$341,157, 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, 2024 AND 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 contracted for \$36,282 and \$36,282 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$134 and \$267, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$-0- and \$36,148, 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 contracted for \$30,613 and \$33,396 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$615 and \$1,273, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$-0- and \$29,998, 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 contracted for \$52,800 and \$48,800 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$10,680 and \$2,746, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$180,845 and \$222,965, 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 contracted for \$62,700 and \$57,950 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$12,683 and \$3,261, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$214,754 and \$264,771, 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 contracted for \$41,835 and \$46,512 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$6,660 and \$58, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$151,849 and \$175,815, 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 contracted for \$10,820 and \$10,140 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$1,592 and \$270, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$42,818 and \$52,046, respectively.

BOROUGH OF WALDWICK
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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 contracted for \$75,847 and \$72,930 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$279 and \$547, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$-0- and \$75,567, 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 contracted for \$53,482 and \$56,286 in lease revenue for 2024 and 2023, respectively, which includes interest earnings of \$1,074 and \$2,183, respectively. As of December 31, 2024 and 2023 the Borough's receivable for lease payments, exclusive of future interest earnings is \$0 and \$52,407, respectively.

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

<u>Calendar Year</u>	<u>Total</u>
2025	\$ 166,860
2026	166,860
2027	166,860
2028	147,610
2029	<u>13,770</u>
Total	<u>\$ 661,960</u>

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On April 15, 2025 the Borough adopted a bond ordinance authorizing the issuance \$1,863,000 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 15, 2025 the Borough adopted a bond ordinance authorizing the issuance of \$1,066,000 in bonds or bond anticipation notes to fund certain water utility 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**

Balance, January 1, 2024		\$ 9,826,679
Increased by Receipts:		
Revenue Accounts Receivable	\$ 4,009,126	
Non-Budget Revenue	484,960	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	49,435	
Taxes Receivable	48,490,120	
Receipts from Other Trust Fund	2,120	
Receipts for Park and Ride Trust Fund	5,075	
Receipts from Self Insurance Fund	1,248	
Receipts from General Capital Fund	135,048	
Tax Overpayments	56,165	
Prepaid Taxes	218,194	
Public and Private Programs - Unappropriated Reserves	86,614	
Construction Code Fees Payable	13,014	
	<u>53,551,119</u>	
		63,377,798
Decreased by Disbursements:		
2024 Budget Appropriations	15,657,513	
2023 Appropriation Reserves	118,342	
Accounts Payable	192,500	
Tax Overpayments	67,514	
County Taxes Payable	5,042,496	
Local District School Taxes Payable	34,169,266	
Miscellaneous Reserves	15,995	
Payments to Park and Ride Trust Fund	5,457	
Payments to Municipal Open Space Trust Fund	82,128	
Construction Code Fees Payable	9,810	
Refund of Prior Year Revenue	529	
	<u>55,361,550</u>	
Balance, December 31, 2024		<u>\$ 8,016,248</u>

**BOROUGH OF WALDWICK
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2024</u>	Balance, December 31, <u>2024</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>

EXHIBIT A-6

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

Balance, January 1, 2024	\$ 49,194
Increased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 6,250
Veterans' Deductions Per Tax Billings	45,000
Senior Citizens/Veterans' Deductions Allowed by Tax Collector-2024	250
Senior Citizens/Veterans' Deductions Allowed by Tax Collector-2023	<u>500</u>
	<u>52,000</u>
	101,194
Decreased by:	
Cash Received from State of New Jersey	49,435
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2024	1,133
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2023	<u>1,182</u>
	<u>51,750</u>
Balance, December 31, 2024	<u>\$ 49,444</u>

**BOROUGH OF WALDWICK
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	Balance, January 1, <u>2024</u>	<u>2024 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>2024</u>
				<u>2023</u>	<u>2024</u>			
2023	\$ 233,906	-	\$ 1,182	-	\$ 234,588	\$ 500	-	-
	233,906	-	1,182	-	234,588	500	-	-
2024	-	\$ 48,938,692	1,133	\$ 192,231	48,255,532	51,500	\$ 135,223	\$ 305,339
	\$ 233,906	\$ 48,938,692	\$ 2,315	\$ 192,231	\$ 48,490,120	\$ 52,000	\$ 135,223	\$ 305,339

Analysis of 2024 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 48,909,550
Added Taxes	29,142
	<u>\$ 48,938,692</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 34,169,266
County Tax (Abstract)	\$ 4,809,836
County Open Space Tax (Abstract)	216,241
Due for Added and Omitted Taxes	3,001
	<u>5,029,078</u>
Local Tax for Municipal Purposes	8,919,578
Minimum Library Tax	700,328
Municipal Open Space Tax	82,075
Municipal Open Space Tax Added	52
Add Additional Tax Levies	38,315
	<u>9,740,348</u>
	<u>\$ 48,938,692</u>

BOROUGH OF WALDWICK
STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2024</u>	<u>Accrued</u>	<u>Cancelled</u>	Balance, December 31, <u>2024</u>
Municipal Alliance Program-Donation	\$ 1,484			\$ 1,484
Clean Communities	3,979			3,979
BCUA Recycling Enhancement	251		\$ 251	-
Storm Water Management	10,000			10,000
Police Donation	4,256			4,256
NJDCA - Local Recreation Imvts		\$ 70,000		70,000
LFRF - ARP - Fire Fighter Grant		55,000		55,000
BPU - Community Energy Plan Grant	-	10,000	-	10,000
	<u>19,970</u>	<u>135,000</u>	<u>251</u>	<u>154,719</u>
	\$	\$	\$	\$

BOROUGH OF WALDWICK
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2024</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2024</u>
Borough Clerk				
Licenses				
Alcoholic Beverage		\$ 18,720	\$ 18,720	
Other		7,127	7,127	
Fees and Permits		36,754	36,754	
Tax Collector				
Fees and Permits		500	500	
Board of Health				
Licenses		17,490	17,490	
Construction Code Official				
Fees and Permits		254,192	254,192	
Fire Prevention Bureau				
Fees and Permits		34,018	34,018	
Police				
Fees and Permits		3,850	3,850	
Swimming Pool				
Fees and Permits		144,320	144,320	
Park and Ride Contingency Fund				
Fees and Permits		45,675	45,675	
Sewer Connection				
Fees and Permits		840	840	
Municipal Court				
Fines and Costs	\$ 4,976	80,263	80,484	\$ 4,755
Interest and Costs on Taxes		75,014	75,014	
Sewer Privileges - Midland Park and Wyckoff		43,645	43,645	
Cable Television Franchise Fees		140,337	140,337	
Energy Receipts Tax		2,498,037	2,498,037	
Police Training - Various Municipal Agreements		69,612	69,612	
Uniform Fire Safety Act		30,608	30,608	
Solar Energy Credit		5,065	5,065	
Tax Appeal Settlement		124,177	124,177	
Reserve for Payment of Debt		45,000	45,000	
Cell Site Rent	-	333,661	333,661	-
	<u>\$ 4,976</u>	<u>\$ 4,008,905</u>	<u>\$ 4,009,126</u>	<u>\$ 4,755</u>

