

**BOROUGH OF NORTH CALDWELL  
COUNTY OF ESSEX  
NEW JERSEY**

**REPORT ON  
EXAMINATION OF ACCOUNTS  
FOR THE YEAR 2022**

**SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS**

**BOROUGH OF NORTH CALDWELL**  
**COUNTY OF ESSEX, NEW JERSEY**

**CONTENTS**

<b><u>PART I</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report.....	2

**FINANCIAL STATEMENTS**

**CURRENT FUND**

**EXHIBIT**

A	Comparative Balance Sheet - Regulatory Basis .....	5
A-1	Comparative Operations and Changes in Fund Balance - Regulatory Basis .....	7
A-2	Revenue - Regulatory Basis .....	9
A-2a	Revenue - Analysis of Realized Revenue - Regulatory Basis .....	10
A-2b	Revenue - Analysis of Nonbudget Revenue - Regulatory Basis .....	11
A-3	Expenditures - Regulatory Basis .....	12

**TRUST FUNDS**

B	Comparative Balance Sheet - Regulatory Basis .....	19
---	--	----

**GENERAL CAPITAL FUND**

C	Comparative Balance Sheet - Regulatory Basis .....	20
C-1	Fund Balance - Regulatory Basis .....	21

**WATER UTILITY**

D	Comparative Balance Sheet - Regulatory Basis .....	22
D-1	Comparative Operations and Changes in Fund Balance - Operating Fund - Regulatory Basis .....	23
D-2	Fund Balance - Capital Fund - Regulatory Basis .....	24
D-3	Revenue - Regulatory Basis .....	25
D-4	Expenditures - Regulatory Basis .....	26

**SWIMMING POOL UTILITY**

E	Comparative Balance Sheet - Regulatory Basis .....	27
E-1	Comparative Operations and Changes in Fund Balance - Regulatory Basis.....	28
E-2	Fund Balance - Capital Fund - Regulatory Basis .....	29
E-3	Revenue - Regulatory Basis .....	30
E-3	Expenditures - Regulatory Basis .....	31

**FINANCIAL STATEMENTS**  
(Continued)

**PUBLIC ASSISTANCE TRUST FUND**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
F	Comparative Balance Sheet - Regulatory Basis .....	32

**CAPITAL FIXED ASSETS**

G	Comparative Balance Sheet - Regulatory Basis .....	33
---	--	----

	<b><u>NOTES TO FINANCIAL STATEMENTS</u></b> .....	34 - 66
--	---	---------

**SUPPLEMENTARY INFORMATION**

**CURRENT FUND**

A-4	Cash Receipts and Disbursements - Treasurer .....	67
A-5	Due to State of New Jersey Per Chapter 129, P.L. 1976 .....	68
A-6	Change Fund .....	69
A-7	Petty Cash Funds .....	69
A-8	Taxes Receivable and Analysis of Property Tax Levy .....	70
A-9	Tax Title Liens .....	71
A-10	Property Acquired for Taxes (At Assessed Valuation) .....	72
A-11	Interfunds Receivable .....	73
A-12	Other Accounts Receivable .....	74
A-13	Revenue Accounts Receivable .....	75
A-14	Health Benefits Receivable .....	76
A-15	Deferred Charges - N.J.S. 40A:4-53 Special Emergency .....	76
A-16	State Grants Receivable .....	77
A-17	2021 Appropriation Reserves .....	78
A-18	County Taxes Payable .....	80
A-19	Local School District Taxes .....	81
A-20	Regional High School Taxes .....	81
A-21	Due to State of New Jersey .....	82
A-22	Reserve for Term Bonds Payable .....	83
A-23	Interfunds Payable .....	83
A-24	Tax Overpayments .....	84
A-25	Prepaid Taxes .....	84
A-26	Accounts Payable .....	85
A-27	Various Reserves .....	85
A-28	Municipal Relief Aid .....	86
A-29	Due to Current Fund .....	86
A-30	Appropriated Grant Reserves .....	87
A-31	Unappropriated Reserves .....	88

**SUPPLEMENTARY INFORMATION**  
(Continued)

**TRUST FUNDS**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
B-1	Reserve for Animal Control Expenditures .....	89
B-2	Reserve for State Unemployment Compensation Insurance .....	90
B-3	Cash Receipts and Disbursements - Treasurer .....	91
B-4	Due from Current Fund .....	92
B-5	Due to State of New Jersey .....	92
B-6	Animal Control Fund - Due to Current Fund .....	93
B-7	Due to Current Fund .....	93
B-8	Due from Current Fund .....	94
B-9	Reserve for Expenditures .....	95
B-10	Payroll Deductions Payable .....	96
B-11	Reserve for Municipal Open Space .....	97

**GENERAL CAPITAL FUND**

C-2	Cash Receipts and Disbursements - Treasurer .....	98
C-3	Analysis of Cash .....	99
C-4	Grants Receivable .....	100
C-5	Due to Current Fund .....	100
C-6	Deferred Charges to Future Taxation - Funded .....	101
C-7	Deferred Charges to Future Taxation - Unfunded .....	102
C-8	Capital Improvement Fund .....	103
C-9	Reserve for Preliminary Engineering Services .....	103
C-10	Reserve for Grants Receivable .....	104
C-11	Improvement Authorizations .....	105
C-12	Reserve to Pay Debt Service .....	106
C-13	General Serial Bonds .....	107
C-14	Bond Anticipation Notes .....	108
C-15	Bonds and Notes Authorized but Not Issued .....	109

**WATER UTILITY**

D-5	Cash Receipts and Disbursements - Treasurer .....	110
D-6	Analysis of Capital Cash .....	111
D-7	Consumer Accounts Receivable .....	112
D-8	Due from Water Capital Fund .....	112
D-9	Deferred Charges .....	113
D-10	Fixed Capital .....	113
D-11	Fixed Capital Authorized and Uncompleted .....	114
D-12	2021 Appropriation Reserves .....	115
D-13	Water Overpayments .....	116
D-14	Reserve for Term Bonds Payable .....	116
D-15	Accrued Interest on Bonds .....	117
D-16	Serial Bonds .....	118
D-17	Bond Anticipation Notes .....	119
D-18	Improvement Authorizations .....	120
D-19	Deferred Reserve for Amortization .....	121
D-20	Capital Improvement Fund .....	122
D-21	Due to Water Operating Fund .....	122
D-22	Reserve for Amortization .....	123
D-23	Bonds and Notes Authorized but Not Issued .....	124

**SUPPLEMENTARY INFORMATION**  
(Continued)

**SWIMMING POOL UTILITY**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
E-5	Cash Receipts and Disbursements - Treasurer .....	125
E-6	Analysis of Capital Cash .....	126
E-7	Due from Swimming Pool Capital Fund .....	127
E-8	Deferred Charges .....	127
E-9	Fixed Capital .....	127
E-10	Fixed Capital Authorized and Uncompleted .....	128
E-11	2021 Appropriation Reserves .....	129
E-12	Due to Current Fund .....	130
E-13	Reserve for Accrued Interest on Bonds - Swimming Pool Operating Fund .....	130
E-14	Reserve for Accrued Interest on Notes - Swimming Pool Operating Fund .....	131
E-15	Improvement Authorizations .....	132
E-16	Due to Swimming Pool Operating Fund .....	133
E-17	Reserve for Amortization .....	133
E-18	Deferred Reserve for Amortization .....	134
E-19	Serial Bonds .....	135
E-20	Bond Anticipation Notes .....	136
E-21	Bonds and Notes Authorized but Not Issued .....	137

**PUBLIC ASSISTANCE TRUST FUND**

F-1	Cash Receipts and Disbursements .....	138
F-2	Due to State of New Jersey .....	138
F-3	Reserve for Expenditures - Trust Fund Account #1 .....	138

**PART II**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING, ROSTER OF OFFICIALS,  
GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	140
Roster of Officials for the Year 2022 and Report on Surety Bonds .....	142
General Comments, Findings and Recommendations .....	143
Recommendation .....	147

**PART I**  
**REPORT ON EXAMINATION**  
**FINANCIAL STATEMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY EXHIBITS**  
**YEAR ENDED DECEMBER 31, 2022**

# **SAMUEL KLEIN AND COMPANY, LLP**

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of North Caldwell  
North Caldwell, New Jersey 07006

### **Opinions**

We have audited the financial statements - regulatory basis of the various funds and account groups of the Borough of North Caldwell, in the State of New Jersey, as of and for the years then ended December 31, 2022 and December 31, 2021, and the related notes to the financial statements, as listed in the foregoing table of contents.

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

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough of North Caldwell at December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2022 and 2021 and the results of its operations for the years then ended.

### **Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements, we do not express an opinion on the LOSAP financial statements.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 North Caldwell, State of New Jersey, and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

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

As described in Note 1, the financial statements are prepared by the Borough of North Caldwell, State of New Jersey, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Local Government Services, Department of Community Affairs. 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.

## **Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")**

As discussed in Note 1, the financial statements of the Length of Service Award program Fund ("LOSAP") have not been audited, and we are not required by the Division to audit or were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements. The LOSAP financial activities are included in the Borough's Trust Fund and represent 26.81% and 31.39% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs. 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 misstatement, 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 North Caldwell, State of New Jersey'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 the 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- Exercise professional judgment 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 North of Caldwell, State of New Jersey'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 North Caldwell, State of New Jersey'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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2023, on our consideration of the Borough of North Caldwell, State of New Jersey'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 North Caldwell, State of New Jersey'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 North Caldwell, State of New Jersey's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
August 3, 2023

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2021</u>
<u>Regular Fund</u>			
Cash and Cash Equivalents	A-4	<u>\$4,292,361.31</u>	<u>\$3,665,631.45</u>
Receivables and Other Assets with Offsetting Reserves:			
Change Fund	A-6	500.00	500.00
Delinquent Property Taxes	A-8	202,783.38	202,383.67
Tax Title Liens	A-9	63.55	63.55
Property Acquired for Taxes	A-10	310,900.00	310,900.00
Interfunds Receivable	A-11	1,101.38	510.08
Other Accounts Receivable	A-12	22,848.88	60,131.23
Revenue Accounts Receivable	A-13	<u>1,082.84</u>	<u>511.24</u>
		<u>539,280.03</u>	<u>574,999.77</u>
Deferred Charges:			
Special Emergency Authorization (40A:4-53)	A-15	<u>100,000.00</u>	<u>150,000.00</u>
		<u>4,931,641.34</u>	<u>4,390,631.22</u>
<u>Federal and State Grant Fund</u>			
Cash and Cash Equivalents	A-4	224,743.92	366,107.28
State Grants Receivable	A-16	<u>27,842.33</u>	<u>28,730.02</u>
		<u>252,586.25</u>	<u>394,837.30</u>
		<u>\$5,184,227.59</u>	<u>\$4,785,468.52</u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Encumbered	A-3,17	\$ 454,221.21	\$ 552,450.08
Unencumbered	A-3,17	182,426.22	112,617.42
County Taxes Payable	A-18	26,523.39	82,442.15
Local School District Taxes	A-19	283,555.46	288,555.44
Due to State of New Jersey:			
Chapter 129, P.L. 1976	A-5	1,308.22	1,058.22
DCA Surcharges	A-21	3,484.00	2,179.00
Marriage License Fees	A-21		525.00
Reserve for Term Bonds Payable	A-22	895,000.00	450,000.00
Interfunds Payable	A-23	1,152.14	82,445.68
Tax Overpayments	A-24	38,267.62	50,665.72
Prepaid Taxes	A-25	293,538.85	304,836.66
Accounts Payable	A-26	1,630.96	9,159.01
Various Reserves	A-27	46,667.72	97,909.72
Municipal Relief Aid	A-28	23,890.22	
		<u>2,251,666.01</u>	<u>2,034,844.10</u>
Reserve for Receivables and Other			
Assets		539,280.03	574,999.77
Fund Balance	A-1	<u>2,140,695.30</u>	<u>1,780,787.35</u>
		<u>4,931,641.34</u>	<u>4,390,631.22</u>
<u>Federal and State Grant Fund</u>			
Appropriated Reserves	A-30	236,340.62	377,444.55
Unappropriated Reserves	A-31	16,245.63	17,392.75
		<u>252,586.25</u>	<u>394,837.30</u>
		<u>\$5,184,227.59</u>	<u>\$4,785,468.52</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

A-1  
Sheet #1

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2,Below	\$ 790,500.00	\$ 762,000.00
Miscellaneous Revenue Anticipated	A-2	2,436,154.26	2,222,339.90
Receipts from Delinquent Taxes	A-2	196,767.30	267,319.29
Receipts from Current Taxes	A-2a	41,180,794.21	39,875,295.18
Nonbudget Revenue	A-2b	87,637.39	54,951.08
Other Credits to Income:			
Interfunds Liquidated			64,387.49
Other Accounts Receivable Liquidated	A-12	37,282.35	
Appropriation Reserves Lapsed	A-17	21,318.92	26,969.98
Increase in Deferred School Tax:			
Local School District Taxes	A-19	181,270.50	122,482.00
Regional High School Taxes	A-20	363,151.40	23,454.00
Marriage Licenses Due to State	A-21	400.00	
Accounts Payable Cancelled	A-26	81.80	
		<u>45,295,358.13</u>	<u>43,419,198.92</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		3,570,039.00	3,385,292.00
Other Expenses		4,375,888.06	4,480,701.63
Deferred Charges and Statutory			
Expenditures		967,183.00	963,647.36
Capital Improvements		385,000.00	75,000.00
Municipal Debt Service		1,037,708.68	1,027,694.89
	A-3	<u>10,335,818.74</u>	<u>9,932,335.88</u>
Prior Years' Refund	A-4	495.00	100.00
County Pilot	A-4	1,570.50	
Interfunds Established	A-11	591.30	
Other Accounts Receivable Established			46,307.04
County Taxes	A-18	8,966,802.59	8,980,617.03
Local School District Taxes	A-19	14,485,600.00	14,123,059.00
Regional High School Taxes	A-20	10,069,251.00	9,342,916.00
Municipal Open Space Taxes	A-23	284,821.05	251,234.15
		<u>44,144,950.18</u>	<u>42,676,569.10</u>
Statutory Excess to Fund Balance			
(Carried Forward)		<u>1,150,407.95</u>	<u>742,629.82</u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

A-1  
Sheet #2

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
Statutory Excess to Fund Balance (Brought Forward)		\$ 1,150,407.95	\$ 742,629.82
<u>Fund Balance</u>			
Balance January 1	A	<u>1,780,787.35</u>	<u>1,800,157.53</u>
		2,931,195.30	2,542,787.35
Decreased by:			
Utilized as Anticipated Revenue	A-1, Sheet #1	<u>790,500.00</u>	<u>762,000.00</u>
Balance December 31	A	<u>\$ 2,140,695.30</u>	<u>\$ 1,780,787.35</u>

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Appropriated	A-1	<u>\$ 790,500.00</u>	<u>\$ 790,500.00</u>	\$
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	A-13	5,000.00	5,000.00	
Other Fees and Permits	A-2a	32,000.00	44,190.68	12,190.68
Municipal Court - Fines and Costs	A-13	26,000.00	16,218.19	(9,781.81)
Interest and Cost on Taxes	A-13	51,000.00	48,341.44	(2,658.56)
Interest on Investments and Deposits	A-13	3,455.00	100,498.07	97,043.07
Tennis Court Fees	A-13	10,745.00	10,975.00	230.00
Cable TV Franchise Fees	A-13	115,342.63	115,342.63	
Recreation Program Fees	A-13	87,000.00	125,287.00	38,287.00
Energy Receipts Tax	A-13	457,984.00	457,984.00	
Uniform Construction Code Fees	A-13	195,000.00	212,817.00	17,817.00
Interlocal Government Agreement:				
Borough of Essex Fells - Municipal Court	A-13	79,000.00	74,263.30	(4,736.70)
Borough of Essex Fells - Dispatch	A-13	87,002.74	87,003.00	0.26
Uniform Fire Safety Act	A-13	4,044.00	3,448.58	(595.42)
Rental of Borough-Owned Property	A-13	24,000.00	24,000.00	
Sewer Rental Charges - Township of Fairfield	A-13	6,387.00	6,436.50	49.50
Sewer User Fees	A-13	485,500.00	499,488.91	13,988.91
Rental Cell Tower	A-13	100,430.00	104,414.31	3,984.31
Reserve to Pay Debt Services	A-13	23,800.00	23,800.00	
American Rescue Plan	A-13	346,505.25	346,505.25	
PILOT - Whiterock	A-13	19,329.75	35,026.57	15,696.82
Capital Surplus	A-13	2,964.17	2,964.17	
Recycling Fees	A-13	1,448.00	3,372.20	1,924.20
		<u>2,163,937.54</u>	<u>2,347,376.80</u>	<u>183,439.26</u>
Federal and State Grants:				
Municipal Alliance on Alcoholism and Drug Abuse		7,100.00	7,100.00	
Body Armor Grant		1,081.01	1,081.01	
Clean Communities Program		13,889.31	13,889.31	
Drunk Driving Enforcement Grant		3,049.04	3,049.04	
Recycling Tonnage Grant		8,768.70	8,768.70	
North Caldwell Recreation - Fireman's Field		50,000.00	50,000.00	
FM Global Fire Prevention		4,435.00	4,435.00	
Alcohol Education and Rehabilitation Fund		454.40	454.40	
	A-11	<u>88,777.46</u>	<u>88,777.46</u>	
Total Miscellaneous Revenue	A-1	2,252,715.00	2,436,154.26	183,439.26
Receipts from Delinquent Taxes	A-1,2a	202,380.00	196,767.30	(5,612.70)
Amount to be Raised by Taxes for Support of Municipal Budget				
	A-2a,8	<u>7,459,225.06</u>	<u>7,743,319.57</u>	<u>284,094.51</u>
		<u>10,704,820.06</u>	<u>11,166,741.13</u>	<u>461,921.07</u>
Nonbudget Revenue				
	A-2b	<u>.</u>	<u>87,637.39</u>	<u>87,637.39</u>
	A-3	<u>\$10,704,820.06</u>	<u>\$11,254,378.52</u>	<u>\$549,558.46</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF REALIZED REVENUE - REGULATORY BASIS

A-2a

	<u>Ref.</u>	<u>Amount to be Raised by Taxation</u>	<u>Receipts from Delinquent Taxes</u>	<u>Total</u>
<u>Allocation of Tax Collection</u>				
Collections	A-8	\$40,853,207.55	\$196,767.30	\$41,049,974.85
Due from State of New Jersey	A-8	22,750.00		22,750.00
Prepaid Taxes Applied	A-8	304,836.66		304,836.66
Total Revenue	A-1	41,180,794.21	196,767.30	41,377,561.51
Allocated to:				
County Levy and Added Taxes	A-18	8,966,802.59		8,966,802.59
Local School District Taxes	A-19	14,485,600.00		14,485,600.00
Regional School District Taxes	A-20	10,069,251.00		10,069,251.00
Municipal Open Space Taxes	A-23	284,821.05		284,821.05
Plus: Reserve for Uncollected Taxes	A-3, Sheet #7	369,000.00		369,000.00
Realized Revenue	A-2	<u>\$ 7,743,319.57</u>	<u>\$196,767.30</u>	<u>\$ 7,940,086.87</u>
<u>Fees and Permits - Other</u>				
Health Officer	A-13	\$ 3,270.00		
Engineer	A-13	7,840.00		
Police Department	A-13	672.00		
Planning and Zoning Department	A-13	12,885.00		
Borough Clerk	A-13	19,523.68		
	A-2	<u>\$ 44,190.68</u>		

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2b

	<u>Ref.</u>	
Fire Hydrant Rental		\$ 1,600.00
Film Permits		625.00
Fairfield - Trash/Recycling		1,576.80
Administration Fees for Senior Citizens and Veterans - 2%		460.00
Administration Fees for Homestead Rebate - 2%		125.40
Prior Year Refunds		1,343.69
Police Applications		780.00
DMV N.J. Insurance Fines		2,150.00
FEMA Reimbursements		53,149.08
Senior Meeting - Nonresidential		935.00
Lighting Fee/Field Use		6,025.00
Donated Car		2.00
Sale of Police Guns		1,805.00
Miscellaneous		<u>17,060.42</u>
	A-1,2,4	<u><u>\$ 87,637.39</u></u>

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See accompanying notes to financial statements.



BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #1

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 198,994.00	\$ 197,494.00	\$ 197,231.92	\$ 262.08	\$	
Other Expenses	98,400.00	99,900.00	93,357.34	6,417.71	124.95	
Elections:						
Other Expenses	5,700.00	8,400.00	8,379.02	17.62	3.36	
Financial Administration:						
Salaries and Wages	54,689.00	54,689.00	54,688.61		0.39	
Other Expenses	1,947.00	2,257.00	2,255.71		1.29	
Audit	38,750.00	38,750.00	38,750.00			
Assessment of Taxes:						
Salaries and Wages	31,482.00	31,482.00	31,481.06		0.94	
Other Expenses	12,800.00	12,800.00	835.67	7,500.00	4,464.33	
Collection of Taxes:						
Salaries and Wages	62,352.00	62,352.00	62,351.45		0.55	
Other Expenses	8,450.00	10,700.00	10,692.58		7.42	
Legal Services and Costs:						
Other Expenses	209,200.00	209,200.00	141,323.69	4,166.66	63,709.65	
Engineering Services and Costs:						
Other Expenses	48,750.00	48,750.00	43,207.67	4,791.50	750.83	
Public Buildings and Grounds:						
Other Expenses	115,000.00	115,000.00	92,035.93	5,977.28	16,986.79	
Municipal Land Use Law:						
Planning Board:						
Other Expenses	5,700.00	5,700.00	581.25	2,695.00	2,423.75	
Board of Adjustment:						
Salaries and Wages	3,000.00	3,000.00	2,999.88		0.12	
Other Expenses	7,735.00	7,735.00	2,238.75	770.00	4,726.25	
Historical Society:						
Other Expenses	500.00	500.00			500.00	
	<u>903,449.00</u>	<u>908,709.00</u>	<u>782,410.53</u>	<u>32,335.77</u>	<u>93,962.70</u>	

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #2

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC SAFETY</u>						
Fire:						
Fire Hydrant Service	\$ 3,105.60	\$ 3,105.60	\$ 2,952.71	\$	\$ 152.89	\$
Fire Prevention:						
Salaries and Wages	5,100.00	5,100.00	5,099.90		0.10	
Other Expenses	3,500.00	3,500.00	125.00		3,375.00	
Miscellaneous Other Expenses	81,010.00	81,010.00	68,762.64	8,902.97	3,344.39	
Police:						
Salaries and Wages	1,894,228.01	1,904,228.01	1,903,756.45		471.56	
Other Expenses	122,900.00	122,900.00	108,916.55	11,013.43	2,970.02	
Other Expenses - Vehicle Lease	15,000.00	15,000.00	350.00	11,949.33	2,700.67	
First Aid Organization - Contribution	5,000.00	5,000.00	5,000.00			
Emergency Management:						
Salaries and Wages	1,020.00	1,020.00			1,020.00	
Other Expenses	1,000.00	1,000.00	999.96		0.04	
American Rescue Plan:						
Police:						
Salaries and Wages	346,505.25	346,505.25	346,505.25			
	<u>2,478,368.86</u>	<u>2,488,368.86</u>	<u>2,442,468.46</u>	<u>31,865.73</u>	<u>14,034.67</u>	
<u>STREETS AND ROADS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	445,030.00	445,030.00	423,605.80		21,424.20	
Other Expenses	99,200.00	99,200.00	92,908.60	2,739.69	3,551.71	
Snow Removal:						
Salaries and Wages	40,000.00	40,000.00	26,101.88		13,898.12	
Other Expenses	103,000.00	103,000.00	96,498.14	6,500.00	1.86	
Street Lighting:						
Contractual	105,000.00	105,000.00	98,381.76		6,618.24	
Storm Water Management:						
Other Expenses	10,000.00	10,000.00	5,990.00		4,010.00	
	<u>802,230.00</u>	<u>802,230.00</u>	<u>743,486.18</u>	<u>9,239.69</u>	<u>49,504.13</u>	

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #3

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>SANITATION</u>						
Sewer Maintenance:						
Other Expenses	\$ 15,000.00	\$ 21,700.00	\$ 21,274.09	\$	\$ 425.91	\$
Garbage and Trash Removal:						
Contractual	668,066.00	668,066.00	609,880.47	57,786.17	399.36	
Recycling Program:						
Other Expenses	100,700.00	95,200.00	95,182.16		17.84	
	<u>783,766.00</u>	<u>784,966.00</u>	<u>726,336.72</u>	<u>57,786.17</u>	<u>843.11</u>	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	9,000.00	9,000.00	8,999.90		0.10	
Other Expenses	24,722.00	25,102.00	25,101.03		0.97	
Public Assistance Administration:						
Other Expenses	500.00	100.00			100.00	
Dog Regulation:						
Other Expenses	6,400.00	6,400.00	6,122.22		277.78	
	<u>40,622.00</u>	<u>40,602.00</u>	<u>40,223.15</u>		<u>378.85</u>	
<u>RECREATION AND EDUCATION</u>						
Parks and Playgrounds:						
Salaries and Wages	141,059.00	135,899.00	135,864.76		34.24	
Other Expenses	126,250.00	129,750.00	127,086.55	1,522.00	1,141.45	
Camp Wyanokie:						
Other Expenses	2,844.00	2,844.00	2,841.00		3.00	
Library Services:						
Other Expenses	7,900.00	7,900.00	7,687.50		212.50	
	<u>278,053.00</u>	<u>276,393.00</u>	<u>273,479.81</u>	<u>1,522.00</u>	<u>1,391.19</u>	

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #4

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Official:						
Salaries and Wages	\$ 158,187.00	\$ 156,887.00	\$ 156,842.92	\$ 123.00	\$ 44.08	\$
Other Expenses	5,800.00	5,800.00	4,109.99		1,567.01	
Municipal Court:						
Salaries and Wages	13,140.00	11,350.00	11,349.91		0.09	
Other Expenses	6,775.00	6,775.00	3,743.67	341.70	2,689.63	
Insurance (N.J.S.A. 40A:4-45.3(00)):						
General Liability	221,508.00	225,108.00	225,104.00		4.00	
Health Benefit Waiver	34,850.63	34,850.63	34,850.63			
Employee Group Health	493,587.37	459,997.37	341,460.89	117,507.15	1,029.33	
	<u>933,848.00</u>	<u>900,768.00</u>	<u>777,462.01</u>	<u>117,971.85</u>	<u>5,334.14</u>	
<u>UNCLASSIFIED</u>						
Utilities:						
Electric	83,000.00	87,750.00	87,208.66		541.34	
Gas	7,500.00	7,500.00	7,500.00			
Gasoline	64,542.00	84,542.00	82,418.24		2,123.76	
Accumulated Leave Compensation	100.00	100.00	100.00			
	<u>155,142.00</u>	<u>179,892.00</u>	<u>177,226.90</u>		<u>2,665.10</u>	
<u>CONTINGENT</u>	500.00	500.00	500.00			
Total Operations Within "CAPS"	<u>6,375,978.86</u>	<u>6,382,428.86</u>	<u>5,963,593.76</u>	<u>250,721.21</u>	<u>168,113.89</u>	
Detail:						
Salaries and Wages	3,403,786.26	3,404,036.26	3,366,879.69		37,156.57	
Other Expenses	<u>2,972,192.60</u>	<u>2,978,392.60</u>	<u>2,596,714.07</u>	<u>250,721.21</u>	<u>130,957.32</u>	

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #5

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>STATUTORY EXPENDITURES</u>						
Contribution to:						
Public Employees' Retirement System	\$ 174,378.00	\$ 174,378.00	\$ 174,378.00	\$	\$	\$
Social Security System	147,000.00	139,700.00	139,536.28			163.72
Police and Firemen's Pension System	595,689.00	595,689.00	595,689.00			
Unemployment Compensation Insurance	1.00	1.00				1.00
DCRP	2,500.00	3,350.00	3,289.18			60.82
Total Statutory Expenditures	919,568.00	913,118.00	912,892.46			225.54
Total Appropriations Within "CAPS"	7,295,546.86	7,295,546.86	6,876,486.22	250,721.21	168,339.43	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Sewer Rental Charges:						
Other Expenses						
Contribution to:						
LOSAP						
Police Dispatch - Essex Fells	1,261,443.00	1,261,443.00	1,044,006.97	203,500.00	13,936.03	
Municipal Court - Essex Fells	45,400.00	45,400.00	45,349.24			50.76
	87,002.74	87,002.74	87,002.74			
	79,000.00	79,000.00	79,000.00			
	1,472,845.74	1,472,845.74	1,255,358.95	203,500.00	13,986.79	
<u>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</u>						
Recycling Tonnage Grant	8,768.70	8,768.70	8,768.70			
FM Global Fire Prevention	4,435.00	4,435.00	4,435.00			
Body Armor Grant	1,081.01	1,081.01	1,081.01			
Grant Match	100.00	100.00				100.00
Alcohol Education and Rehabilitation Fund	454.40	454.40	454.40			
Drunk Driving Enforcement Fund	3,049.04	3,049.04	3,049.04			
Municipal Alliance on Drug Abuse	8,875.00	8,875.00	8,875.00			
North Caldwell Recreational Foundation - Firemen's Field	50,000.00	50,000.00	50,000.00			
Clean Communities Program	13,889.31	13,889.31	13,889.31			
	90,652.46	90,652.46	90,552.46			100.00
Total Operations Excluded from "CAPS"	1,563,498.20	1,563,498.20	1,345,911.41	203,500.00	14,086.79	

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #6

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Detail:						
Salaries and Wages	\$ 166,002.74	\$ 166,002.74	\$ 166,002.74	\$	\$	\$
Other Expenses	1,397,495.46	1,397,495.46	1,179,908.67	203,500.00	14,086.79	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	385,000.00	385,000.00	385,000.00			
<u>DEFERRED CHARGES</u>						
Special Emergency Authorizations	50,000.00	50,000.00	50,000.00			
Prior Year Bills	4,065.00	4,065.00	4,065.00			
	54,065.00	54,065.00	54,065.00			
<u>MUNICIPAL DEBT SERVICE</u>						
Payment of Bond Principal	845,000.00	845,000.00	845,000.00			1.32
Payment of Bond Anticipation Notes	23,800.00	23,800.00	23,800.00			1.32
Interest on Bonds	163,990.00	163,990.00	163,990.00			
Interest on Notes	4,920.00	4,920.00	4,918.68			
	1,037,710.00	1,037,710.00	1,037,708.68			
Total Appropriations Excluded from "CAPS"	3,040,273.20	3,040,273.20	2,822,685.09	203,500.00	14,086.79	1.32
Sub-Total Appropriations	10,335,820.06	10,335,820.06	9,699,171.31	454,221.21	182,426.22	1.32
Reserve for Uncollected Taxes	369,000.00	369,000.00	369,000.00			
Total Appropriations	\$ 10,704,820.06	\$ 10,704,820.06	\$ 10,068,171.31	\$ 454,221.21	\$ 182,426.22	\$ 1.32
Reference	A-2	Sheet #7	A-1, Sheet #7	AA-1	AA-1	A-1, Reserve

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #7

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 10,654,820.06	\$
Appropriated by 40A:4-87	A-2	50,000.00	
Reserve for Uncollected Taxes	A-2a		369,000.00
Cash Disbursed	A-4		9,113,618.85
Reserve for Federal and State Grants	A-11		90,552.46
Special Emergency Appropriation 40A:4-53	A-15		50,000.00
Reserve for Term Bonds Payable	A-22		445,000.00
		<u>\$ 10,704,820.06</u>	<u>\$ 10,068,171.31</u>
	<u>Reference</u>	<u>Sheet #6</u>	<u>Sheet #6</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Animal Control Fund</u>			
Cash	B-3	\$ 327.83	\$ 534.18
<u>General Trust Fund</u>			
Cash	B-3	1,261,819.10	1,325,980.78
Due from Current Fund	B-8	1,152.14	
		<u>1,262,971.24</u>	<u>1,325,980.78</u>
<u>Municipal Open Space Trust Fund</u>			
Cash	B-3	190,812.45	82,445.68
<u>Length of Service Award Programs - Unaudited</u>			
Investments	Reserve	532,586.12	644,529.84
		<u>\$1,986,697.64</u>	<u>\$2,053,490.48</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Fund</u>			
Reserve for Animal Control Expenditures	B-1	\$ 326.63	\$ 32.98
Due to State of New Jersey	B-5.	1.20	1.20
Due to Current Fund	B-6		500.00
		<u>327.83</u>	<u>534.18</u>
<u>General Trust Fund</u>			
Due to Current Fund - Payroll	B-7	572.03	10.08
Reserve for Expenditures	B-9	1,257,338.10	1,303,850.83
Payroll Deductions Payable	B-10	950.05	16,905.96
Reserve for State Unemployment			
Compensation Insurance	B-2	4,111.06	5,213.91
		<u>1,262,971.24</u>	<u>1,325,980.78</u>
<u>Municipal Open Space Trust Fund</u>			
Reserve for Open Space	B-11	190,812.45	82,445.68
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs	Reserve	532,586.12	644,529.84
		<u>\$1,986,697.64</u>	<u>\$2,053,490.48</u>

See accompanying notes to financial statements.



BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Cash	C-2	\$ 2,117,662.78	\$ 1,709,546.26
Grants Receivable	C-4	861,272.12	572,645.81
Deferred Charges to Future Taxation:			
Funded	C-6	6,420,000.00	6,820,000.00
Unfunded	C-7	<u>8,432,685.19</u>	<u>5,867,492.54</u>
		<u>\$17,831,620.09</u>	<u>\$14,969,684.61</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-13	\$ 6,420,000.00	\$ 6,820,000.00
Bond Anticipation Notes	C-14	6,750,000.00	5,085,146.00
Due to Current Fund	C-5	529.35	
Capital Improvement Fund	C-8	302,429.25	8,352.25
Reserve for Preliminary Engineering Services	C-9	15,037.50	20,000.00
Reserve for Grants Receivable	C-10	106,272.12	212,645.81
Improvement Authorizations:			
Funded	C-11	11,647.89	153,546.06
Unfunded	C-11	4,188,547.76	2,631,861.60
Reserve to Pay Debt	C-12		23,800.00
Fund Balance	C-1	<u>37,156.22</u>	<u>14,332.89</u>
		<u>\$17,831,620.09</u>	<u>\$14,969,684.61</u>
 Bonds and Notes Authorized but Not Issued	 C-15	 <u>\$ 1,682,685.19</u>	 <u>\$ 782,346.54</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>		
Balance December 31, 2021	C		\$14,332.89
Increased by:			
Premium on Sale of Notes	C-2	\$29,767.50	
Improvement Authorizations:			
Cancelled	C-11	<u>11,020.00</u>	
			<u>40,787.50</u>
			55,120.39
Decreased by:			
Anticipated as Current Fund Revenue	C-2	2,964.17	
Funded 2022 Improvement Authorizations	C-11	<u>15,000.00</u>	
			<u>17,964.17</u>
Balance December 31, 2022	C		<u><u>\$37,156.22</u></u>

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 529,941.09	\$ 314,156.83
Consumer Accounts Receivable	D-7	220,613.54	229,110.43
Due from Water Capital Fund	D-8	793.74	1.45
		<u>751,348.37</u>	<u>543,268.71</u>
<u>Deferred Charges</u>			
Emergency Appropriation	D-9		<u>80,000.00</u>
<u>Capital Fund</u>			
Cash	D-5	334,496.57	15,120.92
Fixed Capital	D-10	3,987,183.72	3,286,357.08
Fixed Capital Authorized and Uncompleted	D-11	529,408.43	7,719.07
		<u>4,851,088.72</u>	<u>3,309,197.07</u>
		<u>\$5,602,437.09</u>	<u>\$3,932,465.78</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,12	\$ 164,383.21	\$ 37,966.06
Unencumbered	D-4,12	6,269.88	95,885.75
Water Overpayments	D-13	20,490.08	25,395.40
Reserve for Term Bonds Payable	D-14	130,000.00	65,000.00
Accrued Interest on Bonds	D-15	1,974.00	2,050.00
		<u>323,117.17</u>	<u>226,297.21</u>
Reserve for Receivables		220,613.54	229,110.43
Fund Balance	D-1	207,617.66	167,861.07
		<u>751,348.37</u>	<u>623,268.71</u>
<u>Capital Fund</u>			
Serial Bonds Payable	D-16	188,000.00	188,000.00
Bond Anticipation Notes Payable	D-17	1,000,000.00	
Improvement Authorizations:			
Funded	D-18	337.07	7,719.07
Unfunded	D-18	529,071.36	
Deferred Reserve for Amortization	D-19	29,000.00	69,000.00
Capital Improvement Fund	D-20	24,884.40	7,400.40
Due to Water Operating Fund	D-21	793.74	1.45
Reserve for Amortization	D-22	3,074,592.15	3,037,076.15
Fund Balance	D-2	4,410.00	
		<u>4,851,088.72</u>	<u>3,309,197.07</u>
		<u>\$5,602,437.09</u>	<u>\$3,932,465.78</u>
 Bonds and Notes Authorized but Not Issued	 D-23	 <u>\$ 225,000.00</u>	 <u>\$ -</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - OPERATING FUND - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3,Below	\$ 87,000.00	\$ 60,000.00
Rents	D-3	1,817,327.63	1,725,923.14
Miscellaneous Revenue	D-3	66,771.71	32,066.33
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves	D-12	18.25	110.08
		<u>1,971,117.59</u>	<u>1,818,099.55</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		228,645.00	229,805.00
Other Expenses		1,402,084.00	1,375,707.00
Capital Improvement Fund		15,000.00	15,000.00
Municipal Debt Service		72,820.00	72,529.33
Deferred Charges and Statutory			
Expenditures		125,812.00	40,697.00
Surplus (General Budget)			65,000.00
	D-4	<u>1,844,361.00</u>	<u>1,798,738.33</u>
Excess in Revenue		126,756.59	19,361.22
Adjustment to Income Before Fund Balance:			
Expenditure Included Above Which Are by			
Statute Deferred Charges to Budget of			
Succeeding Year			80,000.00
Statutory Excess in Revenue		126,756.59	99,361.22
<u>Fund Balance</u>			
Balance January 1	D	<u>167,861.07</u>	<u>128,499.85</u>
		294,617.66	227,861.07
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>87,000.00</u>	<u>60,000.00</u>
Balance December 31	D	<u>\$ 207,617.66</u>	<u>\$ 167,861.07</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

STATEMENT OF FUND BALANCE  
CAPITAL FUND - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Increased by:		
Premium on Note Sale	D-5	<u>\$4,410.00</u>
Balance December 31, 2022	D	<u><u>\$4,410.00</u></u>

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	D-1	\$ 87,000.00	\$ 87,000.00	\$
Rents	D-1,7	1,725,461.00	1,817,327.63	91,866.63
Miscellaneous	D-1,Below	<u>31,900.00</u>	<u>66,771.71</u>	<u>34,871.71</u>
	D-4	<u>\$1,844,361.00</u>	<u>\$1,971,099.34</u>	<u>\$126,738.34</u>
<u>Analysis of Miscellaneous Revenue</u>				
Interest Earned in Water Capital Fund	D-8		\$ 792.29	
Other Water Charges		\$ 56,780.54		
Interest on Investments		<u>9,198.88</u>		
Miscellaneous Cash Receipts	D-5		<u>65,979.42</u>	
Miscellaneous Revenue	Above		<u>\$ 66,771.71</u>	

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	
				<u>Encumbered</u>	<u>Unencumbered</u>
<u>Operating</u>					
Salaries and Wages	\$ 228,645.00	\$ 228,645.00	\$ 225,191.51	\$	\$ 3,453.49
Other Expenses	1,402,084.00	1,402,084.00	1,235,037.57	164,383.21	2,663.22
<u>Capital Improvements</u>					
Capital Improvement Fund	15,000.00	15,000.00	15,000.00		
<u>Debt Service</u>					
Payment of Bond Principal	65,000.00	65,000.00	65,000.00		
Interest on Bonds	7,820.00	7,820.00	7,820.00		
<u>Statutory and Deferred Expenditures</u>					
Social Security System	17,425.00	17,425.00	17,271.83		153.17
Contribution to Public Employees'					
Retirement System	28,387.00	28,387.00	28,387.00		
Deferred Charges	80,000.00	80,000.00	80,000.00		
	<u>\$1,844,361.00</u>	<u>\$1,844,361.00</u>	<u>\$1,673,707.91</u>	<u>\$164,383.21</u>	<u>\$ 6,269.88</u>
<u>Reference</u>		<u>D-1,3</u>	<u>Below</u>	<u>D</u>	<u>D</u>
<u>Ref.</u>					
Cash Disbursed			\$1,520,887.91		
Deferred Charges			80,000.00		
Reserve for Term Bonds			65,000.00		
Accrued Interest on Bonds			7,820.00		
			<u>\$1,673,707.91</u>		

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2021</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 60,949.23	\$ 21,522.53
<u>Deferred Charges</u>			
Emergency Appropriation	E-8	21,000.00	
		<u>81,949.23</u>	<u>21,522.53</u>
<u>Capital Fund</u>			
Cash	E-5	3,314.73	17,214.66
Fixed Capital	E-9	1,547,101.92	1,507,827.14
Fixed Capital Authorized and Uncompleted	E-10	453,189.88	42,464.66
		<u>2,003,606.53</u>	<u>1,567,506.46</u>
		<u>\$2,085,555.76</u>	<u>\$1,589,028.99</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	E-4,11	\$ 471.00	\$ 11,121.93
Unencumbered	E-4,11	9.37	195.29
Reserve for Accrued Interest on Bonds	E-13	1,200.00	1,200.00
Reserve for Accrued Interest on Notes	E-14	0.48	
Fund Balance	E-1	80,268.38	9,005.31
		<u>81,949.23</u>	<u>21,522.53</u>
<u>Capital Fund</u>			
Serial Bonds Payable	E-19	200,000.00	225,000.00
Bond Anticipation Notes Payable	E-20	85,000.00	60,000.00
Improvement Authorizations:			
Unfunded	E-15	453,189.88	42,464.66
Reserve for Amortization	E-17	1,207,041.80	1,178,291.80
Deferred Reserve for Amortization	E-18	58,000.00	61,750.00
Fund Balance	E-2	374.85	
		<u>2,003,606.53</u>	<u>1,567,506.46</u>
		<u>\$2,085,555.76</u>	<u>\$1,589,028.99</u>
 Bonds and Notes Authorized but Not Issued	 E-21	 \$ 450,250.00	 \$ 25,250.00

See accompanying notes to financial statements.



BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS

E-1

	<u>Ref.</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Revenue and Other Income</u>			
Surplus Anticipated	E-3,Below	\$ 4,500.00	\$
Membership Fees	E-3	222,365.00	183,090.00
Guest Fees	E-3	24,218.75	18,676.00
Rentals	E-3	10,000.00	10,000.00
Interest on Investments	E-3	804.15	17.49
CARES Reimbursement			2,867.54
Snack Bar	E-3	11,668.00	
Deficit General Budget			27,033.21
Nonbudget Revenue	E-5	465.00	6,804.50
Other Credits to Income:			
Appropriation Reserves Lapsed	E-11	459.82	17.69
		<u>274,480.72</u>	<u>248,506.43</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations:			
Salaries and Wages		118,300.00	78,010.00
Other Expenses		55,465.00	44,722.00
Capital Improvements		4,520.00	18,780.00
Debt Service		29,974.00	30,175.00
Statutory Expenditures and Deferred Charges		9,050.00	69,997.24
Prior Year's Bills		2,408.65	
	E-4	<u>219,717.65</u>	<u>241,684.24</u>
Excess in Revenue		54,763.07	6,822.19
Adjustment to Income Before Fund Balance			
Expenditures Included Above Which are by			
Statute Deferred Charges to Budget of			
Succeeding Year	E-8	<u>21,000.00</u>	
Statutory Excess in Revenue		75,763.07	6,822.19
<u>Fund Balance</u>			
Balance January 1	E	<u>9,005.31</u>	<u>2,183.12</u>
		84,768.38	9,005.31
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>4,500.00</u>	
Balance December 31	E	<u>\$ 80,268.38</u>	<u>\$ 9,005.31</u>

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

STATEMENT OF FUND BALANCE  
CAPITAL FUND - REGULATORY BASIS

E-2

	<u>Ref.</u>	
Increased by:		
Premium on Sale of Notes	E-5	<u>\$374.85</u>
Balance December 31, 2022	E	<u><u>\$374.85</u></u>

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

STATEMENT OF REVENUE - REGULATORY BASIS

E-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Surplus Anticipated	E-1	\$ 4,500.00	\$ 4,500.00	\$
Membership Fees	E-1,5	160,400.65	222,365.00	61,964.35
Guest Fees	E-1,5	17,000.00	24,218.75	7,218.75
Rental of Pool	E-1,5	10,000.00	10,000.00	
Interest on Investments	E-1,5	17.00	804.15	787.15
Snack Bar	E-1,5	<u>6,800.00</u>	<u>11,668.00</u>	<u>4,868.00</u>
	E-4	<u>\$198,717.65</u>	<u>\$273,555.90</u>	<u>\$74,838.25</u>

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-4

<u>Appropriation</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	
				<u>Encumbered</u>	<u>Unencumbered</u>
<u>Operating</u>					
Salaries and Wages	\$118,300.00	\$118,300.00	\$118,297.96	\$	\$ 2.04
Other Expenses	55,465.00	55,465.00	55,457.89		7.11
<u>Capital Improvements</u>					
Capital Outlay	4,520.00	4,520.00	4,520.00		
<u>Deferred Charges</u>					
Prior Years Bills	2,408.65	2,408.65	1,937.65	471.00	
<u>Debt Service</u>					
Payment of Bond Principal	25,000.00	25,000.00	25,000.00		
Interest on Bonds	4,800.00	4,800.00	4,800.00		
Interest on Notes	174.00	174.00	174.00		
<u>Statutory Expenditures</u>					
Social Security System	9,050.00	9,050.00	9,049.78		0.22
	<u>\$219,717.65</u>	<u>\$219,717.65</u>	<u>\$219,237.28</u>	<u>\$ 471.00</u>	<u>\$ 9.37</u>
<u>Reference</u>		<u>E-1,Below</u>	<u>Below</u>	<u>E</u>	<u>E</u>
	<u>Ref.</u>				
Adopted Budget	E-3	\$198,717.65	\$		
Cash Disbursed	E-5		214,263.28		
Emergency Appropriation	E-8	21,000.00			
Accrued Interest on Bonds	E-13		4,800.00		
Accrued Interest on Notes	E-14		174.00		
	Above	<u>219,717.65</u>	<u>\$219,237.28</u>		

See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>Trust Fund Account #1</u>			
Cash	F-1	<u>\$3,368.73</u>	<u>\$3,329.80</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Due to State of New Jersey	F-2	\$ 442.31	\$ 442.31
Reserve for Expenditures	F-3	<u>2,926.42</u>	<u>2,887.49</u>
		<u>\$3,368.73</u>	<u>\$3,329.80</u>

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See accompanying notes to financial statements.

BOROUGH OF NORTH CALDWELL  
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	Balance <u>Dec. 31, 2022</u>	Balance <u>Dec. 31, 2021</u>
Land	\$ 12,459,200.00	\$ 12,750,500.00
Buildings and Building Improvements	5,699,500.00	5,408,200.00
Machinery and Equipment	<u>6,515,955.00</u>	<u>5,494,670.00</u>
	<u>\$ 24,674,655.00</u>	<u>\$ 23,653,370.00</u>
 <u>RESERVES</u>		
Investment in Capital Fixed Assets	<u>\$ 24,674,655.00</u>	<u>\$ 23,653,370.00</u>

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See accompanying notes to financial statements.

***NOTES TO FINANCIAL STATEMENTS***

**BOROUGH OF NORTH CALDWELL**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of North Caldwell is organized as a Mayor-Council municipality under the provisions of N.J.S. 40A:60-1 et seq. The Mayor is elected in a general election for a term of four years. There are six councilpersons each elected in a general election to serve a term of three years. Each member of the Council carries the power of one legislative vote.

The Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Borough of North Caldwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S. 40A:5-5.

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

**Description of Funds**

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The accounting policies of the Borough of North Caldwell conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. 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 of North Caldwell accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund and General Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

#### **Description of Funds (Continued)**

Utility Funds - Water and Swimming Pool Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Borough of North Caldwell pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund. The activity of this fund has been transferred to the County of Essex, State of New Jersey.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

#### **Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

##### **Property Taxes and Other Revenue**

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

##### **Grant Revenue**

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of North Caldwell's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

##### **Expenditures**

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Basis of Accounting (Continued)**

**Expenditures (Continued)**

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances**

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves**

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

**Compensated Absences**

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

**Property Acquired for Taxes**

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at market value on the date of acquisition.

**Self-Insurance Contributions**

Contributions to the State Unemployment Insurance Trust Fund are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

**Interfunds Receivable**

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

#### **Basis of Accounting (Continued)**

##### **Inventories of Supplies**

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of material and supplies for Water and Swimming Pool Utilities is required, by regulation, to be prepared by Borough personnel for inclusion on the Water and Swimming Pool Utility Operating Funds balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

##### **Capital Fixed Assets**

General:

A capital fixed assets accounting system was not established in accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services which differs in certain respects from GAAP.

GAAP requires that fixed assets be capitalized as historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Swimming Pool Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Basis of Accounting (Continued)**

**Capital Fixed Assets (Continued)**

Utilities: (Continued)

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

**Volunteer Length of Service Award Plan (LOSAP)**

The Borough has established a volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's Volunteer Fire Department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(e)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

**C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough of North Caldwell presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**D. Recent Accounting Pronouncements Not Yet Effective**

- *GASB Statement No.94. Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The Borough does not expect this Statement to impact the financial statements.

- *GASB Statement No. 96. Subscription-Based Information Technology Arrangements.* This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments) This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **D. Recent Accounting Pronouncements Not Yet Effective (Continued)**

- **GASB Statement No. 99. Summaries/Status.** The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) Accounting and financial reporting for financial guarantees.

Effective Date: The requirements of this Statement that are effective are as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Borough does not expect this Statement to impact its financial statements.

- **GASB No.101 Compensated Absences.** The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Borough does not expect this Statement to impact its financial statements.

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

### **A. Cash and Cash Equivalents**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

The Borough considers petty cash, change funds and cash in banks as cash and cash equivalents.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

### A. Cash and Cash Equivalents (Continued)

The market value of the collateral must equal 5 percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Cash equivalents include money market funds, mutual funds, cash management funds and certificates of deposit with maturity dates of less than three months. Investments include certificates of deposit with maturity dates of more than three months. Cash equivalents and investments are stated at cost, which approximates market. Cash equivalents and investments were held by the Borough's Trustee in the Borough's name.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Borough does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Borough's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations - The Borough's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets.

As of December 31, 2022 and 2021, the Borough's cash, cash equivalents and investments consisted of:

	<u>2022</u>	<u>2021</u>
Valley Bank - Checking Accounts	\$ 8,206,249.54	\$ 7,552,125.21
TD North Bank - Checking Accounts	986,989.98	1,095,834.78
Spencer Savings Bank - Checking Accounts	539,799.37	312,349.43
AIG Retirement - Investments	<u>532,586.12</u>	<u>644,529.84</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 10,265,625.01</u>	<u>\$ 9,604,839.26</u>

During the year the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2022 and 2021, no such investments were held by the Borough.

As of December 31, 2022 and 2021, the Borough had no investments.

### B. Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

### **B. Investments (Continued)**

- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of state laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

### **C. Risk Category**

As of December 31, 2022, the Borough had funds invested and on deposit in checking accounts. The amount of the Borough's cash and cash equivalents as of December 31, 2022 was \$10,265,625.01. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities that the Borough held that could be categorized as investments.

## **3. TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years.

#### Comparative Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$2.179</u>	<u>\$2.096</u>	<u>\$2.375</u>	<u>\$2.343</u>	<u>\$2.359</u>
Apportionment of Tax Rate:					/
Municipal	\$0.394	\$0.374	\$0.398	\$0.398	\$0.391
Municipal Open Space	0.016	0.013	0.015		
County	0.457	0.470	0.548	0.545	0.570
Local School	0.780	0.746	0.847	0.838	0.827
Regional High School	0.532	0.493	0.567	0.562	0.571

#### Assessed Valuations

<u>Year</u>	<u>Amount</u>
2022	\$1,893,222,200.00
2021	1,659,555,400.00
2020	1,639,509,600.00
2019	1,619,144,100.00
2018	1,611,904,500.00

#### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>		<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$41,384,762.97	*	\$41,180,794.21	99.50 %
2021	40,077,667.77	*	39,875,295.18	99.49
2020	39,301,631.09	*	39,031,281.03	99.31
2019	38,185,434.16		37,956,965.13	99.40
2018	38,149,603.73	*	37,809,810.72	99.10

\*Net of reductions due to tax appeals.

#### Delinquent Taxes and Tax Liens

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$202,783.38	\$63.55	\$202,846.93	0.49 %
2021	202,383.67	63.55	202,447.22	0.51
2020	265,712.83	63.55	265,776.38	0.68
2019	228,469.03	63.55	228,532.58	0.60
2018	373,845.19	63.55	373,908.74	0.98



#### **4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The total value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuations of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2022	\$310,900.00
2021	310,900.00
2020	310,900.00
2019	310,900.00
2018	310,900.00

#### **5. WATER CONSUMER ACCOUNTS RECEIVABLE**

The Borough of North Caldwell maintains a utility fund for the billing and collection of water rents.

A comparison of Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2022	\$1,808,830.74	\$1,817,327.63
2021	1,727,895.92	1,725,923.14
2020	1,716,373.18	1,621,279.54
2019	1,473,604.45	1,481,161.56
2018	1,450,089.50	1,505,784.59

\*Includes Collections of Prior Year Balances.

#### **6. SWIMMING POOL UTILITY INCOME**

A comparison of memberships and guest fees for the past five years are as follows:

<u>Year</u>	<u>Memberships</u>	<u>Guests</u>
2022	\$222,365.00	\$24,218.75
2021	183,090.00	18,676.00
2020	77,871.00	- **
2019	151,145.00	16,019.00
2018	143,120.00	12,620.00

\*\*No guest fees sold due to COVID-19.

## 7. FUND BALANCES APPROPRIATED

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2022	\$2,140,695.30	\$958,599.08
	2021	1,780,787.35	790,500.00
	2020	1,800,157.53	762,000.00
	2019	2,070,172.68	907,591.00
	2018	1,830,540.21	505,000.00
Water Utility Operating Fund:	2022	207,617.66	50,000.00
	2021	167,861.07	87,000.00
	2020	128,499.85	60,000.00
	2019	190,509.73	156,500.00
	2018	384,049.52	219,172.00
Swimming Pool Utility Operating Fund:	2022	80,268.38	4,500.00
	2021	9,005.31	4,500.00
	2020	2,183.12	-
	2019	26,462.12	24,279.00
	2018	38,217.35	30,000.00

## 8. PENSION PLANS

### Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost-sharing multiple-employer plan.

The amount of the Borough's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

## 8. PENSION PLANS (Continued)

### Description of Systems (Continued)

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

	PERS		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Covered Employee Payroll	\$ 1,339,519.00	\$ 1,256,595.00	\$ 1,241,449.00
Total Payroll	4,157,993.00	3,958,622.00	3,907,772.94
Actuarial Contribution			
Requirements	224,155.00	202,765.00	165,117.00
Total Contributions	324,619.00	297,020.00	258,226.00
Employer Share	224,155.00	202,765.00	165,117.00
% of Covered Payroll	16.73%	16.14%	13.30%
Employee's Share	100,464.00	94,255.00	93,109.00
% of Covered Payroll	7.50%	7.50%	7.50%

  

	PFRS		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Covered Employee Payroll	\$ 1,941,538.00	\$ 1,780,155.00	\$ 1,772,153.00
Total Payroll	4,157,993.00	3,958,622.00	3,907,772.94
Actuarial Contribution			
Requirements	684,516.00	595,689.00	584,112.00
Total Contributions	878,670.00	773,705.00	761,327.00
Employer Share	684,516.00	595,689.00	584,112.00
% of Covered Payroll	35.26%	33.46%	32.96%
Employee's Share	194,154.00	178,016.00	177,215.00
% of Covered Payroll	10.00%	10.00%	10.00%

### **Assumptions**

The collective total PERS pension liability for June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PERS. The pension liability was rolled forward to June 30, 2022. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through 2026 of 2.75% to 6.55% for PERS based on years of service and an investment rate of return of 7.00%.

The collective total PFRS pension liability for June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 using an actuarial experience study for the period July 1, 2018 to June 30, 2021 for PFRS. The pension liability was rolled forward to June 30, 2022. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through all future years 3.25% to 16.25% for PFRS based on years of service and an investment rate of return of 7.00%.

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

## **8. PENSION PLANS (Continued)**

### ***Assumptions (Continued)***

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

The discount rate used to measure the total pension liability was 7.00% for PERS as of June 30, 2022 and 7.00% for PFRS as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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 to determine the total pension liability. More information on mortality rates and other assumptions and investment policies can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

### ***Public Employees' Retirement System:***

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state of local jurisdiction.

### **Significant Legislation**

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system. Provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

## 8. PENSION PLANS (Continued)

### Public Employees' Retirement System: (Continued)

#### Significant Legislation (Continued)

The following presents the Borough's proportionate share of the Collective PERS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2022 and 2021, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

#### Sensitivity of the Borough's Proportionate Share of the Collective PERS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$ 3,452,742</u>	<u>\$ 2,682,537</u>	<u>\$ 2,027,061</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2021	<u>\$ 2,801,068</u>	<u>\$ 2,051,082</u>	<u>\$ 2,027,914</u>

#### Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, is Chapter 366, P.L. 2001. The amounts contributed on behalf of the local participating employers 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. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employers:

	<u>2022</u>	<u>2021</u>
Employer Net Pension Liability	\$ 2,682,537.00	\$ 2,051,082.00
Nonemployer Proportional Share of the Net Pension Liability	<u>22,718.00</u>	<u>21,865.00</u>
	<u>\$ 2,705,255.00</u>	<u>\$ 2,072,947.00</u>

## 8. PENSION PLANS (Continued)

### ***Police and Firemen's Retirement System:***

The Police and Firemen's Retirement System (PFRS) was 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 and firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PFRS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

The following presents the Borough's proportionate share of the Collective PFRS net pension liability calculated using the discount rate of 7.00% and 7.00% as of June 30, 2022 and 2021, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

### ***Sensitivity of the Borough's Proportionate Share of the Collective PFRS Net Pension Liability to Changes in the Discount Rate***

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2022	<u>\$ 8,665,265</u>	<u>\$ 6,024,523</u>	<u>\$ 3,826,091</u>
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2021	<u>\$ 6,217,503</u>	<u>\$ 3,735,834</u>	<u>\$ 1,670,112</u>

## 8. PENSION PLANS (Continued)

### Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State 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 local participating employers 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 non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer:

	<u>2022</u>	<u>2021</u>
Employer Net Pension Liability	\$ 6,024,523	\$ 3,735,834
Non-employer Proportionate Share of the Net Pension Liability	<u>1,072,189</u>	<u>1,050,703</u>
	<u><u>\$ 7,096,712</u></u>	<u><u>\$ 4,786,537</u></u>

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

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2022 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022.

