

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

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BOROUGH OF WALDWICK

BERGEN COUNTY

NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2021



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Waldwick, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Waldwick as of December 31, 2021 and 2020, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Waldwick as of December 31, 2021 and 2020, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

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

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Waldwick's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Waldwick's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

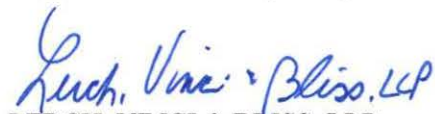
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 20, 2022 on our consideration of the Borough of Waldwick's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Waldwick's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Waldwick's internal control over financial reporting and compliance.



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



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
July 20, 2022

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

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	A-4	\$ 10,426,539	\$ 10,091,659
Cash - Change Funds	A-5	1,200	1,200
Grants Receivable	A-9	51,616	9,970
Due from State of NJ Senior Citizens' & Veterans' Deductions	A-6	<u>50,945</u>	<u>50,396</u>
		<u>10,530,300</u>	<u>10,153,225</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	201,978	195,518
Property Acquired for Taxes - Assessed Valuation	A	35,510	35,510
Revenue Accounts Receivable	A-10	5,388	2,206
Due from Animal Control Fund	B-5		29
Due from Other Trust Fund	B-15		133,361
Due from Self Insurance Trust Fund	B-13		101
Due from General Capital Fund	C-4	328,622	
Due from Water Operating Fund	D-18		544
Due from Free Public Library	A-7	<u>45,647</u>	<u>-</u>
		<u>617,145</u>	<u>367,269</u>
Total Assets		<u>\$ 11,147,445</u>	<u>\$ 10,520,494</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-11	\$ 818,646	\$ 1,073,660
Accounts Payable	A-12	702,618	436,294
Prepaid Taxes	A-13	235,464	279,859
Tax Overpayments	A-14	52,623	
County Taxes Payable	A-15	12,904	38,627
Due to Other Trust Fund Fund	B-15	141,887	
Due to Unemployment Insurance Trust Fund	B-9		119
Due to Municipal Open Space Trust Fund	B-19	281	14,735
Due to General Capital Fund	C-4		404,063
Miscellaneous Reserves	A-17	367,843	313,587
Appropriated Reserves - Public and Private Programs	A-18	74,570	74,135
Unappropriated Reserves - Public and Private Programs	A-19	536,281	-
Construction Code Fees Payable	A-20	<u>3,972</u>	<u>3,970</u>
		2,947,089	2,639,049
Reserve for Receivables and Other Assets	A	617,145	367,269
Fund Balance	A-1	<u>7,583,211</u>	<u>7,514,176</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 11,147,445</u>	<u>\$ 10,520,494</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 1,525,102	\$ 1,261,311
Miscellaneous Revenues Anticipated	3,917,433	3,950,999
Receipts from Delinquent Taxes	197,943	360,959
Receipts from Current Taxes	45,199,389	44,675,195
Non-Budget Revenue	211,366	214,468
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	742,775	512,012
Cancelled Accounts Payable		1,370
Cancelled Appropriated Grant Reserve		2
Cancelled Tax Overpayments		16,317
Interfunds Liquidated	134,035	8,025
	<u>51,928,043</u>	<u>51,000,658</u>
EXPENDITURES		
Budget Appropriations		
Operations		
Salaries and Wages	4,517,824	4,230,918
Other Expenses	6,224,102	6,123,353
Capital Improvements	189,118	583,808
Municipal Debt Service	1,407,601	1,534,274
Deferred Charges and Statutory Expenditures	1,178,588	1,059,657
County Taxes	4,218,161	4,061,214
County Open Space Preservation	174,858	170,393
County Share of Added and Omitted Taxes	12,904	38,627
Local District School Taxes	31,951,677	31,313,952
Municipal Open Space Taxes	81,504	81,124
Other Debits		
Senior Citizens Deductions Disallowed for Prior Year Taxes	3,300	3,250
Refund of Prior Year Revenue		7,265
Interfunds Created	374,269	-
Total Expenditures	<u>50,333,906</u>	<u>49,207,835</u>
Excess in Revenue	1,594,137	1,792,823
Fund Balance, January 1	<u>7,514,176</u>	<u>6,982,664</u>
	9,108,313	8,775,487
Decreased by:		
Utilization as Anticipated Revenue	<u>1,525,102</u>	<u>1,261,311</u>
Fund Balance, December 31	<u>\$ 7,583,211</u>	<u>\$ 7,514,176</u>