BOROUGH OF WALDWICK
STATEMENT OF 2023 APPROPRIATION RESERVES

	Balance, January 1, 2024	Cancelled Payables	Balance After Modification	Expended	Balance Lapsed
Salaries and Wages					
Mayor and Council	\$ 800		\$ 800		\$ 800
Financial Administration	1,139		1,139	\$ 860	279
Revenue Administration	2,384		2,384		2,384
Tax Assessment Administration	173		183	177	6
Uniform Construction Code	252		202	157	45
Police	11,245		11,245	4,300	6,945
Fire	1,232		1,232		1,232
Fire Prevention	837		1,087	1,071	16
Streets and Road Maintenance	15,708		15,708	9,057	6,651
Recreation Services and Programs	1,889		1,889	1,889	-
Municipal Court	4,661	-	3,661	1,480	2,181
Total Salaries and Wages	40,320	-	39,530	18,991	20,539
Other Expenses					
General Administration	24	\$ 31	55	-	55
Mayor and Council	1,722		1,722	419	1,303
Municipal Clerk	3,322	982	4,304		4,304
Financial Admin	10,000		10,000	5,212	4,788
Audit Services	1,150		1,150	812	338
Revenue Administration	447		6,447	5,764	683
Tax Title Liens	100		100		100
Tax Assessment Administration	2,546		2,536	2,502	34
Legal Services & Costs	17,431		17,431	352	17,079
Engineering Services & Costs	4,269		4,269	340	3,929
Planning Board	1,635		1,635	84	1,551
Board of Adjustments	1,976		1,976	-	1,976
Insurance					
General Liability	86,488		90,988	90,933	55
Employee Group Health	422		422	-	422
Health Benefit Waiver	135		135	-	135
Police	31,500	3,201	34,701		34,701
Office of Emergency Management	27	1,473	1,500	-	1,500
Aid to Volunteer Ambulance Companies	-	694	694		694
Fire	13,809	5,577	19,386		19,386
Fire Prevention	11,681		11,431	626	10,805
Streets and Road Maintenance	8,737		8,737	2,466	6,271
Snow Removal	1,823		1,823	-	1,823
Municipal Park and Ride	1,098		1,098	-	1,098
Traffic Control Devices	1,516		1,516	-	1,516
Garbage Collection	-	2,866	2,866		2,866
Recycling	-	2,200	2,200		2,200
Public Buildings and Grounds	3,769		3,769	3,769	-
Vehicle Maintenance	5,717	-	5,717	4,542	1,175
Public Health Services		5,101	5,101		5,101

BOROUGH OF WALDWICK
STATEMENT OF 2023 APPROPRIATION RESERVES
(Continued)

	Balance, January 1, <u>2024</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Northwest Bergen Comm. Contractual	\$ 3,825		\$ 3,825	\$ 3,825	
Welfare/Administration of Public Assistance	100		100		\$ 100
Recreation Services & Programs	877		877	679	198
Municipal Court	4		1,004	581	423
Public Defender	627		627	-	627
Uniform Construction Code	-		50	23	27
Fuel Oil	35,379	\$ 148	25,027		25,027
Telephone	5,541	61	5,602		5,602
Natural Gas	4,622		4,622		4,622
Street Lighting	1,988	2	1,990		1,990
Water	1,917		1,917		1,917
Sewerage Processing and Disposal	6,039		6,039	4,769	1,270
Sanitary Landfill Dump Fees	109,618		109,618	19,672	89,946
Social Security System	6,955		6,955	1,407	5,548
Public Employee Retirement System	3,566		3,566	485	3,081
Defined Contribution Retirement Plan	759		759	278	481
Boro of Ho-Ho-Kus - Contractual - Sewer	5,600		5,600	-	5,600
Recycling Tax	3,673		3,673	729	2,944
Note Interest		5	5		5
Workers Compensation Insurance	7,967		7,967	-	7,967
Recycling Tonnage Grant	66		66	66	-
Police Vest Fund	25,000		25,000	25,000	-
Opioid Settlement	5,187		5,187	5,187	-
Clean Communities Grant	19,593		19,593	19,593	-
Public Safety - Police Training	26,522	-	26,522	-	26,522
Total Other Expenses	486,769	22,341	509,900	200,115	309,785
	<u>\$ 527,089</u>	<u>\$ 22,341</u>	<u>\$ 549,430</u>	<u>\$ 219,106</u>	<u>\$ 330,324</u>
Cash Disbursed				\$ 118,342	
Accounts Payable				50,918	
Appropriated Grant Reserves				49,846	
				<u>\$ 219,106</u>	

**BOROUGH OF WALDWICK
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2024		\$ 224,341
Increased by:		
Charges to 2024 Budget Appropriation	\$ 303,535	
Transferred from 2023 Appropriation Reserves	<u>50,918</u>	
		<u>354,453</u>
		578,794
Decreased by:		
Cash Disbursements	192,500	
Cancelled Payables Restored to 2023 Appropriation Reserves	22,341	
Cancelled Payables	<u>9,500</u>	
		<u>224,341</u>
Balance, December 31, 2024		<u><u>\$ 354,453</u></u>

STATEMENT OF PREPAID TAXES

Balance, January 1, 2024		\$ 192,231
Increased by:		
2024 Taxes Collected		<u>218,194</u>
		410,425
Decreased by:		
Applied to 2024 Taxes		<u>192,231</u>
Balance, December 31, 2024		<u><u>\$ 218,194</u></u>

**BOROUGH OF WALDWICK
STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2024	\$ 11,599
Increased by:	
Overpayments in 2024	<u>56,165</u>
	67,764
Decreased by:	
Cash Disbursements - Refunds	<u>67,514</u>
Balance, December 31, 2024	<u>\$ 250</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2024	\$ 16,419
Increased by:	
2024 Tax Levy	
County Taxes	\$ 4,809,836
County Open Space Preservation	216,241
Added and Omitted Taxes	<u>3,001</u>
	<u>5,029,078</u>
	5,045,497
Decreased by:	
Payments	<u>5,042,496</u>
Balance, December 31, 2024	<u>\$ 3,001</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:	
Levy - Calendar Year 2024	\$ 34,169,266
Decreased by:	
Payments	<u>\$ 34,169,266</u>

**BOROUGH OF WALDWICK
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, January 1, 2024	Cash Disbursements	Balance, December 31, 2024
Tax Appeals	\$ 341,157	\$ 15,995	\$ 325,162
Sale of Municipal Assets	12,162		12,162
Police Donations	<u>5,681</u>	<u>-</u>	<u>5,681</u>
	<u>\$ 359,000</u>	<u>\$ 15,995</u>	<u>\$ 343,005</u>

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

	Balance, January 1, 2024	Transferred from 2023 Appropriation Reserves	Cancelled	Balance, December 31, 2024
Drunk Driving Enforcement Fund	\$ 24,145			\$ 24,145
NJ Alcohol Rehab. Program - Court	5,123			5,123
Stormwater Grant		\$ 25,000		25,000
Police Vest Fund	35	66		101
Motor Vehicle Inspection	400		\$ 400	-
History Grant	274		274	-
Crime Prevention Grant	1,988		1,988	-
Municipal Alliance - Local Share	1,484			1,484
Clean Communities		19,593		19,593
Opioid Settlement Agreement		5,187		5,187
Steed Grant	1,578		1,578	-
BCUA Recycling Enhanced Grant	<u>251</u>	<u>-</u>	<u>251</u>	<u>-</u>
	<u>\$ 35,278</u>	<u>\$ 49,846</u>	<u>\$ 4,491</u>	<u>\$ 80,633</u>
Grants Receivable			\$ 251	
Operations			<u>4,240</u>	
			<u>\$ 4,491</u>	