Following is the total of the Borough's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2022 for PERS and June 30, 2022 for PFRS:

	<u>PERS</u> <u>June 30, 2022</u>	<u>PFRS</u> <u>June 30, 2022</u>
Net Pension Liabilities	\$ 2,682,537	\$ 6,024,523
Deferred Outflow of Resources	525,003	1,157,484
Deferred Inflow of Resources	658,968	1,319,245
Pension Expense	(499,885)	8,068
Contributions Made After Measurement Date	224,155	684,516

## 8. PENSION PLANS (Continued)

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2022 and 2021 and for the years ended June 30, 2022 and 2021 to the PFRS. The Borough's proportionate share of the collective net pension liability as of June 30, 2022 and 2021 was .0177752945 and .0173138238% for PERS. The Borough's proportionate share of the collective net pension liability as of June 30, 2022 and 2021 was .05263267% and .0511117323% for PFRS.

It is important to note that New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements.

At June 30, 2022, the amount determined as the Borough's proportionate share of the PERS net pension liability was \$2,682,537. For the year ended June 30, 2022, the Borough would have recognized PERS pension expense of \$(499,885). At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follow:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Experience	\$ 19,361	\$ 17,074
Change of Assumptions	8,311	401,682
Net Difference Between Projected and Actual Investment Earnings	111,028	
Net Change in Proportions	386,303	240,152
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>224,155</u>	<u>          </u>
	<u><u>\$749,158</u></u>	<u><u>\$658,908</u></u>

At June 30, 2022, the amount determined as the Borough's proportionate share of the PFRS net pension liability was \$6,024,523. For the year ended June 30, 2022, the Borough would have recognized PFRS pension expense of \$8,068. At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:



## 8. PENSION PLANS (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 272,686	\$ 369,084
Change of Assumptions	16,511	758,368
Net Difference Between Projected and Actual Investment Earnings	551,669	
Net Change in Proportions	316,618	191,793
Total Contributions and Proportionate Share of Contributions After the Measurement Date	684,516	
	<u>\$ 1,842,000</u>	<u>\$ 1,319,245</u>

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

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

### ***Contributions Required and Made***

Contributions made by employees for PERS and PFRS are currently 7.50% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

## 8. PENSION PLANS (Continued)

### Contributions Required and Made (Continued)

Year	PERS		PFRS	
	Borough	Employees	Borough	Employees
2022	\$ 302,765.00	\$ 103,609.00	\$ 595,689.00	\$ 194,544.00
2021	165,117.00	118,805.00	584,112.00	223,259.00
2020	154,959.00	100,726.00	510,732.00	177,215.00

## 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 8, the Borough provides postemployment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

### General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. 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 drugs to retirees and their covered dependents of the 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) retired 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) retired 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.

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 providing 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 of coverage.

### Total OPEB Liability

At December 31, 2022, the Borough had a liability of \$4,711,644 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2022, the Borough's proportion was .029175% which was a decrease of .0134590% from its proportion measured as of June 30, 2022.

## 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Total OPEB Liability (Continued)

For the year ended December 31, 2022, the Borough would have recognized OPEB expense of \$38,556. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 628,788	\$ 1,607,993
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,240	
Difference Between Expected and Actual Experience	243,314	873,339
Changes in Proportion and Differences Between the Borough's Contributions and Proportionate Share of Contributions	888,870	636,052
Total	<u>\$ 1,762,212</u>	<u>\$ 3,117,384</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) would be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ (426,942)
2024	(427,318)
2025	(337,447)
2026	(150,706)
2027	(33,788)
2028-2029	(231,789)

### Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.82 and 7.82 years for the 2022 and 2021 amounts, respectively.

### Actual Assumptions and Other Inputs

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2021 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the period July 1, 2018 to June 30, 2021.

## 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### Actual Assumptions and Other Inputs (Continued)

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

The total OPEB liability for June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS):	
Initial Fiscal Year Applied:	
Rate All Future Years	2.75% - 6.55%
	Based on Years of Service
Police and Firemen's Retirement System (PFRS):	
Rate for All Future Years	3.25% - 16.25%
	Based on Years of Service
Mortality:	
PERS	Pub-2010 General Classification Headcount-Weighted Mortality with Generational Mortality Improvement Projections from the Central Year Using Scale MP-2021
PFRS	Pub-2010 Safety Classification Headcount-Weighted Mortality with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2021

\*Salary Increases are Based on Years of Service Within the Respective Plan.

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

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

### Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

### Discount Rate

The discount rate for June 30, 2022 and 2021 was 3.54% and 2.16%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>2.54%</u>	At Current Discount Rate <u>3.54%</u>	1% Increase <u>4.54%</u>
Borough's Proportionate Share of Net OPEB Liability	\$ 5,461,744	\$ 4,711,644	\$ 4,108,119

  

	June 30, 2021		
	1% Decrease <u>1.16%</u>	At Current Discount Rate <u>2.16%</u>	1% Increase <u>3.16%</u>
Borough's Proportionate Share of Net OPEB Liability	\$ 9,030,858	\$ 7,674,027	\$ 6,598,709

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2022		
	1% <u>Decrease</u>	Healthcare Cost Trend Rate <u>          </u>	1% <u>Increase</u>
Borough's Proportionate Share of Net OPEB Liability	\$ 3,997,030	\$ 4,711,644	\$ 5,626,865

  

	June 30, 2021		
	1% <u>Decrease</u>	Healthcare Cost Trend Rate <u>          </u>	1% <u>Increase</u>
Borough's Proportionate Share of Net OPEB Liability	\$ 6,402,723	\$ 7,674,027	\$ 9,332,921

**Special Funding Situation**

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

## **9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

### **Special Funding Situation (Continued)**

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Borough as of December 31, 2022 has 28 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Borough is \$5,746,138.

## **10. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

### **Description of System**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

## 10. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

### Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. The employer contribution is 4.05% which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages.

During the year 2022, there were six (6) officials/employees enrolled in the DCRP.

## 11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. 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. Pursuant to N.J.S.A. 40A:2-8.1, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

### Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 13,170,000.00	\$ 11,905,146.00	\$ 11,343,071.00
Water Utility:			
Bonds and Notes	1,188,000.00	188,000.00	188,000.00
Swimming Pool Utility:			
Bonds and Notes	285,000.00	285,000.00	250,000.00
Total Issued	<u>14,643,000.00</u>	<u>12,378,146.00</u>	<u>11,781,071.00</u>
<u>Authorized but Not Issued</u>			
General Capital Fund:			
Bonds and Notes	1,682,685.19	782,346.54	1,214,700.33
Water Utility:			
Bonds and Notes	225,000.00		
Swimming Pool Utility:			
Bonds and Notes	450,250.00	25,250.00	14,000.00
Total Authorized but Not Issued	<u>2,357,935.19</u>	<u>807,596.54</u>	<u>1,228,700.33</u>
Total Debt	<u>17,000,935.19</u>	<u>13,185,742.54</u>	<u>13,009,771.33</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 17,000,935.19</u>	<u>\$ 13,185,742.54</u>	<u>\$ 13,009,771.33</u>

## 11. MUNICIPAL DEBT (Continued)

### Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.755%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 1,195,073.35	\$1,195,073.35	\$
Water Utility Debt	1,413,000.00	1,413,000.00	
Swimming Pool Utility Debt	721,250.00	721,250.00	
General Debt	14,852,685.19		14,852,685.19
	<u>\$18,182,008.54</u>	<u>\$3,329,323.35</u>	<u>\$14,852,685.19</u>

Net debt, \$14,852,685.19, divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,967,401,201.00 equals 0.755%.

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

3 1/2% of Equalized Valuation Basis	\$ 68,859,042.04
Net Debt	<u>14,852,685.19</u>
Remaining Borrowing Power	<u>\$ 54,006,356.85</u>

### School Debt Deductions

School debt is deductible up to the extent of 2.5% of the Average Equalized Assessed Valuations of real property for the Local School District.

### Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for the Year		\$ 1,971,099.34
Deductions:		
Operating and Maintenance Cost	\$1,691,541.00	
Debt Service per Water Utility Operating Fund	<u>72,820.00</u>	
		<u>1,764,361.00</u>
Excess in Revenue		<u>\$ 206,738.34</u>

There being an "excess in revenue" the Water Utility Debt is considered self-liquidating for debt statement purposes.



# 11. MUNICIPAL DEBT (Continued)

## Calculation of "Self-Liquidating Purposes" Swimming Pool Utility per N.J.S. 40A:2-45

Surplus and Cash Receipts from Fees, Rents or Other Charges for the Year		\$273,555.90
Deductions:		
Operating and Maintenance Cost	\$168,743.65	
Debt Service per Swimming Pool Operating Fund	<u>29,974.00</u>	
		<u>198,717.65</u>
Excess in Revenue		<u>\$ 74,838.25</u>

There being an "excess in revenue", the Swimming Pool Utility Debt is considered self-liquidating for debt statement purposes.

The foregoing debt information is in agreement with the revised Annual Debt Statement as filed by the Chief Financial Officer.

As of December 31, 2022, the Borough's long-term debt is as follows:

### General Obligation Bonds

\$5,445,000, 2008 Bonds due in August 2023.*	<u>\$ 895,000.00</u>
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\*Term Bond already raised as reflected on balance sheet.

\$6,725,000, 2019 Bonds due in annual installments of \$400,000 to \$790,000 through October 2029, interest at 2.00% to 3.00%.	<u>\$ 5,525,000.00</u>
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### Water Utility Bonds

\$958,000, 2008 Bonds due in annual installments of \$58,000 through August 2023, interest at 4.20%.**	<u>\$ 188,000.00</u>
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\*\*The sum of \$130,000.00 has been reserved as this is a Term Bond.

### Swimming Pool Utility Bonds

\$275,000, 2019 Bonds due in annual installments of \$25,000 to \$30,000 through October 2029, interest at 2.00% to 3.00%.	<u>\$ 200,000.00</u>
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### Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	4.50%	<u>\$ 6,750,000.00</u>
Water Operating Fund	4.50%	<u>\$ 1,000,000.00</u>
Swimming Pool Fund	4.50%	<u>\$ 85,000.00</u>

# 11. MUNICIPAL DEBT (Continued)

## Bond Anticipation Notes (Continued)

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

<u>Original Note Issued</u>	<u>Legal Installments Due</u>	<u>Funding Required as of</u>
2016	2019 - 2026	2027
2020	2023 - 2030	2031
2021	2024 - 2031	2032
2022	2025 - 2032	2033

## Schedule of Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Calendar Year</u>	<u>General Bonds - Series 2019</u>		<u>Totals</u>	
	<u>General</u>		<u>General</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 790,000.00	\$ 118,400.00	\$ 790,000.00	\$ 118,400.00
2024	790,000.00	102,600.00	790,000.00	102,600.00
2025	790,000.00	86,800.00	790,000.00	86,800.00
2026	790,000.00	71,000.00	790,000.00	71,000.00
2027	790,000.00	55,200.00	790,000.00	55,200.00
2028	790,000.00	31,500.00	790,000.00	31,500.00
2029	785,000.00	15,700.00	785,000.00	15,700.00
	<u>\$ 5,525,000.00</u>	<u>\$ 481,200.00</u>	<u>\$ 5,525,000.00</u>	<u>\$ 481,200.00</u>

  

<u>Calendar Year</u>	<u>Water Utility Bonds - Series 2008</u>		<u>Pool Utility Bonds - Series 2019</u>		<u>Totals</u>	
	<u>Water</u>		<u>Pool</u>		<u>Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 58,000.00 *	\$ 7,896.00	\$ 25,000.00	\$ 4,300.00	\$ 83,000.00	\$ 12,196.00
2024			25,000.00	3,800.00	25,000.00	3,800.00
2025			30,000.00	3,300.00	30,000.00	3,300.00
2026			30,000.00	2,700.00	30,000.00	2,700.00
2027			30,000.00	2,100.00	30,000.00	2,100.00
2028			30,000.00	1,200.00	30,000.00	1,200.00
2029			30,000.00	600.00	30,000.00	600.00
	<u>\$ 58,000.00</u>	<u>\$ 7,896.00</u>	<u>\$ 200,000.00</u>	<u>\$ 18,000.00</u>	<u>\$ 258,000.00</u>	<u>\$ 25,896.00</u>

\*Term Principal not due until 2023.

## Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2021</u>
General Capital Fund:		
General Improvements	<u>\$1,682,685.19</u>	<u>\$ 782,346.54</u>
Water Utility Capital Fund:		
General Improvements	<u>\$ 225,000.00</u>	
Swimming Pool Utility Capital Fund:		
General Improvements	<u>\$ 450,250.00</u>	<u>\$ 25,250.00</u>

## 12. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2022 and 2021 was as follows:

	<u>Balance Dec. 31, 2021</u>	<u>Additions</u>	<u>Retirement</u>	<u>Reclassification</u>	<u>Balance Dec. 31, 2022</u>
Buildings and Improvements	\$ 5,408,200.00	\$	\$	\$ 291,300.00	\$ 5,699,500.00
Land	12,750,500.00			(291,300.00)	12,459,200.00
Machinery and Equipment	<u>5,494,670.00</u>	<u>1,049,117.00</u>	<u>27,832.00</u>		<u>6,515,955.00</u>
	<u>\$ 23,653,370.00</u>	<u>\$ 1,049,117.00</u>	<u>\$ 27,832.00</u>	<u>\$ -</u>	<u>\$ 24,674,655.00</u>

  

	<u>Balance Dec. 31, 2020</u>	<u>Additions</u>	<u>Retirement</u>	<u>Reclassification</u>	<u>Balance Dec. 31, 2021</u>
Buildings and Improvements	\$ 4,208,700.00	\$ 1,199,500.00	\$	\$	\$ 5,408,200.00
Land	13,189,500.00		439,000.00		12,750,500.00
Machinery and Equipment	<u>5,513,835.00</u>	<u>379,600.00</u>	<u>398,765.00</u>		<u>5,494,670.00</u>
	<u>\$ 22,912,035.00</u>	<u>\$ 1,579,100.00</u>	<u>\$ 837,765.00</u>	<u>\$ -</u>	<u>\$ 23,653,370.00</u>

## 13. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2022, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$1,101.38	\$1,152.14
General Trust Fund	1,152.14	572.03
General Capital Fund		529.35
Water Operating Fund	793.74	
Water Capital Fund		793.74
	<u>\$3,047.26</u>	<u>\$3,047.26</u>

## 14. DEFERRED COMPENSATION PLAN

The Borough of North Caldwell offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 40:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

#### **14. DEFERRED COMPENSATION PLAN (Continued)**

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Borough of North Caldwell authorized such modifications to their plan by resolution of the Borough Council adopted September 9, 1997.

The Administrator for the Borough of North Caldwell's Deferred Compensation Plan is the Variable Annuity Life Insurance Company.

#### **15. DEFERRED SCHOOL TAXES**

The Local School District Tax and the Regional High School Tax were raised on the school year basis and liability deferred by statute, resulting in school taxes payable set forth in liabilities computed as follows:

	Local School District	Regional High School
	Balance	Balance
	<u>Dec. 31, 2022</u>	<u>Dec. 31, 2022</u>
*Balance of Tax	\$7,526,355.46	\$5,034,609.40
Amount Deferred	<u>7,242,800.00</u>	<u>5,034,609.40</u>
Tax Payable	<u>\$ 283,555.46</u>	<u>\$ -</u>

\*Required for school operations for the six month period following December 31<sup>st</sup>.

#### **16. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED**

The Borough has established a volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's Volunteer First Aid and Fire Department Squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a length of service award plan under Section 457(e)11 of the Internal Revenue Code.

**Annual Contributions** - The annual contribution to be made by the Borough for each active volunteer member shall be \$1,150 per year of active emergency service, commencing with the year 2003.

**Appropriations** - Appropriations for the purpose of funding the Borough's LOSAP shall be included as a separate line item in the Borough's budget, commencing with the year 2003.

**Periodic Increases** - Notwithstanding the provisions above, the annual contribution to be made by the Borough for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

**Criteria for Eligibility; Contributions; Points** - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Borough, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

## 16. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED (Continued)

**Determination as to Eligibility** - Each emergency service organization shall provide to the Borough Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate at each January 1 thereafter. The Plan Administrator shall forward said certified list to the Borough Council for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Borough Council as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

**Terms of Participation** - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

**Vesting** - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

**Termination of Service** - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

**Reporting Requirements** - N.J.A.C. 5:30-14.49 requires that the Borough perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

## 17. LEASES

In June 2017, the GASB issued GASB No. 87, Leases.

The Borough has commitments to lease copying equipment under operating leases. The Borough also has financing lease agreements for vehicles, construction equipment and laptops. Future minimum lease payments are as follows:

<u>Year</u>	<u>Financing Leases</u>	<u>Operating Leases</u>
2023	\$ 41,817.99	\$ 8,299.92
2024	40,892.42	8,299.92
2025		8,299.92
2026		8,211.92
2027		1,566.00
Total Future Minimum Lease Payments	<u>\$ 82,710.41</u>	<u>\$ 34,677.68</u>

## 17. LEASES (Continued)

The Borough is also the lessor to several lease agreements involving cell towers and property. These leases were classified as operating leases. Future minimum lease receivables are as follows:

<u>Year</u>	<u>Operating Leases</u>
2023	\$ 137,600.04
2024	137,600.04
2025	137,600.04
2026	137,600.04
2027	<u>137,600.04</u>
Total Future Minimum Lease Payments	<u>\$ 688,000.20</u>

## 18. RISK MANAGEMENT

The Borough maintains a self-insurance program for State Unemployment Compensation.

## 19. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charges are shown on various balance sheets herein:

	<u>Balance Dec. 31, 2022</u>	<u>2023 Budget Appropriation</u>	<u>To be Raised in Budgets of Succeeding Years</u>
Current Fund:			
Special Emergency Authorizations	<u>\$ 100,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>
Swimming Pool Fund	<u>\$ 21,000.00</u>	<u>\$ 21,000.00</u>	

## 20. CONTINGENT LIABILITIES

### A. Compensated Absences

The Borough's policy concerning compensated absences is as follows:

Civilian Personnel - Every permanent employee is granted one (1) working day's sick leave for each month of service; the use of same is restricted to a maximum of 30 days in a calendar year, except with the specific approval of Mayor and Council. No payments are made for unused accumulations.

Police Personnel - All officers are entitled to 150 hours of sick leave per year. Unused time may be accumulated to a maximum sum of 1,400 hours which would be paid as terminal leave upon retirement.

It is estimated that the sum of \$458,636.71 computed internally at the 2022 salary rates would be payable to officials and employees of the Borough of North Caldwell as of December 31, 2022 for accumulated sick days and unused holidays. This amount was not verified by audit.

Provision for the above is not reflected on the Financial Statements of the Borough.

## **20. CONTINGENT LIABILITIES (Continued)**

### **B. Tax Appeals**

There are a number of tax appeals pending as of December 31, 2022. It is impossible to determine the Borough's ultimate liability for these appeals, however, it is not anticipated that this will materially impact the Borough.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Borough to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

### **C. Federal and State Awards**

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2022 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

### **D. Arbitrage Rebate Calculation**

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

### **E. Payments in Lieu of Taxes (PILOT)**

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

### **F. Litigation**

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material impact on the Borough.

## **21. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **22. SUBSEQUENT EVENT**

The Borough of North Caldwell has evaluated subsequent events that occurred after the balance sheet date, but before August 3, 2023 and it was determined that the following item requires disclosure:

Due to the impact of the COVID-19 pandemic, the Borough of North Caldwell implemented several policies to protect the health and safety of its employees and citizens. Certain revenues may not be realized to the extent it was budgeted for in fiscal year 2023.