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

	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	\$ 1,525,102	-	\$ 1,525,102	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	18,720		19,398	\$ 678
Other	19,000		19,205	205
Fees and Permits				
Construction Code Official	210,000		265,532	55,532
Other	183,000		226,817	43,817
Fines and Costs				
Municipal Court	50,000		44,564	(5,436)
Interest and Costs on Taxes	85,000		51,403	(33,597)
Sewer Privileges	102,534		156,693	54,159
Energy Receipts Tax	2,327,293		2,327,293	-
Supplemental Energy Receipts Tax	141,307		141,307	-
Police Training - Various Municipal Agreements	46,921		46,921	-
Police Vest Fund	1,789		1,789	-
SNJ Body Worn Cameras	-	\$ 42,798	42,798	-
Clean Communities	17,914		17,914	-
Cable Television Franchise Fees	142,818		142,818	-
Uniform Fire Safety Act - Other Fees & Permits	16,253		13,099	(3,154)
Cell Site Rental	344,200		342,682	(1,518)
Trust Reserve for Vehicle Maintenance	34,500		34,500	-
General Capital Reserve	20,000		20,000	-
Solar Energy Credit	3,500	-	2,700	(800)
	<u>3,764,749</u>	<u>42,798</u>	<u>3,917,433</u>	<u>109,886</u>
Total Miscellaneous Revenues				
RECEIPTS FROM DELINQUENT TAXES	<u>193,563</u>	<u>-</u>	<u>197,943</u>	<u>4,380</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Municipal Operations	8,382,198		9,151,462	769,264
Free Public Library	575,763	-	575,763	-
	<u>8,957,961</u>	<u>-</u>	<u>9,727,225</u>	<u>769,264</u>
Total General Revenues	<u>\$ 14,441,375</u>	<u>\$ 42,798</u>	<u>\$ 15,367,703</u>	<u>\$ 883,530</u>
Non-Budget Revenue			<u>211,366</u>	
			<u>\$ 15,579,069</u>	

BOROUGH OF WALDWICK
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection	
Revenue from Collections	\$ 45,308,946
Less: Reserve for Tax Appeals Pending	<u>109,557</u>
Revenues Realized	45,199,389
Less: Allocation to School, County and Municipal Open Space Taxes	<u>36,439,104</u>
	8,760,285
Add: Appropriation "Reserve for Uncollected Taxes"	<u>966,940</u>
Balance for Support of Municipal Budget Appropriations	<u><u>\$ 9,727,225</u></u>
Fees and Permits - Other	
Borough Clerk	\$ 11,960
Tax Collector	550
Fire Prevention Bureau	19,751
Police	412
Swimming Pool	134,110
Park and Ride	53,775
Sewer Connection	<u>6,259</u>
	<u><u>\$ 226,817</u></u>
Licenses - Other	
Borough Clerk	\$ 1,010
Board of Health	<u>18,195</u>
	<u><u>\$ 19,205</u></u>
Non-Budget	
Cash Received	\$ 200,723
Due From Animal Control Fund	142
Due From Other Trust Fund	3,243
Due From Self Insurance Trust Fund	610
Due From General Capital Fund	<u>6,648</u>
	<u><u>\$ 211,366</u></u>