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

	Balance, January 1, 2024	Cash Received	Anticipated 2024 Budget	Balance, December 31, 2024
ARP - Local Fiscal Recovery Funds	\$ 1,057,990		\$ 1,057,990	
Clean Communities	21,975	\$ 24,960	21,975	\$ 24,960
NJ Municipal Relief Funds	257,489		257,489	-
Opioid Settlement	14,219		14,219	-
Police Vest	5,387	3,523	5,387	3,523
Opioid Settlement Agreement	-	44,471		44,471
Alcohol Education	390	1,471		1,861
Recycling Tonnage Grant	<u>13,239</u>	<u>12,189</u>	<u>\$ 13,239</u>	<u>12,189</u>
	<u>\$ 1,370,689</u>	<u>\$ 86,614</u>	<u>\$ 1,370,299</u>	<u>\$ 87,004</u>

EXHIBIT A-19

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

Balance, January 1, 2024	\$ 4,295
Increased by:	
Cash Received	<u>13,014</u>
	17,309
Decreased by:	
Payments to State of New Jersey	<u>9,810</u>
Balance, December 31, 2024	<u>\$ 7,499</u>

TRUST FUNDS

**BOROUGH OF WALDWICK
STATEMENT OF TRUST CASH**

	<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, 2024	\$ 16,493	\$ 36,674	\$ 2,515,986	\$ 79,708	\$ 48,333	\$ 120,451
Increased by Receipts:						
COAH Proceeds			\$ 118,836			
Interest on Investments and Deposits				\$ 2,120	\$ 1,248	\$ 2,728
Employee Payroll Deductions			6,909,300	6,493		
Developer's Escrow and Other Reserves			421,007			
State Dog License Fees	\$ 1,569					
Dog License Fees	14,835					
Late Fees Collected	1,720					
Receipts from Current Fund		5,457				82,128
Receipts for Current Fund			1,736			
Receipts from General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,149</u>
	<u>18,124</u>	<u>5,457</u>	<u>7,450,879</u>	<u>8,613</u>	<u>1,248</u>	<u>104,005</u>
	34,617	42,131	9,966,865	88,321	49,581	224,456
Decreased by Disbursements:						
Expenditures Under R.S. 4:19-15.11	16,428					
Payments to Current Fund			2,120		1,248	
Payments to General Capital Fund						75,000
Payments to State of New Jersey	921			32,449		
Developer's Escrow and Other Reserves			683,475			
Payroll Deductions Payable			6,878,899			
Reserve for COAH Expenditures			103,874			
Reserve for Municipal Open Space	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,500</u>
	<u>17,349</u>	<u>-</u>	<u>7,668,368</u>	<u>32,449</u>	<u>1,248</u>	<u>84,500</u>
Balance, December 31, 2024	<u>\$ 17,268</u>	<u>\$ 42,131</u>	<u>\$ 2,298,497</u>	<u>\$ 55,872</u>	<u>\$ 48,333</u>	<u>\$ 139,956</u>

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

Balance, January 1, 2024	\$ 1,680
Increased by:	
Payments to State of New Jersey	<u>921</u>
	2,601
Decreased by:	
State Share Dog License Fees Collected	<u>1,569</u>
Balance, December 31, 2024	<u>\$ 1,032</u>

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

Balance, January 1, 2024	\$ 18,173
Increased by:	
Dog License Fees Collected	\$ 14,835
Late Fees Collected	<u>1,720</u>
	<u>16,555</u>
	34,728
Decreased by:	
Expenditures Under R.S. 4:19 - 15.11	<u>16,428</u>
Balance, December 31, 2024	<u>\$ 18,300</u>

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

Balance, January 1, 2024	\$ 5,457
Increased by:	
Park and Ride Permits Collected in Current Fund	<u>5,075</u>
	10,532
Decreased by:	
Cash Receipts	<u>5,457</u>
Balance, December 31, 2024	<u><u>\$ 5,075</u></u>

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

Balance, January 1, 2024	\$ 42,131
Increased by:	
Park and Ride Permits Collected	<u>5,075</u>
Balance, December 31, 2024	<u><u>\$ 47,206</u></u>

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

Balance, January 1, 2024	\$ 5,918
Balance, December 31, 2024	<u><u>\$ 5,918</u></u>

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

Balance, January 1, 2024		\$ 85,626
Increased by:		
Interest on Investments and Deposits	\$ 2,120	
Employee Payroll Deductions	<u>6,493</u>	
		<u>8,613</u>
		94,239
Decreased by:		
Cash Disbursements - Benefits Due to State of NJ		<u>32,449</u>
Balance, December 31, 2024		<u>\$ 61,790</u>

EXHIBIT B-10

STATEMENT OF RESERVE FOR PROPERTY INSURANCE EXPENDITURES
SELF INSURANCE TRUST FUND

Balance, January 1, 2024	<u>\$ 48,333</u>
Balance, December 31, 2024	<u>\$ 48,333</u>

EXHIBIT B-11

STATEMENT OF DUE TO CURRENT FUND
SELF INSURANCE TRUST FUND

Increased by:		
Interest on Investments and Deposits	<u>\$ 1,248</u>	
Decreased by:		
Payments to Current Fund	<u>\$ 1,248</u>	

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

Balance, January 1, 2024	\$ 2,120
Increased by:	
Cash Received for Current Fund	<u>1,736</u>
	3,856
Decreased by:	
Payments to Current Fund	<u>2,120</u>
Balance, December 31, 2024	<u>\$ 1,736</u>

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

	Balance, January 1, <u>2024</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2024</u>
Performance and Maintenance Bonds	\$ 217,211	\$ 4,122	\$ 121,872	\$ 99,461
Developer's and Other Escrows	425,402	89,403	44,742	470,063
Road Openings	155,947	7,534	142,447	21,034
Dumpster Permits	400	1,200	1,200	400
Vacant Properties	45,268	11,500	500	56,268
TTL Premiums	368,600	155,000	129,000	394,600
Municipal Court - P.O.A.A.	2,824	251	-	3,075
Police Outside Duty/Vehicle Maintenance	330,232	117,702	110,911	337,023
Police Donations	348	883	332	899
Swim Meet	2,588	-	615	1,973
Municipal Alliance - Teen Canteen	13,924	6,200	6,268	13,856
Storm Recovery Trust	207,360	-	64,468	142,892
Wall of Heroes	6,648	1,500	2,965	5,183
Fire Prevention Trust Deposits	2,800	-	-	2,800
Fire Department Trust Deposits	2,760	-	-	2,760
Accumulated Absences	249,641	-	46,284	203,357
Soil Movement	900	3,033	700	3,233
Recreation - Seniors		16,617		16,617
Beautification of Waldwick	500		-	500
Flexible Spending	<u>16,780</u>	<u>6,062</u>	<u>11,171</u>	<u>11,671</u>
	<u>\$ 2,050,133</u>	<u>\$ 421,007</u>	<u>\$ 683,475</u>	<u>\$ 1,787,665</u>

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

Balance, January 1, 2024	\$ 69,744
Increased by:	
Cash Receipts	<u>6,909,300</u>
	6,979,044
Decreased by:	
Cash Disbursements	<u>6,878,899</u>
Balance, December 31, 2024	<u>\$ 100,145</u>

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

Balance, January 1, 2024	\$ 393,989
Increased by:	
Cash Receipts	<u>118,836</u>
	512,825
Increased by:	
Cash Disbursements	<u>103,874</u>
Balance, December 31, 2024	<u>\$ 408,951</u>

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

Balance, January 1, 2024			\$	19,149
Increased by:				
Cash Disbursements				<u>75,000</u>
				94,149
Decreased by:				
Improvement Authorizations Funded by Municipal Open Space		\$	75,000	
Cash Receipts			<u>19,149</u>	
				<u>\$ 94,149</u>