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

A-4

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2021	A	\$ 3,665,631.45	\$ 366,107.28
Increased by Receipts:			
Nonbudget Revenue	A-2b	\$ 87,637.39	\$
Due from State of New Jersey -			
Per Ch. 129, P.L. 1976	A-5	23,000.00	
Change Funds Returned	A-6	500.00	
Petty Cash Returned	A-7	500.00	
Taxes Receivable	A-8	41,049,974.85	
Interfunds Receivable	A-11	3,018,137.23	
Other Accounts Receivable	A-12	65,534.56	
Revenue Accounts Receivable	A-13	2,319,124.59	
Health Benefits Receivable	A-14	126,137.00	
State Grants Receivable	A-16		72,272.40
Due to State of New Jersey	A-21	12,741.00	
Interfunds Payable	A-23	270,524.78	
Tax Overpayments	A-24	25,840.45	
Prepaid Taxes	A-25	293,538.85	
Municipal Relief Aid	A-28	23,890.22	
Interfunds Payable	A-29		1,775.00
Reserve for State and Federal			
Grants:			
Unappropriated Reserves	A-31		16,245.63
		<u>47,317,080.92</u>	<u>90,293.03</u>
		50,982,712.37	456,400.31
Decreased by Disbursements:			
Prior Years' Refunds	A-1	495.00	
County PILOT	A-1	1,570.50	
Budget Appropriations	A-3	9,113,618.85	
Change Funds Established	A-6	500.00	
Petty Cash Established	A-7	500.00	
Interfunds Receivable	A-11	3,020,503.53	
Health Benefits Receivable	A-14	126,137.00	
Appropriation Reserves	A-17	641,965.62	
County Taxes Payable	A-18	9,022,721.35	
Local School District Tax	A-19	14,309,329.48	
Regional High School Tax	A-20	9,706,099.60	
Due to State of New Jersey	A-21	11,561.00	
Interfunds Payable	A-23	636,639.37	
Tax Overpayments	A-24	38,238.55	
Accounts Payable	A-26	9,229.21	
Various Reserves	A-27	51,242.00	
Appropriated Reserves - Grants	A-30		231,656.39
		<u>46,690,351.06</u>	<u>231,656.39</u>
Balance December 31, 2022	A	<u>\$ 4,292,361.31</u>	<u>\$224,743.92</u>



BOROUGH OF NORTH CALDWELL  
CURRENT FUND

DUE TO STATE OF NEW JERSEY  
PER CHAPTER 129, P.L. 1976

A-5

	<u>Ref.</u>		
Balance December 31, 2021:			
Due to State of New Jersey	A		\$ (1,058.22)
Increased by:			
Exemptions per Tax Duplicate:			
Senior Citizens		\$ 22,250.00	
Veterans			
Deductions Allowed by Tax Collector:			
Senior Citizens and Veterans		<u>500.00</u>	
	A-8		<u>22,750.00</u>
			21,691.78
Decreased by:			
Collections	A-4		<u>23,000.00</u>
Balance December 31, 2022:			
Due to State of New Jersey	A		<u><u>\$ (1,308.22)</u></u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

CHANGE FUND

A-6

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 500.00
Increased by:		
Funds Established	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">500.00</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
		1,000.00
Decreased by:		
Funds Returned	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">500.00</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
Balance December 31, 2022	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$ 500.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>

PETTY CASH FUNDS

A-7

	<u>Funds Established</u>	<u>Funds Returned</u>
Police Chief	\$100.00	\$ 100.00
Recreation Director	200.00	200.00
Chief Financial Officer	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">200.00</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">200.00</div> <div style="border-top: 1px solid black; width: 50px;"></div> </div>
	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$500.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$ 500.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 50px;"></div> </div>
<u>Reference</u>	<u>A-4</u>	<u>A-4</u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-8

<u>Year</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Levy</u>	<u>Added Taxes</u>	<u>Collected</u>		<u>State Share of Senior Citizens and Veterans</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
2020	\$ 11.08		\$		\$	\$	\$ 11.08	\$
2021	202,372.59		4,075.27		196,767.30		9,680.56	
2022		41,384,762.97		304,836.66	40,853,207.55	22,750.00	1,185.38	202,783.38
	<u>\$ 202,383.67</u>	<u>\$ 41,384,762.97</u>	<u>\$ 4,075.27</u>	<u>\$ 304,836.66</u>	<u>\$ 41,049,974.85</u>	<u>\$ 22,750.00</u>	<u>\$ 10,877.02</u>	<u>\$ 202,783.38</u>
<u>Reference</u>	A	<u>Below</u>	<u>Reserve</u>	<u>A-2a,25</u>	<u>A-2a,4</u>	<u>A-2a,5</u>	<u>Reserve</u>	A

ANALYSIS OF PROPERTY TAX LEVY

<u>Ref.</u>	<u>Ref.</u>
<u>Tax Yield</u>	<u>Tax Levy</u>
General Purpose Tax	County Tax (Abstract)
	County Added and Omitted Taxes
	\$ 8,940,279.20
Added Taxes	
	Local School District Tax
	(Abstract)
	Regional High School Taxes
	(Abstract)
	Municipal Open Space Tax
	Local Tax for Municipal Purposes
	Additional Tax Levied
	\$ 8,966,802.59
Less: Tax Appeals	
	14,485,600.00
Year Penalty	
	10,069,251.00
	284,821.05
	7,459,225.06
	<u>119,063.27</u>
	<u>\$ 41,384,762.97</u>
	Above

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

TAX TITLE LIENS

A-9

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$63.55</u>
Balance December 31, 2022	A,Below	<u><u>\$63.55</u></u>

Analysis of Balance

<u>Certificate Number</u>	<u>Block</u>	<u>Lot</u>	<u>Amount</u>
96-2	107	2	<u><u>\$63.55</u></u>
		<u>Reference</u>	<u>Above</u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

A-10

	<u>Ref.</u>	
Balance December 31, 2021	A	<u>\$310,900.00</u>
Balance December 31, 2022	A,Below	<u><u>\$310,900.00</u></u>

Analysis of Balance

<u>Block</u>	<u>Lot</u>	<u>Amount</u>
3	38	\$ 1,000.00
4	7	10,500.00
5	14	45,000.00
31	1,2,3	14,600.00
31	9,24,25	42,600.00
51	8	1,000.00
57	2A	19,500.00
60	8	30,400.00
75	6C	5,400.00
93	15	1,000.00
99	1	15,700.00
403	10	51,000.00
1207	3	70,200.00
1401	2	2,000.00
2101	9	1,000.00
		<u><u>\$310,900.00</u></u>

Reference

Above

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

INTERFUNDS RECEIVABLE

A-11

	Ref.	Total	General Trust Fund	General Capital Fund	Payroll Trust Fund	Animal Control Fund	Federal and State Grant Fund	Pool Utility Fund
Balance December 31, 2021	A,Below	\$ 510.08	\$10.08	\$	\$	\$500.00	\$	\$
Increased by:								
Federal and State Grants	A-2	88,777.46					88,777.46	
Realized	A-4	3,020,503.53		1,850,529.35	968,695.66		1,775.00	199,503.52
Cash Disbursed		<u>3,109,280.99</u>	<u>10.08</u>	<u>1,850,529.35</u>	<u>968,695.66</u>	<u>500.00</u>	<u>90,552.46</u>	<u>199,503.52</u>
Decreased by:								
Federal and State Grants	A-3	90,552.46					90,552.46	
Appropriated	A-4	3,018,137.23	10.08	1,850,000.00	968,123.63	500.00		199,503.52
Cash Receipts		<u>3,108,689.69</u>	<u>10.08</u>	<u>1,850,000.00</u>	<u>968,123.63</u>	<u>500.00</u>	<u>90,552.46</u>	<u>199,503.52</u>
Balance December 31, 2022	A,Below	\$ 1,101.38	\$ -	\$ 529.35	\$ 572.03	\$ -	\$ -	\$ -
Analysis of Net Debit to Operations								
Balance December 31, 2022	Above	\$ 1,101.38						
Balance December 31, 2021	Above	<u>510.08</u>						
Net Debit to Operations	A-1	<u>\$ 591.30</u>						

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

OTHER ACCOUNTS RECEIVABLE

A-12

	<u>Ref.</u>	
Balance December 31, 2021	A,Below	\$60,131.23
Increased by:		
Revenue Accounts Receivable	A-13	<u>28,252.21</u> 88,383.44
Decreased by:		
Cash Receipts	A-4	<u>65,534.56</u>
Balance December 31, 2022	A,Below	<u><u>\$22,848.88</u></u>
 <u>Analysis of Net Credit to Operations</u>		
Balance December 31, 2021	Above	\$60,131.23
Balance December 31, 2022	Above	<u>22,848.88</u>
Net Debit to Operations	A-1	<u><u>\$37,282.35</u></u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-13

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>2022</u> <u>Accrued</u>	<u>Collected</u> <u>in 2022</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>Budget Revenue</u>					
Borough Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 5,000.00	\$ 5,000.00	\$
Fees and Permits	A-2a		19,523.68	19,523.68	
Health Officer:					
Fees and Permits	A-2a		3,270.00	3,270.00	
Engineer:					
Fees and Permits	A-2a		7,840.00	7,840.00	
Police Department:					
Fees and Permits	A-2a		672.00	672.00	
Planning and Zoning:					
Fees and Permits	A-2a		12,885.00	12,885.00	
Construction Code Official:					
Uniform Construction Code Fees	A-2		212,817.00	212,817.00	
Collector of Taxes:					
Interest and Cost on Taxes	A-2		48,341.44	48,341.44	
Interest on Investments	A-2		100,498.07	100,498.07	
Recreation:					
Tennis Court Fees	A-2		10,975.00	10,975.00	
Recreation Program Fees	A-2		125,287.00	125,287.00	
Cable TV Franchise Fees	A-2		115,342.63	115,342.63	
State Aid:					
Energy Receipts Tax	A-2		457,984.00	457,984.00	
Uniform Fire Safety Act	A-2		3,448.58	3,448.58	
Rental Borough-Owned Property	A-2		24,000.00	24,000.00	
Sewer Rental Charges - Township					
of Fairfield - Current	A-2		6,436.50	6,436.50	
Sewer User Fees	A-2		499,488.91	499,488.91	
Municipal Court:					
Fines and Costs	A-2	511.24	16,789.79	16,218.19	1,082.84
Interlocal Government Agreement:					
Borough of Essex Fells:					
Municipal Court	A-2		74,263.30	74,263.30	
Dispatch	A-2		87,003.00	87,003.00	
Rental Cell Tower	A-2		104,414.31	104,414.31	
PILOT - Whiterock	A-2		35,026.57	35,026.57	
Capital Surplus	A-2		2,964.17	2,964.17	
American Rescue Plan	A-2		346,505.25	346,505.25	
Reserve to Pay Debt Service	A-2		23,800.00	23,800.00	
Recycling Fees	A-2		3,372.20	3,372.20	
		<u>\$ 511.24</u>	<u>\$2,347,948.40</u>	<u>\$2,347,376.80</u>	<u>\$1,082.84</u>

Reference

A

Reserve

Below

A

Ref.

Cash Receipts

A-4

\$2,319,124.59

Other Accounts Receivable

A-12

28,252.21

Above

\$2,347,376.80



BOROUGH OF NORTH CALDWELL  
CURRENT FUND

HEALTH BENEFITS RECEIVABLE

A-14

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	\$126,137.00
Decreased by:		
Cash Disbursed	A-4	<u>126,137.00</u>
		<u>\$ -</u>

DEFERRED CHARGES  
N.J.S. 40A:4-53 SPECIAL EMERGENCY

A-15

	<u>Date Authorized</u>	<u>Balance Dec. 31, 2021</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
Revaluation and Tax Map Upgrades	06/11/19	<u>\$ 150,000.00</u>	<u>\$ 50,000.00</u>	<u>\$100,000.00</u>
	<u>Reference</u>	<u>A</u>	<u>A-3</u>	<u>A,Below</u>

Analysis of Balance

	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Amount</u>
Revaluation and Tax Map Upgrades	<u>\$250,000.00</u>	<u>\$50,000.00</u>	<u>\$100,000.00</u>
	<u>Reference</u>		<u>Above</u>

BOROUGH OF NORTH CALDWELL  
FEDERAL AND STATE GRANT FUND

STATE GRANTS RECEIVABLE

A-16

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>2022</u> <u>Budget</u> <u>Revenue</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Municipal Alliance:				
CY 2022	\$	\$ 7,100.00	\$	\$ 7,100.00
CY 2021	7,100.00		7,100.00	
CY 2020	11,124.83		887.69	10,237.14
CY 2019	10,505.19			10,505.19
Body Armor Grant		1,081.01	1,081.01	
Recycling Tonnage Grant		8,768.70	8,768.70	
Clean Communities Program		13,889.31	13,889.31	
Alcohol Education and Rehabilitation		454.40	454.40	
FM Global Fire Prevention		4,435.00	4,435.00	
North Caldwell Recreation - Fireman's Field		50,000.00	50,000.00	
Drunk Driving Enforcement Fund		3,049.04	3,049.04	
	<u>\$28,730.02</u>	<u>\$88,777.46</u>	<u>\$89,665.15</u>	<u>\$27,842.33</u>

Reference

A

A-29

Below

A

Ref.

Collections

A-4

\$72,272.40

Unappropriated Reserves

A-31

17,392.75

Above

\$89,665.15

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

2021 APPROPRIATION RESERVES

A-17  
Sheet #1

	Balance Dec. 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>General Government</u>					
Administrative and Executive:					
Salaries and Wages	\$	\$ 174.24	\$ 174.24	\$ 174.24	\$ -
Other Expenses	19,041.98	5,857.34	23,099.32	22,505.34	593.98
Elections:					
Other Expenses		4,700.00			
Financial Administration:					
Salaries and Wages		0.70	0.70		0.70
Assessment of Taxes:					
Salaries and Wages		0.18	0.18		0.18
Other Expenses		8,061.40	8,061.40	8,050.00	11.40
Collection of Taxes:					
Salaries and Wages		0.69	0.69		0.69
Other Expenses		82.92	82.92		82.92
Legal Services and Costs:					
Other Expenses	4,500.00	2,629.52	7,129.52	6,842.38	287.14
Engineering Services and Costs:					
Other Expenses		7,670.75	7,670.75	7,572.50	98.25
Public Buildings and Grounds:					
Other Expenses	7,931.37	700.05	8,631.42	8,167.02	464.40
Municipal Land Use Law:					
Planning Board:					
Other Expenses		1,270.00	1,270.00	1,145.50	124.50
Board of Adjustment:					
Salaries and Wages		0.12	0.12		0.12
Other Expenses		58.25	58.25	39.99	18.26
Historical Society:					
Other Expenses		500.00	500.00	500.00	
<u>Public Safety</u>					
Fire:					
Fire Hydrant Service	258.80	51.37	510.17	510.17	
Fire Prevention:					
Salaries and Wages		0.20	0.20		0.20
Other Expenses		10.55	10.55	7.43	3.12
Miscellaneous	40,374.12	13,705.90	48,080.02	44,567.83	3,512.19
Police:					
Salaries and Wages		15,917.03	12,367.03	12,239.55	127.48
Other Expenses	17,497.00	6,543.58	21,540.58	19,175.50	2,365.08
Vehicle Lease	19,999.33	0.67	20,000.00	19,940.33	59.67
Emergency Management:					
Salaries and Wages		0.04	0.04		0.04
Other Expenses		1,000.00			
<u>Streets and Roads</u>					
Road Repairs and Maintenance:					
Salaries and Wages		116.50	466.50	452.31	14.19
Other Expenses	15,232.55	599.50	15,832.05	15,423.47	408.58
Snow Removal:					
Salaries and Wages		19,434.66	14,434.66	14,434.66	
Other Expenses	7,850.00	2.01	7,852.01	7,852.01	
Street Lighting:					
Contractual	5,811.96	412.64	6,224.60	6,103.90	120.70
Storm Water Management					
Other Expenses		3,615.00	615.00	500.00	115.00
<u>Sanitation</u>					
Sewer Maintenance:					
Other Expenses	3,825.00	2,493.30	3,918.30	3,825.00	93.30
Garbage and Trash Removal:					
Contractual	19,836.14	525.01	25,161.15	25,109.39	51.76
Recycling Program:					
Other Expenses	1,944.10	2,308.10	2,252.20	1,944.10	308.10

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

2021 APPROPRIATION RESERVES

A-17  
Sheet #2

	Balance Dec. 31, 2021		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Health and Welfare</u>					
Board of Health:					
Salaries and Wages	\$	\$ 0.10	\$ 0.10	\$	\$ 0.10
Other Expenses		5.00	5.00		5.00
Public Assistance Administration:					
Other Expenses		500.00	500.00	500.00	
Dog Regulation:					
Other Expenses		2,155.44	155.44		155.44
<u>Recreation and Education</u>					
Parks and Playgrounds:					
Salaries and Wages		171.82	171.82		171.82
Other Expenses	2,622.49	84.65	4,907.14	4,236.21	670.93
Library Services:					
Other Expenses		200.00	200.00		200.00
<u>Uniform Construction Code</u>					
Construction Official:					
Salaries and Wages		20.74	20.74		20.74
Other Expenses	298.20	556.81	855.01	798.20	56.81
Municipal Court:					
Salaries and Wages		5.21	5.21		5.21
Other Expenses	512.59	989.32	1,501.91	549.99	951.92
Insurance:					
General Liability Insurance		43.00	43.00		43.00
Employer Group Health	110,794.88	80.03	110,874.91	110,794.88	80.03
<u>Unclassified</u>					
Utilities:					
Gas/Electric		33.46	1,433.46	1,386.55	46.91
Gasoline	4,920.13		4,920.13	4,920.13	
<u>Contingent</u>		500.00	500.00	500.00	
<u>Statutory Expenditures</u>					
Contribution to Social Security					
System		71.75	71.75		71.75
DCRP Contribution		882.24	882.24		882.24
<u>Other Operations</u>					
Sewer Rental Charges:					
Other Expenses	267,980.00	16.26	267,996.26	267,980.00	16.26
Contribution to LOSAP		7,759.37	7,759.37		7,759.37
<u>State and Federal Programs</u>					
Grant Match		100.00	100.00		100.00
<u>Deferred Charges</u>					
Prior Year Bills	1,219.44		1,219.44		1,219.44
<u>Capital Improvement Fund</u>					
Other Expense			25,000.00	25,000.00	
Total Appropriations	<u>\$ 552,450.08</u>	<u>\$ 112,617.42</u>	<u>\$ 665,067.50</u>	<u>\$ 643,748.58</u>	<u>\$ 21,318.92</u>
<u>Reference</u>	<u>A</u>	<u>A</u>		<u>Below</u>	<u>A-1</u>

Ref.