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT				
General Administration				
Salaries and Wages	\$ 211,165	\$ 211,165	\$ 188,785	\$ 22,380
Other Expenses	25,780	25,780	15,472	10,308
Mayor and Council				
Salaries and Wages	11,600	11,600	10,032	1,568
Other Expenses	6,500	6,500	4,325	2,175
Municipal Clerk				
Salaries and Wages	141,811	141,811	139,684	2,127
Other Expenses	40,220	40,220	40,220	-
Financial Administration				
Salaries and Wages	157,109	157,109	154,648	2,461
Other Expenses	13,950	13,950	-	13,950
Audit Services				
Other Expenses	37,000	37,000	34,620	2,380
Revenue Administration				
Salaries and Wages	53,753	53,753	51,752	2,001
Other Expenses	104,800	104,800	92,708	12,092
Other Expenses - Liquid of TTLs/Foreclosed Property	100	100	-	100
Tax Assessment Administration				
Salaries and Wages	38,377	38,377	38,209	168
Other Expenses	21,565	21,565	4,953	16,612
Legal Services and Costs				
Other Expenses	123,500	123,500	91,181	32,319
Engineering Services & Costs				
Other Expenses	11,000	11,000	7,833	3,167
Planning Board				
Salaries and Wages	9,653	9,653	9,622	31
Other Expenses	6,300	6,300	4,550	1,750
Board of Adjustment				
Salaries and Wages	9,653	9,653	9,622	31
Other Expenses	6,500	6,500	5,599	901
Insurance				
Self Insurance & Surety Bonds	12,500	12,500	12,500	-
General Liability	320,748	320,748	306,029	14,719
Employee Group Health	585,103	577,102	493,510	83,592
Health Benefit Waiver	45,000	45,000	20,115	24,885
PUBLIC SAFETY				
Police				
Salaries and Wages	2,627,911	2,625,911	2,527,946	97,965
Other Expenses	120,788	122,788	122,746	42
Other Expenses-Acquisition of Police Vehicles	83,250	83,250	83,250	-
Pistol Range Contribution	7,556	7,556	7,556	-
Office of Emergency Management				
Other Expenses	500	500	-	500

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)				
PUBLIC SAFETY (Cont'd)				
Aid to Volunteer Ambulance Companies (First Aid Contribution)	\$ 21,000	\$ 21,000	\$ 12,123	\$ 8,877
Fire				
Salaries and Wages	8,550	8,550	6,617	1,933
Other Expenses	68,100	68,100	60,047	8,053
Other Expenses-Fire Hydrant Service	25,000	25,000	25,000	-
Fire Prevention Bureau				
Salaries and Wages	21,887	21,887	21,887	-
Other Expenses	19,665	19,665	7,355	12,310
PUBLIC WORKS				
Streets and Road Maintenance				
Salaries and Wages	743,915	743,915	719,598	24,317
Other Expenses	31,400	31,400	23,561	7,839
Other Expenses - Snow Removal	111,400	111,400	71,491	39,909
Other Public Works Function				
Other Expenses - Municipal Park and Ride	2,700	2,700	1,073	1,627
Other Expenses - Traffic Control Devices	5,800	5,800	5,786	14
Solid Waste Collection (Sanitation)				
Garbage Collection	350,863	350,863	348,863	2,000
Recycling				
Salaries and Wages	55,305	55,305	55,288	17
Other Expenses	225,931	221,431	176,397	45,034
Public Buildings and Grounds				
Other Expenses	217,500	217,500	198,812	18,688
Vehicle Maintenance (Municipal Garage)				
Other Expenses	205,000	209,500	209,123	377
HEALTH & HUMAN SERVICES				
Public Health Services				
Other Expenses - Northwest Bergen Comm. Contractual	115,000	115,000	108,680	6,320
Animal Control				
Other Expenses	2,500	2,500	2,500	-
Welfare/Administration of Public Assistance				
Other Expenses	100	100		100
PARKS AND RECREATION				
Recreation Services and Programs (Parks and Playgrounds)				
Salaries and Wages	89,446	89,446	75,507	13,939
Other Expenses	55,750	55,750	49,051	6,699
Other Expenses-Community Television	1,000	1,000	1,000	-
MUNICIPAL COURT				
Salaries and Wages	64,128	64,128	52,632	11,496
Other Expenses	6,600	6,600	6,206	394
Public Defender				
Other Expenses	16,000	16,000	15,373	627