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

Balance, January 1, 2024			\$	139,600
Increased by:				
Due from Current Fund:				
2024 Tax Levy		\$	82,075	
2024 Added Tax Levy			<u>53</u>	
			\$	82,128
Interest on Investments and Deposits				<u>2,728</u>
				<u>84,856</u>
				224,456
Decreased by:				
Cash Disbursements			9,500	
Improvement Authorizations Funded by Municipal Open Space Fund			<u>75,000</u>	
				<u>84,500</u>
Balance, December 31, 2024			\$	<u>139,956</u>

GENERAL CAPITAL FUND

BOROUGH OF WALDWICK
STATEMENT OF GENERAL CAPITAL CASH

Balance, January 1, 2024		\$ 2,875,283
Increased by:		
Grants and Other Receivables	\$ 1,389,369	
2024 Budget Appropriation		
Capital Improvement Fund	223,700	
Receipts from Municipal Open Space Trust Fund	75,000	
Interest on Investments and Deposits	87,116	
Bond Anticipation Notes Issued	7,955,890	
Premium on Sale of Bond Anticipation Notes	49,177	
		<u>9,780,252</u>
		12,655,535
Decreased by Disbursements:		
Bond Anticipation Notes	4,247,000	
Improvement Authorizations	1,659,879	
Payments to Current Fund	135,048	
Payments to Municipal Open Space Trust Fund	19,149	
Accounts Payable	2,945,181	
Reserve for Payment of Debt	45,000	
		<u>9,051,257</u>
Balance, December 31, 2024		<u><u>\$ 3,604,278</u></u>

**BOROUGH OF WALDWICK
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2024**

Fund Balance	\$ 384,238
Capital Improvement Fund	147,792
Grant and Other Receivables	(348,281)
Accounts Payable	2,715,523
Due to Current Fund	28,330
Reserve for Payment of Debt Service	45,257
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	98,008
07-19	Various Public Improvements	10,000
02-20	Various Public Improvements	30,671
08-20	Various Public Improvements & Acquisitions	111,305
07-20/11-20	Various Public Improvements & Acquisitions	127,384
05-21	Various Public Improvements & Acquisitions	98,771
07-21	Various Public Improvements & Acquisitions	20,399
09-22	Various Public Improvements & Acquisitions	598,975
13-22	Various Public Improvements & Acquisitions of Vehicles & Equipment	23,548
08-23/22-24	Various Public Improvements & Acquisitions	(1,329,368)
10-23	Various Acquisitions of Equipment	1,707
02-24	Acquisition of Real Property	51,005
06-24	Various Public Improvements & Acquisitions	563,044
		<u>\$ 3,604,278</u>

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

Balance, January 1, 2024	\$ 76,262
Increased by:	
Interest on Investments	<u>87,116</u>
	163,378
Decreased by:	
Payments to Current Fund	<u>135,048</u>
Balance, December 31, 2024	<u>\$ 28,330</u>

STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND

Balance, January 1, 2024	\$ 19,149
Increased by:	
Cash Receipts	<u>75,000</u>
	94,149
Decreased by:	
Improvement Authorizations Funded by Municipal Open Space	\$ 75,000
Cash Disbursements	<u>19,149</u>
	<u>\$ 94,149</u>

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

Balance, January 1, 2024			\$	5,972,998
Decreased by:				
2024 Budget Appropriation				
Bond Principal		\$	1,145,000	
Loan Principal			<u>9,951</u>	
				<u>1,154,951</u>
Balance, December 31, 2024			\$	<u>4,818,047</u>

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

Ord. No.	Improvement Description	Balance, January 1, 2024	2024 Authorizations	Cancelled Improvement Authorizations	Balance, December 31, 2024	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		
08-23/22-24	Various Public Improvements & Acquisitions	3,642,000		\$ 238,115	3,403,885	1,442,000	\$ 1,329,368	632,517
02-24	Acquisition of Real Property		\$ 2,452,000		2,452,000	2,452,000		
06-24	Various Public Improvements & Acquisitions	-	1,763,000	-	1,763,000	1,256,890	-	506,110
		<u>\$ 6,447,602</u>	<u>\$ 4,215,000</u>	<u>\$ 238,115</u>	<u>\$ 10,424,487</u>	<u>\$ 7,955,890</u>	<u>\$ 1,329,368</u>	<u>\$ 1,139,229</u>
				Improvement Authorizations - Unfunded				\$ 2,451,024
				Less: Unexpended Proceeds of Bond Anticipation Notes				
				Ord. 05-21		\$ 98,771		
				Ord. 09-22		598,975		
				Ord. 02-24		51,005		
				Ord. 06-24		563,044		
								<u>1,311,795</u>
								<u>\$ 1,139,229</u>

BOROUGH OF WALDWICK
STATEMENT OF GRANT AND OTHER RECEIVABLES

	Balance, January 1, <u>2024</u>	Grants <u>Awarded</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2024</u>
NJ Department Env. Protection				
Ord. No. 2-13 - Recycling Grant				
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	52,750		52,750	-
Ord. No. 09-22 - Impvt. to E. Prospect St. Phase I	89,823		89,823	-
Ord. No. 8-23 - Rehab of Hudson Ave.	112,840		84,630	28,210
Ord. No. 06-24 - Improvements to Schuler Ave.		\$ 186,939		186,939
County of Bergen				
Municipal Open Space				
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	-
Ord. No. 06-24 Harrison Ave. Road Improvements		100,834	100,834	-
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	
Ord No. 8-23/22-24 ARP-LFRG	-	835,000	835,000	-
	<u>\$ 614,877</u>	<u>\$ 1,122,773</u>	<u>\$ 1,389,369</u>	<u>\$ 348,281</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, 2024</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2024</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>				
General Improvements	11/1/2014	\$ 4,508,000	11/1/2025	\$ 420,000	2.500 %			
			11/1/2026	418,000	2.500	\$ 1,258,000	\$ 420,000	\$ 838,000
General Improvements	7/15/2020	6,978,000	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>4,653,000</u>	<u>725,000</u>	<u>3,928,000</u>
						<u>\$ 5,911,000</u>	<u>\$ 1,145,000</u>	<u>\$ 4,766,000</u>

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

Balance, January 1, 2024	\$ 61,998
Decreased by:	
Paid by Budget Appropriation	<u>9,951</u>
Balance, December 31, 2024	<u>\$ 52,047</u>
<u>Analysis of Balance</u>	
NJEIT - Fund Loan	\$ 21,724
NJEIT- Trust Loan	<u>30,323</u>
	<u>\$ 52,047</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, 2024	Increased	Decreased	Balance, December 31, 2024
05-21	Various Public Improvements and Acquisitions	10/14/2022	10/10/2023 10/10/2024	10/10/2024 10/10/2025	5.00 4.00	% \$	1,336,000	\$ 1,336,000	\$ 1,336,000	\$ 1,336,000
09-22	Various Public Improvements & Acquisitions	10/14/2022	10/10/2023 10/10/2024	10/10/2024 10/10/2025	5.00 4.00		1,469,000	1,469,000	1,469,000	1,469,000
08-23/22-24	Various Public Improvements & Acquisitions	10/13/2023	10/10/2023 10/10/2024	10/10/2024 10/10/2025	5.00 4.00		1,442,000	1,442,000	1,442,000	1,442,000
02-24	Acquisition of Property	10/10/2024	10/10/2024	10/10/2025	4.00			2,452,000		2,452,000
06-24	Various Public Improvements & Acquisitions	10/10/2024	10/10/2024	10/10/2025	4.00		-	1,256,890	-	1,256,890
							<u>\$ 4,247,000</u>	<u>\$ 7,955,890</u>	<u>\$ 4,247,000</u>	<u>\$ 7,955,890</u>
								\$ 3,708,890		
								<u>4,247,000</u>	<u>\$ 4,247,000</u>	
								<u>\$ 7,955,890</u>	<u>\$ 4,247,000</u>	