Cash Disbursed  
Transfer to Account Payable

A-4      \$ 641,965.62  
A-26      1,782.96  
Above      \$ 643,748.58

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

COUNTY TAXES PAYABLE

A-18

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 82,442.15
Increased by:			
2022 County Tax Levy		\$ 8,647,614.54	
2022 Open Space Levy		292,664.66	
2022 Added and Omitted Taxes		<u>26,523.39</u>	
	A-1,2a,8		<u>8,966,802.59</u>
			9,049,244.74
Decreased by:			
Payments	A-4		<u>9,022,721.35</u>
Balance December 31, 2022	A		<u><u>\$ 26,523.39</u></u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

LOCAL SCHOOL DISTRICT TAXES

A-19

	<u>Ref.</u>	<u>Net Tax Payable</u>	<u>Deferred School Tax</u>	<u>Local School Tax</u>
Balance December 31, 2021	A	\$ 288,555.44	\$ (7,061,529.50)	\$ 7,350,084.94
Increased by:				
Levy School Year 2022 - 2023	A-1,2a,8	14,485,600.00		14,485,600.00
Additional Deferred	A-1	<u>(181,270.50)</u>	<u>(181,270.50)</u>	
		14,592,884.94	(7,242,800.00)	<u>21,835,684.94</u>
Decreased by:				
Payments	A-4	<u>14,309,329.48</u>		<u>14,309,329.48</u>
Balance December 31, 2022	A	<u>\$ 283,555.46</u>	<u>\$ (7,242,800.00)</u>	<u>\$ 7,526,355.46</u>

REGIONAL HIGH SCHOOL TAXES

A-20

	<u>Ref.</u>	<u>Net Tax Payable</u>	<u>Deferred School Tax</u>	<u>Regional School Tax</u>
Balance December 31, 2021	A,Below	\$	\$ (4,671,458.00)	\$ 4,671,458.00
Increased by:				
Levy School Year 2022 - 2023	A-1,2a,8	10,069,251.00		10,069,251.00
Additional Deferred	A-1	<u>(363,151.40)</u>	<u>(363,151.40)</u>	
		9,706,099.60	(5,034,609.40)	<u>14,740,709.00</u>
Decreased by:				
Payments	A-4	<u>9,706,099.60</u>		<u>9,706,099.60</u>
Balance December 31, 2022		<u>\$ -</u>	<u>\$ (5,034,609.40)</u>	<u>\$ 5,034,609.40</u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-21

	<u>Ref.</u>	<u>Total</u>	<u>DCA Surcharges</u>	<u>Marriage License Fees</u>
Balance December 31, 2021	A	\$ 2,704.00	\$ 2,179.00	\$525.00
Increased by:				
Collection of State Fees	A-4	<u>12,741.00</u>	<u>12,541.00</u>	<u>200.00</u>
		<u>15,445.00</u>	<u>14,720.00</u>	<u>725.00</u>
Decreased by:				
Cancelled - Licenses Due to State	A-1	400.00		400.00
Payments	A-4	<u>11,561.00</u>	<u>11,236.00</u>	<u>325.00</u>
		<u>11,961.00</u>	<u>11,236.00</u>	<u>725.00</u>
Balance December 31, 2022	A	<u>\$ 3,484.00</u>	<u>\$ 3,484.00</u>	<u>\$ -</u>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

RESERVE FOR TERM BONDS PAYABLE

A-22

	<u>Ref.</u>	
Balance December 31, 2021	A	\$450,000.00
Increased by:		
Budget Appropriation	A-3	<u>445,000.00</u>
Balance December 31, 2022	A	<u><u>\$ 895,000.00</u></u>

INTERFUNDS PAYABLE

A-23

	<u>Ref.</u>	<u>Total</u>	<u>Other Trust Fund</u>	<u>Open Space Trust Fund</u>
Balance December 31, 2021	A	\$ 82,445.68	\$	\$ 82,445.68
Increased by:				
Municipal Open Space Tax	A-1,2a,8	284,821.05		284,821.05
Cash Receipts	A-4	<u>270,524.78</u>	<u>270,524.78</u>	
		637,791.51	270,524.78	<u>367,266.73</u>
Decreased by:				
Cash Disbursed	A-4	<u>636,639.37</u>	<u>269,372.64</u>	<u>367,266.73</u>
Balance December 31, 2022	A	<u><u>\$ 1,152.14</u></u>	<u><u>\$ 1,152.14</u></u>	<u><u>\$ -</u></u>



BOROUGH OF NORTH CALDWELL  
CURRENT FUND

TAX OVERPAYMENTS

A-24

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 50,665.72
Increased by:		
Collections	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">25,840.45</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		76,506.17
Decreased by:		
Payments	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">38,238.55</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2022	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 38,267.62</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

PREPAID TAXES

A-25

	<u>Ref.</u>	
Balance December 31, 2021	A	\$304,836.66
Increased by:		
Collections	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">293,538.85</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		598,375.51
Decreased by:		
Applied to Taxes Receivable	A-8	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">304,836.66</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2022	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$293,538.85</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

BOROUGH OF NORTH CALDWELL  
CURRENT FUND

ACCOUNTS PAYABLE

A-26

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 9,159.01
Increased by:			
Appropriation Reserve	A-17		1,782.96
			<u>10,941.97</u>
Decreased by:			
Cancelled	A-1	\$ 81.80	
Cash Disbursed	A-4	<u>9,229.21</u>	
			<u>9,311.01</u>
Balance December 31, 2022	A		<u>\$ 1,630.96</u>

VARIOUS RESERVES

A-27

	<u>Ref.</u>		
Balance December 31, 2021	A		\$ 97,909.72
Decreased by:			
Cash Disbursed	A-4		<u>51,242.00</u>
Balance December 31, 2022	A,Below		<u>\$ 46,667.72</u>

Analysis of Balance

Codification		\$ 134.75
Master Plan and Tax Map Upgrades		5,272.22
Revaluation and Tax Map Upgrades #6-19		<u>41,260.75</u>
	Above	<u>\$ 46,667.72</u>

BOROUGH OF NORTH CALDWELL  
FEDERAL AND STATE GRANT FUND

MUNICIPAL RELIEF AID

A-28

	<u>Ref.</u>	
Increased by:		
Additional Aid Received	A-4	<u>\$23,890.22</u>
Balance December 31, 2022	A	<u><u>\$23,890.22</u></u>

DUE TO CURRENT FUND

A-29

	<u>Ref.</u>		
Increased by:			
Grants Appropriated	A-30		\$90,552.46
Decreased by:			
Cash Receipts	A-4	\$ 1,775.00	
Grants Receivable	A-16	<u>88,777.46</u>	
			<u>90,552.46</u>
			<u><u>\$ -</u></u>

BOROUGH OF NORTH CALDWELL  
FEDERAL AND STATE GRANT FUND

APPROPRIATED GRANT RESERVES

A-30

	Balance <u>Dec. 31, 2021</u>	Transferred from 2022 Budget Grant <u>Appropriations</u>	<u>Expended</u>	Balance <u>Dec. 31, 2022</u>
Municipal Alliance:				
2019	\$ 13,390.31	\$	\$	\$ 13,390.31
2020	11,144.75			11,144.75
2021	8,834.04		8,752.12	81.92
2022		8,875.00	1,492.04	7,382.96
Clean Communities Program Act	13,053.86	13,889.31	13,053.86	13,889.31
American Rescue Plan - Drainage Projects	314,505.25		141,867.48	172,637.77
Alcohol Education and Rehabilitation	3,169.99	454.40		3,624.39
Firefighter's Donation Grant	608.68			608.68
Body Armor Replacement Fund	1,420.74	1,081.01	896.00	1,605.75
Recycling Tonnage Grant	7,995.90	8,768.70	8,564.60	8,200.00
Drunk Driving Enforcement Fund	3,321.03	3,049.04	2,595.29	3,774.78
FM Global Fire Prevention		4,435.00	4,435.00	
North Caldwell Recreation Foundation - Firemen's Field		50,000.00	50,000.00	
	<u>\$377,444.55</u>	<u>\$ 90,552.46</u>	<u>\$231,656.39</u>	<u>\$236,340.62</u>
	<u>A</u>	<u>A-29</u>	<u>A-4</u>	<u>A</u>

BOROUGH OF NORTH CALDWELL  
FEDERAL AND STATE GRANT FUND

UNAPPROPRIATED RESERVES

A-31

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Alcohol Education and Rehabilitation	\$ 454.40	\$ 157.93	\$ 454.40	\$ 157.93
Drunk Driving Enforcement Fund	3,049.04		3,049.04	
Clean Communities	13,889.31	14,728.22	13,889.31	14,728.22
Body Armor	<u>                    </u>	<u>1,359.48</u>	<u>                    </u>	<u>1,359.48</u>
	<u>\$ 17,392.75</u>	<u>\$16,245.63</u>	<u>\$17,392.75</u>	<u>\$ 16,245.63</u>
<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-16</u>	<u>A</u>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-1

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 32.98
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 8,723.20
Replacement Fees		5.00
Late Fees		590.00
Cat Licenses		323.00
Animal Removal Fees		3,050.00
Interest Earned		9.02
	B-3	<div style="border-top: 1px solid black;">12,700.22</div> <div style="border-top: 1px solid black;">12,733.20</div>
Decreased by:		
Animal Control Expenditures	B-3	<div style="border-top: 1px solid black;">12,406.57</div>
Balance December 31, 2022	B	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ 326.63</div>

License Fees Collected

<u>Year</u>	
2021	\$ 8,854.80
2022	<div style="border-top: 1px solid black;">8,723.20</div>
Maximum Reserve	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$17,578.00</div>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

RESERVE FOR STATE UNEMPLOYMENT COMPENSATION INSURANCE

B-2

	<u>Ref.</u>	
Balance December 31, 2021	B	\$5,213.91
Decreased by:		
Cash Disbursed	B-3	<u>1,102.85</u>
Balance December 31, 2022	B	<u><u>\$4,111.06</u></u>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

B-3

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Municipal Open Space Trust Fund</u>
Balance December 31, 2021	B	\$ 534.18	\$1,325,980.78	\$
Increased by Receipts:				
Reserve for Animal Control Fund				
Expenditures	B-1	\$12,700.22	\$	
Due from Current Fund	B-4			190,812.45
Due to State of New Jersey	B-5	712.80		
Due to Current Fund	B-6	2,000.00		
Due to Current Fund - Payroll	B-7		968,695.66	
Due from Current Fund - Trust Other	B-8		269,372.64	
Reserve for Expenditures	B-9		717,679.05	
Payroll Deductions Payable	B-10		5,117,857.20	
		<u>15,413.02</u>	<u>7,073,604.55</u>	
		15,947.20	8,399,585.33	190,812.45
Decreased by Disbursements:				
Reserve for Animal Control Fund				
Expenditures	B-1	12,406.57		
Reserve for State Unemployment				
Compensation	B-2		1,102.85	
Due to State of New Jersey	B-5	712.80		
Due to Current Fund	B-6	2,500.00		
Due to Current Fund - Payroll	B-7		968,133.71	
Due from Current Fund- Trust Other	B-8		270,524.78	
Reserve for Expenditures	B-9		764,191.78	
Payroll Deductions Payable	B-10		5,133,813.11	
		<u>15,619.37</u>	<u>7,137,766.23</u>	
Balance December 31, 2022	B	<u>\$ 327.83</u>	<u>\$1,261,819.10</u>	<u>\$190,812.45</u>



BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

DUE FROM CURRENT FUND

B-4

	<u>Ref.</u>		
Balance December 31, 2021	B		\$ 82,445.68
Increased by:			
Open Space Receipts Collected in Current Fund	B-11		<div style="text-align: right;">284,821.05</div> <div style="text-align: right; border-top: 1px solid black;">367,266.73</div>
Decreased by:			
Cash Receipts from Current Fund	B-3	\$190,812.45	
Open Space Expended in Current Fund	B-11	<div style="text-align: right;">176,454.28</div> <div style="text-align: right; border-top: 1px solid black;">367,266.73</div>	
			<div style="text-align: right; border-top: 1px solid black;">\$ -</div> <div style="text-align: right; border-top: 3px double black;">-</div>

DUE TO STATE OF NEW JERSEY

B-5

	<u>Ref.</u>		<u>Animal Control Fund</u>
Balance December 31, 2021	B		\$ 1.20
Increased by:			
Collections:			
Dog License State Fees	B-3		<div style="text-align: right;">712.80</div> <div style="text-align: right; border-top: 1px solid black;">714.00</div>
Decreased by:			
Payments	B-3		<div style="text-align: right;">712.80</div> <div style="text-align: right; border-top: 1px solid black;">712.80</div>
Balance December 31, 2022	B		<div style="text-align: right; border-top: 1px solid black;">\$ 1.20</div> <div style="text-align: right; border-top: 3px double black;">1.20</div>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

ANIMAL CONTROL FUND  
DUE TO CURRENT FUND

B-6

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 500.00
Increased by:		
Cash Receipts	B-3	2,000.00
		<u>2,500.00</u>
Decreased by:		
Cash Disbursements	B-3	2,500.00
		<u>\$ -</u>

DUE TO CURRENT FUND

B-7

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 10.08
Increased by:		
Cash Receipts	B-3	968,695.66
		<u>968,705.74</u>
Decreased by:		
Cash Disbursements to Current Fund	B-3	968,133.71
Balance December 31, 2022	B	<u>\$ 572.03</u>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

DUE FROM CURRENT FUND

B-8

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	B-3	\$270,524.78
Decreased by:		
Cash Receipts from Current Fund	B-3	<u>269,372.64</u>
Balance December 31, 2022	B	<u>\$ 1,152.14</u>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

RESERVE FOR EXPENDITURES

B-9

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Parking Offense Adjudication Act	\$ 1,478.10	\$ 72.00		\$ 1,550.10
Police Forfeitures	612.43	1,219.73		1,832.16
Accumulated Absences	171.01	20,100.00		20,271.01
T.T.L. Redemption	0.01	127,848.54	127,848.54	0.01
Affordable Housing	537,078.70	149,869.76	41,942.21	645,006.25
Developers' Escrows	488,673.32	31,752.40	203,892.11	316,533.61
Tax Sale Premiums	89,100.00	24,200.00	5,100.00	108,200.00
Police Outside Duty	29,950.26	51,346.88	74,878.37	6,418.77
Recreation	133,019.49	295,647.67	300,254.97	128,412.19
Public Defender Fees	2,062.39			2,062.39
Snow Removal	<u>21,705.12</u>	<u>15,622.07</u>	<u>10,275.58</u>	<u>27,051.61</u>
	<u>\$1,303,850.83</u>	<u>\$717,679.05</u>	<u>\$764,191.78</u>	<u>\$1,257,338.10</u>
<u>Reference</u>	<u>B</u>	<u>B-3</u>	<u>B-3</u>	<u>B</u>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

PAYROLL DEDUCTIONS PAYABLE

B-10

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Net Salaries and Wages	\$	<u>\$2,720,357.27</u>	<u>\$2,720,357.27</u>	\$
Deductions:				
Federal Income Tax		438,574.74	438,574.74	
New Jersey State Income Tax		161,552.63	161,552.63	
Social Security and Medicare		174,100.37	174,100.37	
State Unemployment Insurance				
Fund		14,039.64	14,039.64	
Public Employees' Retirement				
System	5,864.13	128,962.13	134,826.26	
Contributory Insurance	430.83	6,936.22	7,367.05	
Police and Firemen's Pension				
System	9,581.52	241,164.81	250,746.31	0.02
Defined Contribution Plan		9,319.25	9,319.25	
Union Dues - PBA		8,190.06	8,190.06	
Teamsters Local	238.00	2,836.00	2,802.00	272.00
New York Life Insurance	791.48	4,615.04	4,728.49	678.03
Blackrocks		4,200.00	4,200.00	
Health Benefits		152,495.14	152,495.14	
AFLAC		10,693.44	10,693.44	
VALIC		64,000.00	64,000.00	
Interest		3,266.19	3,266.19	
Total Deductions Payable	<u>16,905.96</u>	<u>1,424,945.66</u>	<u>1,440,901.57</u>	<u>950.05</u>
Other Accounts:				
Borough Contributions:				
Annual Pension Contribution		798,454.00	798,454.00	
Social Security		174,100.27	174,100.27	
	<u>\$16,905.96</u>	<u>\$5,117,857.20</u>	<u>\$5,133,813.11</u>	<u>\$950.05</u>
<u>Reference</u>	<u>B</u>	<u>B-3</u>	<u>B-3</u>	<u>B</u>

BOROUGH OF NORTH CALDWELL  
TRUST FUNDS

RESERVE FOR MUNICIPAL OPEN SPACE

B-11

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 82,445.68
Increased by:		
Open Space Receipts Collected in Current Fund	B-4	<u>284,821.05</u> 367,266.73
Decreased by:		
Open Space Expended in Current Fund	B-4	<u>176,454.28</u>
Balance December 31, 2022	B	<u><u>\$190,812.45</u></u>

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2021	C		\$ 1,709,546.26
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 29,767.50	
Due to Current Fund	C-5	2,147,370.04	
Capital Improvement Fund	C-8	410,000.00	
Federal and State Grant Fund	C-11	50,000.00	
Bond Anticipation Notes Issued	C-14	<u>6,750,000.00</u>	
			<u>9,387,137.54</u>
			11,096,683.80
Decreased by Disbursements:			
Anticipated as Current Fund Revenue	C-1	2,964.17	
Due to Current Fund	C-5	1,850,000.00	
Preliminary Engineering Services	C-9	14,962.50	
Improvement Authorizations	C-11	2,002,148.35	
Reserve to Pay Debt Service	C-12	23,800.00	
Bond Anticipation Notes Redeemed	C-14	<u>5,085,146.00</u>	
			<u>8,979,021.02</u>
Balance December 31, 2022	C		<u><u>\$ 2,117,662.78</u></u>

**BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND**

**ANALYSIS OF CASH**

C-3

Ordinance Number	Balance Dec. 31, 2021	Receipts	Disbursements			Transfers		Balance Dec. 31, 2022
			Improvement Authorizations	Other		From	To	
Fund Balance	\$ 14,332.89	\$ 29,767.50	\$	\$ 2,964.17		\$ 15,000.00	\$ 11,020.00	\$ 37,156.22
Capital Improvement Fund	8,352.25	410,000.00				115,923.00		302,429.25
Bond Anticipation Notes		6,750,000.00		5,085,146.00		1,915,519.00	250,665.00	
Due to Current Fund		2,147,370.04		1,850,000.00		296,840.69		529.35
Due from Federal and State Grant Fund		50,000.00				50,000.00		
Reserve to Pay Debt Service	23,800.00			23,800.00				
Preliminary Engineering Expenses	20,000.00			14,962.50			10,000.00	15,037.50
<b>General Improvement Authorizations</b>								
Various Capital Improvements	647.89							647.89
Various Storm Water Drainage Improvements	52,649.74		52,649.74					
Improvements to Various Municipal Buildings	55,110.75		55,110.75					
Various Roadway Improvements	(168,737.67)		18,783.48				106,373.69	(81,147.46)
Improvements to Walker's Pond	912,998.43		67,507.27					845,491.16
Various Improvements	38,776.61							38,776.61
Various Capital Items	6,043.68		6,043.68					
Acquisition of Fire Department Equipment	11,420.00		11,420.00					
Acquisition of Administration Equipment	3,000.00				3,000.00			5,000.00
Acquisition of Building and Grounds Equipment	6,654.00		1,654.00					
Acquisition of Technology Equipment and Website Redesign	18,020.00		10,000.00		8,020.00			
Acquisition of Handguns and Body Armor	33,630.25		1,657.00		31,973.25			
Acquisition of Fire Department Command Vehicle	56,904.25		56,904.25					
Server Updates for IT Department	55,000.00		46,553.24					8,446.76
Improvements to Various Roadways	78,662.82		38,196.82		24,743.34			15,722.66
Installation of Speed Bumps throughout Borough	10,200.00		10,200.00					
Various Improvements and Capital Acquisitions	472,080.37		443,462.32		3,481.41			25,136.64
Various Storm Water Drainage Improvements			46,315.91				225,000.00	178,684.09
Acquisition of Automated License Plate System							2,400.00	2,400.00
Improvements to Various Roadways			557,588.93				800,872.00	243,283.07
Installation of Speed Bumps on Various Roads			7,200.00				10,000.00	2,800.00
Various Building Improvements and Capital Acquisitions								
Improvements to Firemen's Field			58,679.79				98,170.00	39,490.21
Purchase of Thermal Imaging Camera			503,221.17				935,000.00	431,778.83
Purchase of Building and Grounds Equipment			7,000.00				7,000.00	
			2,000.00				8,000.00	6,000.00
	<u>\$ 1,709,546.26</u>	<u>\$ 9,387,137.54</u>	<u>\$ 2,002,148.35</u>	<u>\$ 6,976,872.67</u>	<u>\$ 2,464,500.69</u>	<u>\$ 2,464,500.69</u>	<u>\$ 2,464,500.69</u>	<u>\$ 2,117,662.78</u>
	C	C-2	C-2	C-2	Contra	Contra	Contra	C

Reference



BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

GRANTS RECEIVABLE

C-4

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 572,645.81
Increased by:		
2022 Grants Receivable	C-11	395,000.00
		<u>967,645.81</u>
Decreased by:		
Grants Received	C-10	106,373.69
Balance December 31, 2022	C,Below	<u>\$ 861,272.12</u>

Analysis of Balance

Ordinance #01-20:		
NJ DOT Grant		\$ 106,272.12
Ordinance #02-21		
NJ DOT Grant		360,000.00
Ordinance #04-22		
NJ DOT Grant		395,000.00
		<u>861,272.12</u>
	Above	<u>\$ 861,272.12</u>

DUE TO CURRENT FUND

C-5

	<u>Ref.</u>		
Increased by:			
Cash Receipts	C-2		\$2,147,370.04
Decreased by:			
Cash Disbursed	C-2	\$1,850,000.00	
Paydown of Notes	C-7	190,467.00	
Grants Received in Current Fund	C-7	<u>106,373.69</u>	
			<u>2,146,840.69</u>
Balance December 31, 2022	C		<u>\$ 529.35</u>