Notes Issued
Renewals

BOROUGH OF WALDWICK
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2024 Authorizations									
		Balance, January 1, 2024		Down- payment or Capital Impvt. Fund	Deferred Charges to Future Taxation Unfunded	Grants Receivable and Other Receivables	Open Space Trust Fund	Paid or Charged	Cancelled Improvement Authorization	Balance, December 31, 2024	
		Funded	Unfunded							Funded	Unfunded
01-18	Various Public Improvements & Acquisitions	\$ 161,564								\$ 161,564	
12-18/22-18	Various Public Improvements	21,002								21,002	
02-19	Various Public Improvements & Acquisitions	7,444								7,444	
03-19	Various Public Improvements & Acquisitions	145,095						\$ 47,087		98,008	
07-19	Various Public Improvements & Acquisitions	10,000								10,000	
02-20	Various Public Improvements	30,671								30,671	
08-20	Various Public Improvements & Acquisitions	133,156	\$ 602					21,851		111,305	\$ 602
7-20/11-20	Various Public Improvements & Acquisitions	127,384								127,384	
05-21	Various Public Improvements & Acquisitions	-	106,287					7,516		-	98,771
07-21	Various Public Improvements & Acquisitions	29,269						8,870		20,399	
09-22	Various Public Improvements & Acquisitions	-	625,770					26,795		-	598,975
13-22	Various Public Improvements & Acquisitions of Vehicles & Equip.	23,548								23,548	
08-23/22-24	Various Public Improvements & Acquisitions		716,176			\$ 835,000		668,659	\$ 250,000		632,517
10-23	Various Acquisitions of Equipment	1,940						233		1,707	-
02-24	Acquisition of Real Property			\$ 48,000	\$ 2,452,000		\$ 75,000	2,523,995			51,005
06-24	Various Public Improvements	-	-	88,777	1,763,000	287,773	-	1,070,396	-	-	1,069,154
		<u>\$ 691,073</u>	<u>\$ 1,448,835</u>	<u>\$ 136,777</u>	<u>\$ 4,215,000</u>	<u>\$ 1,122,773</u>	<u>\$ 75,000</u>	<u>\$ 4,375,402</u>	<u>\$ 250,000</u>	<u>\$ 613,032</u>	<u>\$ 2,451,024</u>
								Cash Disbursements			
								Accounts Payable			
									\$ 1,659,879		
									2,715,523		
									<u>\$ 4,375,402</u>		
								Deferred Charges Unfunded		\$ 238,115	
								Capital Improvement Fund		11,885	
										<u>\$ 250,000</u>	

**BOROUGH OF WALDWICK
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2024	\$ 2,945,181
Increased by:	
Charges to Improvement Authorizations	<u>2,715,523</u>
	5,660,704
Decreased by:	
Cash Disbursements	<u>2,945,181</u>
Balance, December 31, 2024	<u>\$ 2,715,523</u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, January 1, 2024	\$ 90,257
Decreased by:	
Cash Disbursements - 2024 Anticipated Current Fund Revenue	<u>45,000</u>
Balance, December 31, 2024	<u>\$ 45,257</u>

STATEMENT OF RESERVE FOR PISTOL RANGE

Balance, January 1, 2024	\$ 35,960
Balance, December 31, 2024	<u>\$ 35,960</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2024	\$ 48,984
Increased by:	
2024 Budget Appropriation	\$ 223,700
Cancelled Improvement Authorization	<u>11,885</u>
	<u>235,585</u>
	284,569
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>136,777</u>
Balance, December 31, 2024	<u>\$ 147,792</u>

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

Ord. <u>No.</u>		Balance, January 1, <u>2024</u>	2024 Authori- <u>zations</u>	Bond Anticipation <u>Notes Issued</u>	Cancelled Improvement <u>Authorizations</u>	Balance, December 31, <u>2024</u>
08-20	Various Public Improvements & Acquisitions	\$ 602				\$ 602
08-23/22-24	Various Public Improvements & Acquisitions	2,200,000			\$ 238,115	1,961,885
02-24	Acquisition of Real Property		\$ 2,452,000	\$ 2,452,000		
06-24	Various Public Improvements & Acquisitions	-	1,763,000	1,256,890	-	506,110
		<u>\$ 2,200,602</u>	<u>\$ 4,215,000</u>	<u>\$ 3,708,890</u>	<u>\$ 238,115</u>	<u>\$ 2,468,597</u>

WATER UTILITY FUND

**BOROUGH OF WALDWICK
STATEMENT OF WATER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2024	\$ 2,367,960	\$ 383,337
Increased by:		
Consumer Accounts Receivable	\$ 1,868,784	
Fire Hydrant Service	25,000	
Miscellaneous	102,466	
Water Overpayments	8,693	
Prepaid Water Rents	5,109	
Grants Receivable		\$ 222,990
Loan Proceeds Received		5,758,379
Bond Anticipation Notes		1,944,110
Capital Improvement Fund		10,000
Premium on Sale of Bonds	-	12,017
	<u>2,010,052</u>	<u>7,947,496</u>
	4,378,012	8,330,833
Decreased by:		
2024 Budget Appropriations	1,818,157	
2023 Appropriation Reserves	11,782	
Accounts Payable	66,769	4,720,733
Water Overpayments Refunded	499	
Improvement Authorizations		467,839
Bond Anticipation Notes		1,867,000
Interest on Bonds and Notes	12,836	
Interest on Water Loan	5,417	
Payments Made for Current Fund	6,157	
	<u>1,921,617</u>	<u>7,055,572</u>
Balance, December 31, 2024	<u>\$ 2,456,395</u>	<u>\$ 1,275,261</u>

**BOROUGH OF WALDWICK
ANALYSIS OF WATER UTILITY CAPITAL CASH
AS OF DECEMBER 31, 2024**

Fund Balance	\$ 22,494
Capital Improvement Fund	26,143
Accounts Payable	1,011,823
Reserve for Payment of Debt	4,008
Loans Receivable	(104,101)

Ord.

<u>No.</u>	<u>Improvement Description</u>	
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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	238
10-22	Various Public Improvements & Acquisitions	129,557
16-22	Various Public Improvements & Acquisitions	819
9-23	Various Public Improvements & Acquisitions	126,230
19-23	Various Public Improvements & Acquisitions	(95,141)
07-24	Various Public Improvements & Acquisitions	<u>22,120</u>
		<u>\$ 1,275,261</u>

EXHIBIT D-7

**STATEMENT OF DUE FROM CURRENT FUND
WATER UTILITY OPERATING FUND**

Increased by:	
Payments Made for Current Fund	<u>\$ 6,157</u>
Balance, December 31, 2024	<u>\$ 6,157</u>

**BOROUGH OF WALDWICK
STATEMENT OF DEFERRED CHARGES
WATER UTILITY OPERATING FUND**

	Added in <u>2024</u>	Balance December 31, <u>2024</u>
Emergency Authorization	\$ <u>110,000</u>	\$ <u>110,000</u>

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

Balance, January 1, 2024		\$ 70,579
Increased by:		
Water Rents Levied		<u>1,883,293</u>
		1,953,872
Decreased by:		
Collections	\$ 1,868,784	
Overpayments Applied	6,916	
Prepaid Water Rents Applied	<u>2,895</u>	
		<u>1,878,595</u>
Balance, December 31, 2024		\$ <u>75,277</u>

BOROUGH OF WALDWICK
STATEMENT OF NJ ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE
WATER UTILITY CAPITAL FUND

Increased by:	
Original Loan Award	\$ 5,862,480
Decreased by:	
Loan Proceeds Received	<u>5,758,379</u>
Balance, December 31, 2024	<u>\$ 104,101</u>

EXHIBIT D-11

STATEMENT OF FIXED CAPITAL
WATER UTILITY CAPITAL FUND

	Balance, January 1, 2024	Additions by		Balance, December 31, 2024
		Budget		
		<u>Capital Outlay</u>	<u>Ordinance</u>	
Generator	\$ 74,817			\$ 74,817
Springs and Wells	582,973			582,973
Reservoirs	50,034			50,034
Filters	812,936			812,936
Tanks, Pumping Station Structures	3,495,221		\$ 1,087	3,496,308
Distribution Mains and Accessories	1,751,900	\$ 17,594	16,000	1,785,494
Meters and Accessories	997,054	12,406		1,009,460
Fire Hydrants	308,129			308,129
General Equipment	1,563,376			1,563,376
Engineering, Legal	244,955			244,955
Vehicles	92,426			92,426
Other Costs and System Improvements	<u>114,756</u>	<u>-</u>	<u>-</u>	<u>114,756</u>
	<u>\$ 10,088,577</u>	<u>\$ 30,000</u>	<u>\$ 17,087</u>	<u>\$ 10,135,664</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2024	2024 Authorizations		Costs to Fixed Capital	Cancelled Improvement Authorizations	Balance, December 31, 2024
				Deferred Charge to Future Revenue	Deferred Reserve for Amortization			
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	121,215					121,215
06-21	Various Public Improvements & Acquisitions	465,000	1,325			\$ 1,087		238
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
09-23/23-24	Various Public Improvements & Acquisitions	1,331,600	1,306,600		\$ 222,990		\$ 197,990	1,331,600
19-23	Various Public Improvements & Acquisitions	820,000	820,000					820,000
07-24	Various Public Improvements & Acquisitions	288,500	-	\$ 274,500	14,000	-	-	288,500
			<u>\$ 7,651,889</u>	<u>\$ 274,500</u>	<u>\$ 236,990</u>	<u>\$ 17,087</u>	<u>\$ 197,990</u>	<u>\$ 7,948,302</u>

**BOROUGH OF WALDWICK
STATEMENT OF GRANTS RECEIVABLE
WATER UTILITY OPERATING AND CAPITAL FUNDS**

Increased by:	
ARP Funds Due from Current Fund	\$ 222,990
Decreased by:	
Cash Receipts	\$ 222,990

**STATEMENT OF 2023 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, January 1, <u>2024</u>	Budget After <u>Modifications</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 28,678	\$ 28,678	\$ 2,629	\$ 26,049
Other Expenses	34,214	34,214	19,335	14,879
Capital Improvements				
Capital Outlay	115	115		115
Statutory Expenditures				
Public Employees Retirement System	6	6	6	-
Social Security	10,105	10,105	180	9,925
	<u>\$ 73,118</u>	<u>\$ 73,118</u>	<u>\$ 22,150</u>	<u>\$ 50,968</u>
			Cash Disbursements	
			Accounts Payable	
			\$ 11,782	
			10,368	
			<u>\$ 22,150</u>	

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

	Operating <u>Fund</u>	Capital <u>Fund</u>
Balance, January 1, 2024	\$ 75,185	\$ 4,775,458
Increased by:		
Charges to 2024 Appropriations	238,918	
Charges to 2023 Appropriations	10,368	
Charges to Improvement Authorizations	-	957,098
	324,471	5,732,556
Decreased by:		
Cash Disbursements	66,769	4,720,733
Cancelled Payables	8,417	-
	<u>75,186</u>	<u>4,720,733</u>
Balance, December 31, 2024	<u>\$ 249,285</u>	<u>\$ 1,011,823</u>

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

Balance, January 1, 2024	\$ 2,895
Increased by:	
Prepaid Rents	<u>5,109</u>
	8,004
Decreased by:	
Applied to 2024 Water Rents	<u>2,895</u>
Balance, December 31, 2024	<u>\$ 5,109</u>

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

Balance, January 1, 2024	\$ 6,916
Increased by:	
Overpayments	<u>8,693</u>
	15,609
Decreased by:	
Cash Disbursements	\$ 499
Applied to 2024 Water Rents	<u>6,916</u>
	<u>7,415</u>
Balance, December 31, 2024	<u>\$ 8,194</u>

**STATEMENT OF NJ ENVIRONMENTAL INFRASTRUCTURE WATER LOAN PAYABLE
WATER UTILITY CAPITAL FUND**

Balance, January 1, 2024	\$ 468,717
Increased by:	
Original Loan Award - 2024/25 Loan	<u>5,862,480</u>
	6,331,197
Decreased by:	
Paid by Budget Appropriation	\$ 59,816
Principal Loan Forgiveness	2,000,000
Cancelled Loan Balance	<u>56,860</u>
	<u>2,116,676</u>
Balance, December 31, 2024	<u>\$ 4,214,521</u>

Analysis of Balance

2010 Trust Loan	\$ 230,000
2010 Fund Loan	178,901
2024/25 Trust Loan	1,245,000
2024/25 WIFIA Loan	857,909
2024/25 Fund Loan	<u>1,702,711</u>
	<u>\$ 4,214,521</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2024		Capital Improvement Fund	2024 Authorizations		Grants Receivable	Paid or Charged	Cancelled Improvement Authorizations	Balance, December 31, 2024	
			Funded	Unfunded		Deferred Charges to Future Revenue					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	120,797	\$ 418							120,797	\$ 418
06-21	Various Public Improvements & Acquisitions	465,000		1,325				\$ 1,087			238	
23-21	Various Public Improvements & Acquisitions	49,000	16,000					16,000			-	
10-22	Various Public Improvements & Acquisitions	376,475		183,387				53,355				130,032
16-22	Various Public Improvements & Acquisitions	5,000,000		819							819	
09-23/23-24	Various Public Improvements & Acquisitions	1,306,600		971,892			\$ 222,990	870,662	\$ 197,990			126,230
19-23	Various Public Improvements & Acquisitions	820,000		359,832				217,453				142,379
07-24	Various Public Improvements & Acquisitions	288,500	-	-	\$ 14,000	\$ 274,500	-	266,380		-	-	22,120
			<u>\$ 147,071</u>	<u>\$ 1,517,673</u>	<u>\$ 14,000</u>	<u>\$ 274,500</u>	<u>\$ 222,990</u>	<u>\$ 1,424,937</u>	<u>\$ 197,990</u>	<u>\$ 132,128</u>	<u>\$ 421,179</u>	
									\$ 467,839			
									957,098			
									<u>\$ 1,424,937</u>			

Cash Disbursements
Accounts Payable

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

Balance, January 1, 2024	\$ 30,143
Increased by:	
2024 Budget Appropriation	<u>10,000</u>
	40,143
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>14,000</u>
Balance, December 31, 2024	<u>\$ 26,143</u>