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-6

	<u>Ref.</u>	
Balance December 31, 2021	C	\$6,820,000.00
Decreased by:		
Payment of Serial Bonds	C-13	<u>400,000.00</u>
Balance December 31, 2022	C	<u><u>\$6,420,000.00</u></u>

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-7

	<u>Ref.</u>		
Balance December 31, 2021	C		\$5,867,492.54
Increased by:			
2022 Improvement Authorizations	C-11		<u>2,897,488.00</u> 8,764,980.54
Decreased by:			
Bond Anticipation Note Pay Downs	C-5,14	\$190,467.00	
Grants Received in Current Fund	C-5,15	106,373.69	
Authorizations Cancelled	C-11	<u>35,454.66</u>	
			<u>332,295.35</u>
Balance December 31, 2022	C,Below		<u>\$8,432,685.19</u>
 <u>Analysis of Balance</u>			
Ordinance #04-16			\$1,917,659.00
Ordinance #01-20			378,640.12
Ordinance #02-20			1,869,700.00
Ordinance #03-20A			101,799.73
Ordinance #02-21			1,267,398.34
Ordinance #01-22			475,000.00
Ordinance #04-22			1,537,488.00
Ordinance #05-22			<u>885,000.00</u>
	Above		<u>\$8,432,685.19</u>

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-8

	<u>Ref.</u>		
Balance December 31, 2021	C		\$ 8,352.25
Increased by:			
Cash Receipt	C-2		410,000.00
			<u>418,352.25</u>
Decreased by:			
Reserve for Preliminary Engineering Expenses	C-9	\$ 10,000.00	
Appropriated to Finance Improvement Authorizations	C-11	<u>105,923.00</u>	
			<u>115,923.00</u>
Balance December 31, 2022	C		<u><u>\$302,429.25</u></u>

RESERVE FOR PRELIMINARY ENGINEERING SERVICES

C-9

	<u>Ref.</u>		
Balance December 31, 2021	C		\$ 20,000.00
Increased by:			
Capital Improvement Fund	C-8		10,000.00
			<u>30,000.00</u>
Decreased by:			
Cash Disbursed	C-2		<u>14,962.50</u>
Balance December 31, 2022	C,Below		<u><u>\$ 15,037.50</u></u>
<u>Analysis of Balance</u>			
Resolution #199-21			\$ 5,037.50
Resolution #103-22			<u>10,000.00</u>
	Above		<u><u>\$ 15,037.50</u></u>

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

RESERVE FOR GRANTS RECEIVABLE

C-10

	<u>Ref.</u>	
Balance December 31, 2021	C	\$212,645.81
Decreased by:		
Collections	C-4	<u>106,373.69</u>
Balance December 31, 2022	C,Below	<u>\$106,272.12</u>
 <u>Analysis of Balance</u>		
Ordinance #01-20:		
NJ DOT Grant	Above	<u>\$106,272.12</u>

**BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND**

**IMPROVEMENT AUTHORIZATIONS**

C-11

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2021		2022 Authorization	Paid or Charged	Cancelled	Balance Dec. 31, 2022	
				Funded	Unfunded				Funded	Unfunded
03-17	General Improvements	5-23-17	\$ 151,385.00	\$ 647.89	\$	\$	\$	\$	\$ 647.89	\$
13-18	Various Capital Acquisitions Within the Borough	10-23-18	500,000.00	52,649.74			52,649.74			
02-19	Various Storm Water Drainage Improvements	8-13-19	255,500.00	55,110.75			55,110.75			
01-20	Improvements to Various Municipal Buildings	5-26-20	942,230.00		43,908.14		18,783.48			25,124.66
02-20	Various Roadway Improvements	5-26-20	2,126,000.00		1,482,698.43		67,507.27			1,415,191.16
03-20A	Improvements to Walker's Pond	7-21-20	141,800.00		38,777.34					38,777.34
09-20	Various Capital Items	7-21-20	77,303.00	6,043.68			6,043.68			
13-21A	Acquisition of Fire Department Equipment	5-25-21	11,420.00	11,420.00			11,420.00			
13-21B	Acquisition of Administration Equipment	5-25-21	3,000.00	3,000.00						
13-21C	Acquisition of Building and Grounds Equipment	5-25-21	17,000.00	6,654.00			1,654.00	3,000.00	5,000.00	
13-21D	Acquisition of Technology Equipment and Website Redesign	5-25-21	18,020.00	18,020.00						
02-21A	Acquisition of Handguns and Body Armor	6-22-21	54,250.00		33,630.25		10,000.00	8,020.00		
02-21B	Acquisition of Fire Department Command Vehicle	6-22-21	67,000.00		56,904.25		1,657.00	31,973.25		
02-21C	Server Updates for IT Department	6-22-21	55,000.00		55,000.00		46,553.24			8,446.76
02-21D	Improvements to Various Roadways	6-22-21	1,041,175.00		438,662.82		38,196.82			400,466.00
02-21E	Installation of Speed Bumps throughout Borough	6-22-21	20,000.00		10,200.00		10,200.00			
02-21F	Various Improvements and Capital Acquisitions	6-22-21	494,000.00		472,080.37	500,000.00	443,462.32	3,481.41		25,136.64
01-22	Various Storm Water Drainage Improvements	3-22-22	500,000.00			48,000.00	46,315.91			453,684.09
04-22A	Acquisition of Automated License Plate System	6-28-22	48,000.00							48,000.00
04-22B	Improvements to Various Roadways	6-28-22	1,358,461.00			1,358,461.00	557,588.93			800,872.07
04-22C	Installation of Speed Bumps on Various Roads	6-28-22	10,000.00			10,000.00	7,200.00			2,800.00
04-22D	Various Building Improvements and Capital Acquisitions	6-28-22	596,950.00			596,950.00	58,679.79			538,270.21
05-22	Improvements to Firemen's Field	6-28-22	935,000.00			935,000.00	503,221.17			431,778.83
11-22A	Purchase of Thermal Imaging Camera	7-19-22	7,000.00			7,000.00	7,000.00			
11-22B	Purchase of Building and Grounds Equipment	7-19-22	8,000.00			8,000.00	2,000.00		6,000.00	
				\$ 153,546.06	\$ 2,631,861.60	\$ 3,463,411.00	\$ 2,002,148.35	\$ 46,474.66	\$ 11,647.89	\$ 4,188,547.76
				C	C	Below	C-2	Below	C	C
	Capital Fund Balance				Ref.					
	Federal and State Grant Fund				C-1	\$ 15,000.00		\$ 11,020.00		
	Grants Receivable				C-2	50,000.00				
	Deferred Charges to Future Taxation - Unfunded				C-4	395,000.00		35,454.66		
	Capital Improvement Fund				C-7,14,15	2,897,488.00				
					C-8	105,923.00				
					Above	\$ 3,463,411.00		\$ 46,474.66		

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

RESERVE TO PAY DEBT SERVICE

C-12

	<u>Ref.</u>	
Balance December 31, 2021	C	\$23,800.00
Decreased by:		
Realized in Current Fund Budget	C-2	<u>23,800.00</u>
		<u>\$ -</u>

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

GENERAL SERIAL BONDS

C-13

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021	Bonds Redeemed	Balance Dec. 31, 2022
	Date	Amount	Date	Amount				
General Bonds	8-01-08	\$ 5,445,000.00	8-01-23	\$ *	%	\$ 895,000.00	\$	\$ 895,000.00
General Bonds	10-01-19	6,725,000.00	10-01-2023/2026	790,000.00	2.00			
			10-01-2027	790,000.00	3.00			
			10-01-2028	790,000.00	2.00			
			10-01-2029	785,000.00	2.00	5,925,000.00	400,000.00	5,525,000.00
						<u>\$ 6,820,000.00</u>	<u>\$ 400,000.00</u>	<u>\$ 6,420,000.00</u>
					<u>Reference</u>	<u>C</u>	<u>C-6</u>	<u>C</u>

\*Term Bond already raised as reflected on the balance sheet.



BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES

C-14

Description	Ordinance Number	Original		Date of		Rate of Interest	Balance Dec. 31, 2021	Increase	Decrease	Balance Dec. 31, 2022
		Date of Issue	Amount	Issue	Maturity					
Acquisition of Real Property	04-16	12-15-16	\$ 2,236,250.00	10-18-21 10-14-22	10-17-22 07-13-23	0.290% 4.50	\$ 1,845,576.00	\$ 1,917,659.00	\$ 1,845,576.00	\$ 1,917,659.00
Acquisition of Real Property	04-16	10-25-17	238,750.00	10-18-21 10-14-22	10-17-22 07-13-23	0.290 4.50	238,750.00		238,750.00	
Various Road Improvements	01-20	10-19-20	932,368.00	10-18-21 10-14-22	10-17-22 07-13-23	0.290 4.50	272,368.00	247,625.00	272,368.00	247,625.00
Improvements to Walker's Pond	02-20	10-19-20	2,019,700.00	10-18-21 10-14-22	10-17-22 07-13-23	0.290 4.50	1,300,000.00	1,300,000.00	1,300,000.00	1,300,000.00
Various Improvements	03-20	10-19-20	134,710.00	10-18-21 10-14-22	10-17-22 07-13-23	0.290 4.50	125,599.00	101,799.00	125,599.00	101,799.00
Various Improvements	02-21	10-18-21	1,302,853.00	10-18-21 10-14-22	10-17-22 07-13-23	0.290 4.50	1,302,853.00	1,267,398.00	1,302,853.00	1,267,398.00
Storm Water Drainage Improvements	1-22	10-14-22	200,000.00	10-14-22	07-13-23	4.50		200,000.00		200,000.00
Various Improvements	4-22	10-14-22	830,519.00	10-14-22	07-13-23	4.50		830,519.00		830,519.00
Firemen's Field Improvements	5-22	10-14-22	885,000.00	10-14-22	07-13-23	4.50		885,000.00		885,000.00
Total							<u>\$ 5,085,146.00</u>	<u>\$ 6,750,000.00</u>	<u>\$ 5,085,146.00</u>	<u>\$ 6,750,000.00</u>
						Reference	C	C-2 Below	C-2 Below	C
						Ref.				
				Note Pay Downs					\$ 190,467.00	
				Authorizations Cancelled					35,454.66	
				Note Adjustment					24,743.34	
				New Bond Anticipation Notes Issued				1,915,519.00		
				Renewals				4,834,481.00		
				Above				\$ 6,750,000.00	\$ 5,085,146.00	

BOROUGH OF NORTH CALDWELL  
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-15

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2021</u>	<u>2022 Authorizations</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
Various Capital Improvements	3-20A	\$ 0.73	\$	\$	0.73
Various Road Improvements	01-20	212,645.81		106,373.69	106,272.12
Improvements to Walker's Pond	02-20	569,700.00			569,700.00
Various Capital Improvements	02-21		24,743.34		24,743.34
Various Capital Improvements	01-22		475,000.00	200,000.00	275,000.00
Various Capital Improvements	04-22		1,537,488.00	830,519.00	706,969.00
Various Capital Improvements	05-22		885,000.00	885,000.00	
		<u>\$782,346.54</u>	<u>\$2,922,231.34</u>	<u>\$2,021,892.69</u>	<u>\$1,682,685.19</u>
	<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>Below</u>	<u>C</u>
<u>Ref.</u>					
Grants Received in Current Fund			\$	\$ 106,373.69	
Deferred Charges - Unfunded	C-7		2,897,488.00		
Authorization Re-established	C-11		24,743.34		
Bond Anticipation Notes Issued	C-14			1,915,519.00	
			<u>\$2,922,231.34</u>	<u>\$2,021,892.69</u>	
	Above				

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2021	D	\$ 314,156.83	\$ 15,120.92
Increased by Receipts:			
Premium on Note Sale	D-2	\$	\$ 4,410.00
Miscellaneous Revenue	D-3	65,979.42	
Consumer Accounts Receivable	D-7	1,817,327.63	
Overpayments	D-13	236.42	
Bond Anticipation Notes	D-17		1,000,000.00
Capital Improvement Fund	D-20		15,000.00
Due to Water Operating	D-21		792.29
		<u>1,883,543.47</u>	<u>1,020,202.29</u>
		2,197,700.30	1,035,323.21
Decreased by Disbursements:			
Budget Appropriations	D-4	1,520,887.91	
Appropriation Reserves	D-12	133,833.56	
Overpayments	D-13	5,141.74	
Accrued Interest on Bonds	D-15	7,896.00	
Improvement Authorizations	D-18		700,826.64
		<u>1,667,759.21</u>	<u>700,826.64</u>
Balance December 31, 2022	D	<u>\$ 529,941.09</u>	<u>\$ 334,496.57</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

ANALYSIS OF CAPITAL CASH

D-6

<u>Ordinance Number</u>	<u>General Accounts</u>	<u>Balance Dec. 31, 2021</u>	<u>Cash Receipts</u>	<u>Cash Disbursed Improvement Authorizations</u>	<u>Transfers</u>		<u>Balance Dec. 31, 2022</u>
					<u>From</u>	<u>To</u>	
	<u>General Accounts</u>						
	Capital Improvement Fund	\$ 7,400.40	\$ 15,000.00	\$		\$ 2,484.00	\$ 24,884.40
	Bond Anticipation Notes		1,000,000.00		1,000,000.00		
	Due to Water Operating Fund	1.45	792.29				793.74
	Fund Balance		4,410.00				4,410.00
	<u>Improvement Authorizations</u>						
10-20	Various Water Capital Items	5,235.07		4,898.00			337.07
14-21	Fencing at Water Tank	2,484.00			2,484.00		
2-22	Various Water Improvements			695,928.64		1,000,000.00	304,071.36
		<u>\$15,120.92</u>	<u>\$1,020,202.29</u>	<u>\$700,826.64</u>	<u>\$1,002,484.00</u>	<u>\$1,002,484.00</u>	<u>\$334,496.57</u>
	<u>Reference</u>	<u>D</u>	<u>D-5</u>	<u>D-5</u>	<u>Contra</u>	<u>Contra</u>	<u>D</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE

D-7

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 229,110.43
Increased by:		
Water Rents	Reserve	<u>1,808,830.74</u> 2,037,941.17
Decreased by:		
Water Rents:		
Collections	D-3,5	<u>1,817,327.63</u>
Balance December 31, 2022	D	<u><u>\$ 220,613.54</u></u>

DUE FROM WATER CAPITAL FUND

D-8

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 1.45
Increased by:		
Interest Earned in Water Capital Fund	D-3	<u>792.29</u>
Balance December 31, 2022	D	<u><u>\$ 793.74</u></u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

DEFERRED CHARGES

D-9

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 80,000.00
Decreased by:		
Emergency Raised in 2022 Budget	D-4	<u>80,000.00</u>
		<u>\$ -</u>

FIXED CAPITAL

D-10

	<u>Ref.</u>	
Balance December 31, 2021	D	\$3,286,357.08
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	D-11	<u>700,826.64</u>
Balance December 31, 2022	D	<u>\$3,987,183.72</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-11

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>
Various Water Capital Items	10-20	7-21-20	\$ 29,000.00	\$5,235.07	\$	\$ 4,898.00	\$	\$ 337.07
Fencing at Water Tank	14-21	5-25-21	40,000.00	2,484.00			2,484.00	
Various Water Improvements	02-22	3-22-22	1,225,000.00		1,225,000.00	695,928.64		529,071.36
				<u>\$7,719.07</u>	<u>\$1,225,000.00</u>	<u>\$700,826.64</u>	<u>\$2,484.00</u>	<u>\$529,408.43</u>
			<u>Reference</u>	<u>D</u>	<u>D-18</u>	<u>D-10</u>	<u>D-19</u>	<u>D</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

2021 APPROPRIATION RESERVES

D-12

	<u>Balance</u> <u>Dec. 31, 2021</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating</u>					
Salaries and Wages	\$	\$ 34.35	\$ 584.35	\$ 584.05	\$ 0.30
Other Expenses	37,966.06	95,848.83	133,264.89	133,249.51	15.38
		<u>2.57</u>	<u>2.57</u>		<u>2.57</u>
<u>Statutory and Deferred Expenditures</u>					
Social Security System	<u>\$37,966.06</u>	<u>\$ 95,885.75</u>	<u>\$133,851.81</u>	<u>\$133,833.56</u>	<u>\$18.25</u>

Reference

D

D

D-5

D-1



BOROUGH OF NORTH CALDWELL  
WATER UTILITY

WATER OVERPAYMENTS

D-13

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 25,395.40
Increased by:		
Collections	D-5	236.42
		<u>25,631.82</u>
Decreased by:		
Refunded	D-5	5,141.74
		<u>5,141.74</u>
Balance December 31, 2022	D	<u><u>\$ 20,490.08</u></u>

RESERVE FOR TERM BONDS PAYABLE

D-14

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 65,000.00
Increased by:		
Budget Appropriation	D-4	65,000.00
		<u>65,000.00</u>
Balance December 31, 2022	D	<u><u>\$130,000.00</u></u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

ACCRUED INTEREST ON BONDS

D-15

	<u>Ref.</u>	
Balance December 31, 2021	D	\$2,050.00
Increased by:		
2022 Budget Appropriation	D-4	<u>7,820.00</u>
		9,870.00
Decreased by:		
Payments	D-5	<u>7,896.00</u>
Balance December 31, 2022	D	<u><u>\$1,974.00</u></u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

SERIAL BONDS

D-16

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>			
Water Utilities	8-01-08	\$958,000.00	8-01-23	\$58,000.00 *	4.20%	<u>\$188,000.00</u>	<u>\$188,000.00</u>
			<u>Reference</u>			<u>D</u>	<u>D</u>

\*Term Bond due August 1, 2023 in the amount of \$188,000.00. The sum of \$130,000.00 has been raised and reserved as reflected on Exhibit D-14.

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

BOND ANTICIPATION NOTES

D-17

<u>Description</u>	<u>Ordinance Number</u>	<u>Original</u>		<u>Date of</u>		<u>Rate of Interest</u>	<u>Increase</u>	<u>Balance Dec. 31, 2022</u>
		<u>Date of Issue</u>	<u>Amount</u>	<u>Issue</u>	<u>Maturity</u>			
Various Water Improvements	2-22	10-14-22	\$1,000,000.00	10-14-22	7-13-23	4.50%	<u>\$1,000,000.00</u>	<u>\$1,000,000.00</u>
				<u>Reference</u>			<u>D-5.23</u>	<u>D</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS

D-18

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2021 Funded</u>	<u>2022 Authorizations</u>	<u>Paid or Charged</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2022</u>	
		<u>Date</u>	<u>Amount</u>					<u>Funded</u>	<u>Unfunded</u>
10-20	General Improvements Various Water Capital Items	7-21-20	\$ 29,000.00	\$5,235.07	\$	\$ 4,898.00	\$	\$337.07	\$
14-21	Fencing at Water Tank	5-25-21	40,000.00	2,484.00			2,484.00		
02-22	Various Water Improvements		1,225,000.00		1,225,000.00	695,928.64			529,071.36
				<u>\$7,719.07</u>	<u>\$1,225,000.00</u>	<u>\$700,826.64</u>	<u>\$2,484.00</u>	<u>\$337.07</u>	<u>\$529,071.36</u>
	<u>Reference</u>			<u>D</u>	<u>D-11,23</u>	<u>D-5</u>	<u>D-20</u>	<u>D</u>	<u>D</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

DEFERRED RESERVE FOR AMORTIZATION

D-19

	<u>Ref.</u>		
Balance December 31, 2021	D		\$69,000.00
Decreased by:			
Improvement Authorizations Cancelled	D-11	\$ 2,484.00	
Transfer to Reserve for Amortization	D-22	<u>37,516.00</u>	
			<u>40,000.00</u>
Balance December 31, 2022	D,Below		<u>\$29,000.00</u>
<u>Analysis of Balance</u>			
Various Water Distribution System			
Improvements - Ordinance #10-20	Above		<u>\$29,000.00</u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

CAPITAL IMPROVEMENT FUND

D-20

	<u>Ref.</u>		
Balance December 31, 2021	D		\$ 7,400.40
Increased by:			
2022 Budget Appropriation	D-5	\$15,000.00	
Improvement Authorizations			
Cancelled	D-18	<u>2,484.00</u>	
			<u>17,484.00</u>
Balance December 31, 2022	D		<u><u>\$24,884.40</u></u>

DUE TO WATER OPERATING FUND

D-21

	<u>Ref.</u>		
Balance December 31, 2021	D		\$ 1.45
Increased by:			
Cash Receipts	D-5		<u>792.29</u>
Balance December 31, 2022	D		<u><u>\$ 793.74</u></u>

BOROUGH OF NORTH CALDWELL  
WATER UTILITY

RESERVE FOR AMORTIZATION

D-22

	<u>Ref.</u>	
Balance December 31, 2021	D	\$3,037,076.15
Increased by:		
Transferred from Deferred Reserve for Amortization	D-19	<u>37,516.00</u>
Balance December 31, 2022	D	<u><u>\$3,074,592.15</u></u>



BOROUGH OF NORTH CALDWELL  
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-23

<u>Ordinance Number</u>	<u>Improvement Authorization</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
2-22	Various Water Improvements	<u>\$1,225,000.00</u>	<u>\$1,000,000.00</u>	<u>\$225,000.00</u>
	<u>Reference</u>	<u>D-18</u>	<u>D-17</u>	<u>D</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

E-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2021	E	\$ 21,522.53	\$ 17,214.66
Increased by Receipts:			
Nonbudget Revenue	E-1	\$ 465.00	\$
Premium on Sale of Notes	E-2		374.85
Membership Fees	E-3	222,365.00	
Guest Fees	E-3	24,218.75	
Rentals	E-3	10,000.00	
Interest on Investments	E-3	804.15	
Snack Bar	E-3	11,668.00	
Due from Pool Capital Fund	E-7	39,385.12	
Due to Current Fund	E-12	199,503.52	
Due to Pool Operating Fund	E-16		39,385.12
Bond Anticipation Notes	E-20		85,000.00
		<u>508,409.54</u>	<u>124,759.97</u>
		529,932.07	141,974.63
Decreased by Disbursements:			
Budget Appropriations	E-4	214,263.28	
Due from Pool Capital Fund	E-7	39,385.12	
Appropriation Reserves	E-11	10,857.40	
Due to Current Fund	E-12	199,503.52	
Accrued Interest on Bonds	E-13	4,800.00	
Accrued Interest on Notes	E-14	173.52	
Improvement Authorizations	E-15		39,274.78
Due to Pool Operating Fund	E-16		39,385.12
Bond Anticipation Notes	E-20		60,000.00
		<u>468,982.84</u>	<u>138,659.90</u>
Balance December 31, 2022	E	<u>\$ 60,949.23</u>	<u>\$ 3,314.73</u>

9-11

9-11

126

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

DUE FROM SWIMMING POOL CAPITAL FUND

E-7

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	E-5	\$ 39,385.12
Decreased by:		
Cash Receipts	E-5	<u>39,385.12</u>
		<u><u>\$ -</u></u>

DEFERRED CHARGES

E-8

	<u>Ref.</u>	
Increased by:		
Emergency Appropriation	E-1,4	<u>\$ 21,000.00</u>
Balance December 31, 2022	E	<u><u>\$ 21,000.00</u></u>

FIXED CAPITAL

E-9

	<u>Ref.</u>	
Balance December 31, 2021	E	\$1,507,827.14
Increased by:		
Transfer from Fixed Capital Uncompleted	E-10	<u>39,274.78</u>
Balance December 31, 2022	E	<u><u>\$1,547,101.92</u></u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

E-10

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
Replacement and Relocation of Pool Filter System	2-96	5-14-96	\$ 80,000.00	\$13,401.85	\$	\$	\$ 13,401.85
Various Swimming Pool Improvements	1-21	4-14-21	75,000.00	29,062.81		29,062.81	
Various Swimming Pool Improvements	3-22	3-22-22	450,000.00		450,000.00	10,211.97	439,788.03
			<u>Reference</u>	<u>E</u>	<u>E-15</u>	<u>E-9</u>	<u>E</u>
				<u>\$42,464.66</u>	<u>\$450,000.00</u>	<u>\$39,274.78</u>	<u>\$453,189.88</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

2021 APPROPRIATION RESERVES

E-11

	Balance Dec. 31, 2021		Balance After Transfers	Expended	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating</u>					
Salaries and Wages	\$ 6.00	\$	\$ 6.00	\$	\$ 6.00
Other Expenses	251.74	195.29	447.03		447.03
<u>Capital Improvements</u>					
Capital Outlay	10,857.40		10,857.40	10,857.40	
<u>Statutory Expenditures</u>					
Contribution to Social Security System	6.79		6.79		6.79
	<u>\$11,121.93</u>	<u>\$ 195.29</u>	<u>\$11,317.22</u>	<u>\$10,857.40</u>	<u>\$ 459.82</u>
<u>Reference</u>	<u>E</u>	<u>E</u>		<u>E-5</u>	<u>E-1</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

DUE TO CURRENT FUND

E-12

	<u>Ref.</u>	
Increased by:		
Cash Receipts	E-5	\$199,503.52
Decreased by:		
Cash Disbursed	E-5	<u>199,503.52</u>
		<u>\$ -</u>

RESERVE FOR ACCRUED INTEREST ON BONDS  
SWIMMING POOL OPERATING FUND

E-13

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 1,200.00
Increased by:		
Budget Appropriation	E-4	<u>4,800.00</u>
		6,000.00
Decreased by:		
Cash Disbursements	E-5	<u>4,800.00</u>
Balance December 31, 2022	E	<u>\$ 1,200.00</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

RESERVE FOR ACCRUED INTEREST ON NOTES  
SWIMMING POOL OPERATING FUND

E-14

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	E-4	\$174.00
Decreased by:		
Cash Disbursements	E-5	<u>173.52</u>
Balance December 31, 2022	E	<u>\$ 0.48</u>



BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

E-15

IMPROVEMENT AUTHORIZATIONS

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2021 Unfunded</u>	<u>2022 Authorizations</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2022 Unfunded</u>
2-96	Replacement and Relocation of Pool Filter System	5-14-96	\$ 80,000.00	\$ 13,401.85	\$	\$	\$ 13,401.85
1-21	Various Pool Improvements	4-14-21	75,000.00	29,062.81		29,062.81	
3-22	Various Pool Improvements	3-22-22	450,000.00		450,000.00	10,211.97	439,788.03
				<u>\$ 42,464.66</u>	<u>\$ 450,000.00</u>	<u>\$ 39,274.78</u>	<u>\$ 453,189.88</u>
		<u>Reference</u>		<u>E</u>	<u>E-10,21</u>	<u>E-5</u>	<u>E</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

DUE TO SWIMMING POOL OPERATING FUND

E-16

	<u>Ref.</u>	
Increased by:		
Cash Receipts	E-5	\$ 39,385.12
Decreased by:		
Cash Disbursed	E-5	<u>39,385.12</u>
		<u>\$ -</u>

RESERVE FOR AMORTIZATION

E-17

	<u>Ref.</u>	
Balance December 31, 2021	E	\$1,178,291.80
Increased by:		
Transfer from Deferred Reserve for Amortization	E-18	\$ 3,750.00
Payment of Serial Bonds	E-19	<u>25,000.00</u>
		<u>28,750.00</u>
Balance December 31, 2022	E	<u>\$1,207,041.80</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

DEFERRED RESERVE FOR AMORTIZATION

E-18

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2021</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
2-96	Replacement and Relocation of Pool Filter System	5-14-96	\$58,000.00	\$	\$58,000.00
1-21	Various Pool Improvements	4-14-21	<u>3,750.00</u>	<u>3,750.00</u>	<u>                    </u>
			<u>\$61,750.00</u>	<u>\$3,750.00</u>	<u>\$58,000.00</u>
		<u>Reference</u>	<u>E</u>	<u>E-17</u>	<u>E</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

SERIAL BONDS

E-19

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Bonds Redeemed</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Swimming Pool Utility Bonds	10-01-19	\$275,000.00	10-01-23/24	\$25,000.00	2.00%			
			10-01-25/26	30,000.00	2.00			
			10-01-27	30,000.00	3.00			
			10-01-28/29	30,000.00	2.00	<u>\$225,000.00</u>	<u>\$25,000.00</u>	<u>\$200,000.00</u>
			<u>Reference</u>			<u>E</u>	<u>E-17</u>	<u>E</u>

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY FUND

E-20

BOND ANTICIPATION NOTES

<u>Description</u>	<u>Ordinance Number</u>	<u>Original</u>		<u>Date of</u>		<u>Rate of Interest</u>	<u>Balance Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
		<u>Date of Issue</u>	<u>Amount</u>	<u>Issue</u>	<u>Maturity</u>					
Various Swimming Pool Improvements	1-21	10-18-21	\$ 71,250.00	10-18-21	10-17-22	0.29%	\$60,000.00	\$	\$60,000.00	\$ 71,250.00
				10-14-22	07-13-23	4.50%		71,250.00		
Various Swimming Pool Improvements	3-22	10-18-22	450,000.00	10-14-22	07-13-23	4.50%		13,750.00		13,750.00
							<u>\$60,000.00</u>	<u>\$85,000.00</u>	<u>\$60,000.00</u>	<u>\$85,000.00</u>
						<u>Reference</u>	<u>E</u>	<u>E-5,Below</u>	<u>E-5,Below</u>	<u>E</u>
						<u>Ref.</u>				
						Bond Anticipation Notes Issued	E-21	\$25,000.00	\$	
						Bond Anticipation Notes Rolled Over	Contra	60,000.00	60,000.00	
							Above	<u>\$85,000.00</u>	<u>\$60,000.00</u>	

BOROUGH OF NORTH CALDWELL  
SWIMMING POOL UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

E-21

<u>Ordinance Number</u>	<u>Improvement Authorization</u>	<u>Balance Dec. 31, 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2022</u>
2-96	Replacement and Relocation of Pool Filter System	\$14,000.00	\$	\$	\$ 14,000.00
1-21	Various Swimming Pool Improvements	11,250.00		11,250.00	
3-22	Various Swimming Pool Improvements		450,000.00	13,750.00	436,250.00
		<u>\$25,250.00</u>	<u>\$450,000.00</u>	<u>\$25,000.00</u>	<u>\$450,250.00</u>
	<u>Reference</u>	<u>E</u>	<u>E-15</u>	<u>E-20</u>	<u>E</u>

BOROUGH OF NORTH CALDWELL  
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS

F-1

	<u>Ref.</u>	Trust Fund Account #1
Balance December 31, 2021	F	\$3,329.80
Increased by:		
Interest Earned	F-3	<u>38.93</u>
Balance December 31, 2022	F	<u><u>\$3,368.73</u></u>

DUE TO STATE OF NEW JERSEY

F-2

	<u>Ref.</u>	
Balance December 31, 2021	F	<u>\$ 442.31</u>
Balance December 31, 2022	F	<u><u>\$ 442.31</u></u>

RESERVE FOR EXPENDITURES  
TRUST FUND ACCOUNT #1

F-3

	<u>Ref.</u>	
Balance December 31, 2021	F	\$2,887.49
Increased by:		
Interest Earned	F-1	<u>38.93</u>
Balance December 31, 2022	F	<u><u>\$2,926.42</u></u>

**PART II**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING**

**-ROSTER OF OFFICIALS**

**GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**



# SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of North Caldwell  
North Caldwell, New Jersey 07006

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various funds - regulatory basis of the Borough of North Caldwell, State of New Jersey as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough of North Caldwell, State of New Jersey's basic financials statements, and have issued our report thereon dated August 3, 2023. These financial statements - regulatory basis have been prepared in conformity with accounting principles 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.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of North Caldwell, State of New Jersey'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 North Caldwell, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of North Caldwell, State of New Jersey'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of North Caldwell, State of New Jersey'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*.

## 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

  
JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
August 3, 2023

**ROSTER OF OFFICIALS FOR THE YEAR 2022**  
**AND REPORT ON SURETY BONDS**

The following officials were in office as of December 31, 2022:

<u>Name</u>	<u>Title</u>	* <u>Amount of Bond</u>
Joseph H. Alessi	Mayor	\$
Frank X. Astorino	Council President	
Kenneth Tilton	Councilman	
Arthur Rees	Councilman	
Robert Kessler	Councilman	
Anthony Floria-Callori	Councilman	
Matthew Atlas	Councilman	
Kevin O'Sullivan	Borough Administrator	
Richard T. Mondelli	Chief Financial Officer	1,000,000.00
	Tax Collector	
	Tax Search Officer	
Tami Michelotti	Borough Clerk, Registrar of Vital Statistics	
George Librizzi	Tax Assessor	
Joseph C. Angelo	Magistrate	
Ashley McMillion	Court Administrator	
Paul Milani	Construction Official/Zoning Officer	
Mark Semeraro	Borough Attorney	
Joseph Wenzel	Municipal Prosecutor	
Tim Peterson	Fire Chief	
Mark Deuer	Chief of Police	
Bill Maranz	Recreation Director	

\*A Public Employee Dishonesty and Faithful Performance Bond covers all employees in the sum of \$1,000,000.00 less the deductible amount of \$50,000.00.

All Bonds are administered by the Municipal Excess Liability Joint Insurance Fund.

## **GENERAL COMENTS, FINDINGS AND RECOMMENDATIONS**

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

N.J.S. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

It is pointed out that the Borough Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

The statutory bidding threshold for the year 2022 was the sum of \$17,500.00 effective July 1, 2020 in accordance with the provisions of N.J.S.A. 40A:11-31a.

P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law", however, provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

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

#### **Fuel for Borough Vehicles**

Inasmuch as the system of records did not provide for an accumulation of payments for categories of material and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the respective thresholds "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.

The minutes also indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for professional services in accordance with the provisions of N.J.S. 19:44A-20.5 for the following:

Risk Management Consultant  
Borough Attorney  
Borough Auditor  
Borough Prosecutor  
Bond Counsel

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

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 2, 2022 adopted the following resolution (#29-29) authorizing interest to be charged on delinquent taxes and assessments:

"BE IT RESOLVED, by the Mayor and Council of the Borough of North Caldwell, in the County of Essex, New Jersey, as follows:

1. That pursuant to the authority conferred by Chapter 435, P.L. 1979 of New Jersey (N.J.S.A. 54:4-67), the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent shall be as follows:
  - A. Eight (8%) percent per annum on the first One Thousand Five Hundred (\$1,500) Dollars of the delinquency.
  - B. Eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred (\$1,500) Dollars.
  - C. In addition, any delinquency in excess of \$10,000.00 at the close of the calendar year is subject to a 6% penalty on the unpaid balance.
2. The interest charges fixed herein shall be calculated from the date the tax or assessment was payable to the date of actual payment, provided, however, that no interest shall be charged if payment of any installment is made within the tenth calendar day following the date upon which the same become payable".

Our review of the records of the Tax Collector indicated that computerized interest for taxes and assessments was generally collected in accordance with the provisions of the foregoing resolution.

#### **Collection of Penalties on Delinquent Water Utility Charges**

The Governing Body adopted the following ordinance authorizing a penalty to be charged on delinquent water bills:

"Bills shall be on a quarterly basis and be due when rendered. A surcharge of ten percent (10%) thereof shall be added to and collected with the water bill when a bill becomes thirty (30) days in arrears."

Our review of the records of the Tax Collector indicated that interest on delinquent water bills was generally collected in accordance with the provisions of the foregoing ordinance.

On October 15, 2020, the Governor signed Executive Order 190 which bars 1) all municipal water utilities from shutting off the water supply to residential accounts, or accounts primarily serving residential customers, due to nonpayment, and 2) collecting fees and charges for late or otherwise untimely water payments or water supply service reconnections that have accrued, and will continue to accrue, during the Public Health Emergency declared in response to COVID-19. As a result, municipalities cannot bring delinquent water charges to tax sale for the remainder of the public health emergency. This Order shall take effect on October 15, 2020 and shall remain in effect until March 15, 2021. On March 3, 2021, the Governor signed Executive Order 229 which extended the expiration date to June 30, 2021. On June 14, 2021, the Governor signed Executive Order 246 which extended the expiration date to December 31, 2021. On December 21, 2021, the Governor signed 54081 which extended the expiration date to March 15, 2022.

### **Tax Title Liens**

The following comparison is made of the number of tax title liens receivable on December 31<sup>st</sup> of the last three years:

<u>Year</u>	<u>Number</u>
2022	1
2021	1
2020	1

### **Municipal Court**

Effective January 1, 1991, the Municipal Court of the Boroughs of North Caldwell and Essex Fells were consolidated by agreement dated December 23, 1990 under the provisions of N.J.S.A. 2A:8-18.1 as amended by Chapter 95, P.L. 1990. This agreement was for the term of one year to be renewed on an annual basis.

In accordance with the aforementioned agreement "the day to day operations, record keeping and administrative functions of the Essex Fells and North Caldwell Municipal Courts will be conducted in the facility of the North Caldwell Municipal Court."

Under the terms of the agreement, as amended during 1992, total expenses are apportioned equally, 50% to North Caldwell and 50% to Essex Fells. The expenses are to be determined annually by mutual agreement of the Governing Bodies of the participating municipalities. Essex Fells shall pay its portion to North Caldwell upon receipt and processing of a properly documented and executed North Caldwell municipal voucher.

With regard to revenue distributions, "all revenue from fines and costs shall be distributed entirely to the municipality where the violation occurred".

A statutory report on the operation of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

### **Revenue Departments**

Construction Department:

*Finding 2022-01:*

*Condition:*

During our test of construction permits, it came to our attention that fees charged in relation to deck fees did not comply with the approved fee ordinance. Deck fees are charged at a different rate than rehabilitations and they are currently being charged at the same rate.

*Recommendation:*

That all construction permit fees charged be in agreement with the fee ordinance.

### **Third Party Payroll Service Provider**

The Borough of North Caldwell has contracted with a third party payroll vendor to prepare the payroll and maintain certain payroll records. The vendor is required to pay deductions on behalf of the Borough from funds transferred by the Borough to the vendor's payroll account.

An audit of the service provider's payroll account was not provided to the Borough nor did our staff prepare such an audit. We did not review certain records provided to the Borough. It should be noted, however, that we could not verify required payments of Federal and State agencies made by the service vendor.

The Local Finance Board has adopted rules and regulations regarding third-party payroll vendors which are summarized in N.J.A.C. 5:30-17 and further provides authority for local governments to hire payroll service vendors to disburse funds to payroll agencies on behalf of the local unit.

In addition, Local Finance Notice 2009-18 has offered additional safeguards with respect to third party payroll services.

### **Corrective Action Plan**

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

The Corrective Action Plan was prepared by the Chief Financial Officer with regard to the 2021 Report of Audit and filed in accordance with the aforementioned regulations.

### **Status of Prior Years' Audit Recommendations**

A review was performed on all prior years' recommendations and corrective action was taken on all with the exception of those indicated with an asterisk.

### **Miscellaneous**

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

The receipts of the Collector are deposited into accounts in the custody of the Treasurer. The Statements of Cash, herein, combine the activities of both offices.

The propriety of deductions from employee salaries for pensions, Social Security, withholding tax and other purposes were not verified as part of this audit. Remittances of deductions and withholdings to authorized agencies, however, were ascertained.

Registers of fixed assets by title or account grouping are not maintained in the Water or Swimming Pool Utility Capital Funds. The fixed capital reported on Exhibits D-10 and E-8 are as taken from municipal records and does not necessarily reflect the true condition of such fixed capital.

The Uniform Construction Code Enforcement Fee Report has been prepared and filed with the New Jersey Department of Community Affairs.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

One copy of this report was filed with the New Jersey Division of Local Government Services in the Department of Community Affairs.

## **RECOMMENDATION**

### **Construction Department**

\*That all construction permit fees charged be in agreement with the fee ordinance.

\* \* \*

\*Repeated from prior year.



The foregoing comments and resultant recommendation are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of the examination.

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel Klein and Company LLP".

SAMUEL KLEIN AND COMPANY, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in cursive script that reads "Joseph J. Faccone".

JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
August 3, 2023