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

Balance, January 1, 2024	\$ 12,836
Increased by:	
Budget Appropriation	
Interest on Bonds and Notes	<u>12,563</u>
	25,399
Decreased by:	
Interest Paid	<u>12,836</u>
Balance, December 31, 2024	<u>\$ 12,563</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, 2024</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2024</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>					
Water Bonds	11/1/2014	\$ 564,000	11/1/2025	\$ 60,000	2.500 %				
			11/1/2026	59,000	2.500	\$ 179,000		\$ 60,000	\$ 119,000
Water Bonds	7/15/2020	1,017,000	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	717,000	\$ -	100,000	617,000
						<u>\$ 896,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ 736,000</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, 2024	Increased	Decreased	Balance, December 31, 2024
06-21	Various Public Improvements and Acquisitions	10/14/2022	10/10/2023 10/10/2024	10/10/2024 10/10/2025	5.00% 4.00%	\$ 185,000		\$ 185,000	\$ 185,000
10-22	Various Public Improvements and Acquisitions	10/14/2022	10/10/2023 10/10/2024	10/10/2024 10/10/2025	5.00% 4.00%	376,000	376,000	376,000	376,000
09-23/23-24	Various Public Improvements and Acquisitions	10/13/2023	10/10/2023 10/10/2024	10/10/2024 10/10/2025	5.00% 4.00%	1,306,000	1,108,610	1,306,000	1,108,610
07-24	Various Public Improvements and Acquisitions	10/10/2024	10/10/2024	10/10/2025	4.00%	-	274,500	-	274,500
						<u>\$ 1,867,000</u>	<u>\$ 1,944,110</u>	<u>\$ 1,867,000</u>	<u>\$ 1,944,110</u>
Notes Issued							\$ 274,500		
Renewals							1,669,610	1,669,610	
Paid by Water Capital Cash							-	197,390	
							<u>\$ 1,944,110</u>	<u>\$ 1,867,000</u>	

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

Balance, January 1, 2024	\$ 5,417
Increased by:	
Budget Appropriation	
Interest on Loans	<u>4,792</u>
	10,209
Decreased by:	
Interest Paid on Water Loan	<u>5,417</u>
Balance, December 31, 2024	<u><u>\$ 4,792</u></u>

STATEMENT OF RESERVE FOR TAX MAP
WATER UTILITY OPERATING FUND

Balance, January 1, 2024	<u>\$ 3,667</u>
Balance, December 31, 2024	<u><u>\$ 3,667</u></u>

STATEMENT OF RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND

Balance, January 1, 2024	\$ 8,391,256
Increased by:	
2024 Budget Appropriations:	
Serial Bonds	\$ 160,000
Water Loans	59,816
Capital Outlay - Operating Budget	30,000
Transferred from Deferred Reserve for Amortization	<u>16,000</u>
	<u>265,816</u>
Balance, December 31, 2024	<u><u>\$ 8,657,072</u></u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2024</u>	<u>Fixed Capital Authorized</u>	<u>Cancelled I-Bank Loan</u>	<u>To Reserve For Amortization</u>	<u>Balance, December 31, 2024</u>
23-21	Various Public Improvements & Acquisitions	\$ 16,000			\$ 16,000	-
16-22	Various Public Improvements & Acquisitions			\$ 2,056,860		\$ 2,056,860
09-23/23-24	Various Public Improvements & Acquisitions		\$ 222,990			222,990
19-23	Various Public Improvements & Acquisitions					-
07-24	Various Public Improvements & Acquisitions	-	14,000	-	-	14,000
		<u>\$ 16,000</u>	<u>\$ 236,990</u>	<u>\$ 2,056,860</u>	<u>\$ 16,000</u>	<u>\$ 2,293,850</u>

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

<u>Ord.</u>	<u>Improvement Description</u>	<u>January 1, 2024</u>	<u>2024 Authorizations</u>	<u>Paid with Capital Cash</u>	<u>Notes Issued</u>	<u>Cancelled Improvement Authorizations</u>	<u>Loans Issued</u>	<u>Balance, December 31, 2024</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	-
09-23/23-24	Various Public Improvements & Acquisitions	600		\$ 197,390		\$ 197,990		-
19-23	Various Public Improvements & Acquisitions	820,000					582,580	237,420
07-24	Various Public Improvements & Acquisitions	-	\$ 274,500	-	\$ 274,500	-	-	-
		<u>\$ 6,101,493</u>	<u>\$ 274,500</u>	<u>\$ 197,390</u>	<u>\$ 274,500</u>	<u>\$ 197,990</u>	<u>\$ 5,862,580</u>	<u>\$ 238,313</u>

BOROUGH OF WALDWICK

PART II

GOVERNMENT AUDITING STANDARDS

AND

SINGLE AUDIT SECTION

YEAR ENDED DECEMBER 31, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of 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 which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated July 10, 2025. 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.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Waldwick in Part III of this report of audit entitled, "General Comments and Recommendations".

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of 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 10, 2025



LERCH, VINCI & BLISS, LLP

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Borough of Waldwick's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Waldwick's major federal and state programs for the year ended December 31, 2024. The Borough of Waldwick's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Waldwick complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

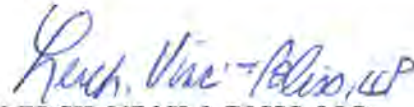
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements - regulatory basis of the Borough of Waldwick, which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance - regulatory basis, statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year then ended and the related notes to the financial statements and have issued our report thereon dated July 10, 2025, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of 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.



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



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR000411

Fair Lawn, New Jersey
July 10, 2025

BOROUGH OF WALDWICK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Grant <u>Year</u>	Federal CFDA <u>Number</u>	Award <u>Amount</u>	2024 Grant <u>Receipts</u>	Balance, January 1, <u>2024</u>	Revenue <u>Realized</u>	<u>Expenditures</u>	Balance, December 31, <u>2024</u>	(Memo Only) Cumulative <u>Expenditures</u>
U.S. Department of Treasury									
Coronavirus State and LFRF - ARP Gen. Cap Ord. 08-23 and Ord. 22-24/Water Capital Ord. 09-23 and Ord 23-24	2021	21.027	\$ 1,057,990			\$ 1,057,990	\$ 1,057,990		\$ 1,057,990
(Passed Through NJ Department of Community Affairs)									
ARP Firefighters Grant - 2024 Budget	2024	21.021	55,000			55,000	54,838	\$ 162	54,838
ARP Firefighters Grant - Ord. 08-2023	2023	21.021	28,000		\$ 1,577		1,577	-	28,000
U.S. Department of Housing and Urban Development									
Community Development Block Grant									
Harrison Avenue Road Improvement Ord. 06-2024	2024	14.218	100,834	\$ 100,834		100,834	100,834		100,834
Bohnert Place Roadway Rehabilitation Ord. 08-2023	2023	14.218	101,332	101,332	101,332	-	101,332	-	101,332
					<u>\$ 102,909</u>	<u>\$ 1,213,824</u>	<u>\$ 1,316,571</u>	<u>\$ 162</u>	

Note: This schedule is 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, 2024

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant/Loan Award</u>	<u>2024 Grant Receipts (Memo)</u>	<u>Balance, January 1, 2024</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2024</u>	<u>(Memo Only) Cumulative Expenditures</u>
Clean Communities Grant	4900-765-1789000	2025	\$ 24,960	\$ 24,960						
		2024	21,975			\$ 21,975	\$ 19,593		\$ 2,382	\$ 19,593
		2023	19,593		\$ 19,593				19,593	-
Body Armor Replacement Fund	1020-718-066-1020-001	2020	2,263		35.00				35	\$ 2,228
Police Vest Fund	N/A	2025	3,523	3,523	-				-	
		2024	5,387			5,387			5,387	-
		2023	1,625		63	-	-	-	63	1,562
Total Police Vest Cluster					63	5,387	-	-	5,450	
Drunk Driving Enforcement Fund	1110-448031020-22	2016	16,310		16,310				16,310	
		2013	3,000		3,000				3,000	
		2012	15,140		4,835				4,835	10,305
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2025	1,471	1471						
		2024	390		-				-	
		2019	579		579				579	-
		2016	7,153		4,544				4,544	2,609
Recycling Tonnage Grant	042-4910-100-224	2025	12,189	12189						
		2024	13,239			13,239			13,239	
State Opioid Settlement	N/A	2025	44,471	44471						
		2024	14,219			14,219			14,219	
		2023	8,667		5,187				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	25,000		25,000				25,000	
NJ Environmental Infrastructure Trust Loan	4840-527-052220-60	2024	5,862,480			5,862,480	5,861,661		819	5,861,661
Department of Transportation										
Municipal Aid Program										
Imp. to Schuler Ave - Ord 06-2024	N/A	2024	186,939		-	186,939	49,679		137,260	49,679
NJ Department of Community Affairs										
Recreation Grant		2024	70,000		-	70,000	33,300	-	36,700	33,300
					<u>\$ 81,134</u>	<u>\$ 6,174,239</u>	<u>\$ 5,964,233</u>	<u>\$ (1,988)</u>	<u>\$ 289,152</u>	

N/A - Not Available

Note: This schedule is subject to Single Audit in accordance with New Jersey OMB Circular 15-08.

BOROUGH OF WALDWICK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

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 Principals, 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	\$ 55,000	\$ 124,820	\$ 179,820
General Capital Fund	1,158,824	186,939	1,345,763
Water Utility Capital Fund	<u>-</u>	<u>5,862,480</u>	<u>5,862,480</u>
Total Financial Awards	<u>\$ 1,213,824</u>	<u>\$ 6,174,239</u>	<u>\$ 7,388,063</u>

BOROUGH OF WALDWICK
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 STATE LOANS OUTSTANDING

Certain state loans at the beginning of the year and loans made during the year are included in The Schedules, while others are not required to be included in The Schedules. The Borough's state loans outstanding at December 31, 2024, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

Loan Program

NJ Environments Infrastructure Loans	
Water Supply Rehabilitation Loans - 2010	\$ 408,901
 NJ Environments Infrastructure Loans	
Sanitary Sewer Improvement Loans - 2011	52,047
 NJ Environments Infrastructure Loans	
Water Treatment System - 2024	<u>3,805,620</u>
	<u>\$ 4,266,568</u>

NOTE 7 INDIRECT COST RATE

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

Part I – Summary of Auditor’s Results

Unmodified - Regulatory Basis

yes X no

yes X none reported

yes X no

\$750,000

yes X no

Unmodified

yes X no

yes X none reported

yes X no

Name of Federal Program or Cluster

Coronavirus State and Local Fiscal
Recovery Funds - ARP

**BOROUGH OF WALDWICK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part I – Summary of Auditor's Results

State Awards Section

- J) Dollar threshold used to determine Type A programs: \$ 750,000
- K) Auditee qualified as low-risk auditee? yes X no
- L) Type of auditors' report on compliance for major programs: Unmodified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? yes X no
- 2) Were significant deficiencies identified that were
 not considered to be material weaknesses? yes X none reported
- N) Any audit findings disclosed that are required to be reported
 in accordance with N.J. OMB Circular 15-08, as amended? yes X no
- O) Identification of major programs:

GMIS Number(s)

Name of State Program

4840-527-052220-60

Dept. of Environmental Protection
NJ Environmental Infrastructure Loan

**BOROUGH OF WALDWICK
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024**

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

There are none.

**BOROUGH OF WALDWICK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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
GENERAL COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2024 (A)</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>\$2.214</u>	<u>\$2.908</u>	<u>\$2.848</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.403	.538	.526
Library	.032	.040	.037
Municipal Open Space	.004	.005	.005
County	.228	.285	.273
Local School	1.547	2.040	2.007

Assessed Valuation

2024 (A)	<u>\$2,209,103,400</u>
2023	<u>\$1,636,480,300</u>
2022	<u>\$1,630,354,800</u>

(A) The Borough had a revaluation of taxable property effective 2024.

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>
2024	\$ 48,938,692	\$ 48,498,130	99.10%
2023	47,756,439	47,493,443	99.45%
2022	46,559,224	46,270,193	99.38%

**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>
2024	\$ 305,339	\$ 305,339	0.62%
2023	233,906	233,906	0.49%
2022	244,313	244,313	0.52%

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>
2024	\$35,510
2023	35,510
2022	35,510

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2024	\$1,883,293	\$1,878,595
2023	1,889,825	1,881,812
2022	1,905,659	1,928,575

* 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
Michele Weber	Council President
Andrew Brennecke	Councilman
Kathleen Cericola	Councilwoman
Joseph Martinello	Councilman
Mark Ramundo	Councilman
Michael Ritchie	Councilman
Steven Neale	Borough Administrator
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

GENERAL COMMENTS

Current Year Findings

Our audit of bank reconciliations revealed numerous reconciling items were reported as the result of interfund transfers at year end. It is recommended that interfunds be cleared of record prior to year end to ensure reconciling items on the bank reconciliations are limited and properly recorded at year-end.

Our audit of the 2024 taxes receivable revealed that additional taxes in the amount of \$29,038 result of added tax assessments were not billed in a timely manner. It is recommended that added tax assessments be billed in a timely manner.

Our audit of the bi-monthly payrolls revealed that the Net Payroll and Payroll Agency bank accounts were not funded in the exact amounts as required by the respective payroll summary reports. It is recommended that transfers be made to the Net Payroll and Payroll Agency bank accounts in the exact amount as required by the bi-monthly payroll summary reports.

Our audit of purchases under the Local Public Contracts Law revealed the following:

- A contract award in excess of the bid threshold for two (2) AWD police vehicles was not approved in the minutes.
- The State Comptroller was not notified of a contract award in excess of \$2.5 million for water system improvements.

It is recommended that all contract awards in excess of the bid threshold (\$44,000) be approved by the Borough Council and included in the minutes. In addition the State Comptroller be notified for all contract awards in excess of \$2.5 million.

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:

Interior Renovations to WALVAC
Reconstruction of Waldwick Admin. Bld.
Improvements to Harrison Ave.
Single Axle Roll off Truck

Various Water Main Improvements
Rehab. of Malcolm St. Pump Station
Rehab. of Ground Storage Tanks 1&2
2024 ADA Curb/Ramp Upgrades

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 6, 2024 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 5, 2024.

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

BOROUGH OF WALDWICK RECOMMENDATIONS

It is recommended that:

1. Interfunds be cleared of record prior to year-end to ensure reconciling items on the bank reconciliations are limited and properly recorded at year-end.
2. Added tax assessments be billed in a timely manner.
3. Transfers be made to the Net Payroll and Payroll Agency bank accounts in the exact amount as required by the bi-monthly payroll summary reports.
4. All contract awards in excess of the bid threshold be approved by the Borough Council and included in the minutes. In addition the State Comptroller be notified for all contract awards in excess of \$2.5 million.

Status of Prior Years' Audit Findings/Recommendations

There were no prior year recommendations.