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)				
OTHER COMMON OPERATING				
Celebration of Public Events, Anniversary or Holiday				
Other Expenses	\$ 9,000	\$ 9,000	\$ 1,315	\$ 7,685
UNIFORM CONSTRUCTION CODE				
APPROPRIATIONS OFFSET BY				
DEDICATED REVENUES (NJAC5:23-4.17)				
Uniform Construction Code Enforcement				
Salaries and Wages	226,223	226,223	217,513	8,710
Other Expenses	4,540	4,540	3,537	1,003
UTILITY EXPENSES AND BULK PURCHASES				
Fuel Oil	84,000	84,000	67,496	16,504
Electricity	108,000	105,845	70,714	35,131
Telephone	52,000	52,000	46,694	5,306
Natural Gas	37,000	37,000	21,754	15,246
Street Lighting	115,000	115,000	100,429	14,571
Water	17,000	19,155	19,154	1
Sewerage Processing and Disposal	23,000	31,000	30,038	962
Landfill/Solid Waste Disposal Costs				
Sanitary Landfill Dump Fees	<u>349,146</u>	<u>349,146</u>	<u>281,367</u>	<u>67,779</u>
Total Operations Within "CAPS"	<u>8,323,141</u>	<u>8,323,140</u>	<u>7,591,448</u>	<u>731,692</u>
Detail:				
Salaries and Wages	4,470,486	4,468,486	4,279,342	189,144
Other Expenses (Including Contingent)	<u>3,852,655</u>	<u>3,854,654</u>	<u>3,312,106</u>	<u>542,548</u>
STATUTORY EXPENDITURES				
Social Security System	360,000	360,000	301,509	58,491
Police & Firemen's Retirement System of NJ	564,516	564,516	564,516	-
Public Employee Retirement System	214,572	214,572	213,322	1,250
Defined Contribution Retirement Plan	<u>15,000</u>	<u>15,000</u>	<u>11,908</u>	<u>3,092</u>
Total Statutory Expenditures	<u>1,154,088</u>	<u>1,154,088</u>	<u>1,091,255</u>	<u>62,833</u>
Total Statutory Expenditures - Municipal Within "CAPS"	<u>1,154,088</u>	<u>1,154,088</u>	<u>1,091,255</u>	<u>62,833</u>
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>9,477,229</u>	<u>9,477,228</u>	<u>8,682,703</u>	<u>794,525</u>

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
UTILITY EXPENSES AND BULK PURCHASES				
Northwest Bergen Sewer Authority				
Share of Costs	\$ 1,677,750	\$ 1,677,750	\$ 1,677,750	
Village of Ridgewood - Contractual - Sewer	5,600	5,600	5,600	
Boro of Ho-Ho-Kus - Contractual - Sewer	3,815	3,815	-	\$ 3,815
Recycling Tax Appropriation	14,000	14,000	11,742	2,258
EDUCATION				
Maintenance of Free Public Library	575,763	575,763	575,763	-
PUBLIC SAFETY				
"911" Telecommunications System	10,836	10,836	10,835	1
PUBLIC WORKS				
NJPDES Stormwater Permit				
Streets and Roads				
Salaries and Wages	19,000	19,000	19,000	-
Other Expenses	2,600	2,600	2,600	-
INTERLOCAL MUNICIPAL SERVICE				
AGREEMENTS				
Public Safety - Police Training				
Salaries and Wages	12,424	12,424	12,424	-
Other Expense	34,497	34,497	23,176	11,321
PUBLIC AND PRIVATE PROGRAMS				
OFFSET BY REVENUES				
SNJ BODY-WORN CAMERAS		42,798	42,798	-
Police Vest Fund	1,789	1,789	1,291	498
Clean Communities Grant - Salaries and Wages	17,914	17,914	17,914	-
Total Operations Excluded from "CAPS"	<u>2,375,988</u>	<u>2,418,786</u>	<u>2,400,893</u>	<u>17,893</u>
Detail:				
Salaries and Wages	49,338	49,338	49,338	-
Other Expenses	<u>2,326,650</u>	<u>2,369,448</u>	<u>2,351,555</u>	<u>17,893</u>
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	169,118	169,118	169,118	-
HVAC Upgrades	<u>20,000</u>	<u>20,000</u>	<u>13,772</u>	<u>6,228</u>
Total Capital Improvements-Excluded from "CAPS"	<u>189,118</u>	<u>189,118</u>	<u>182,890</u>	<u>6,228</u>

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

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
MUNICIPAL DEBT SERVICE				
Payment of Bond Principal	\$ 1,270,000	\$ 1,270,000	\$ 1,270,000	
Interest on Bonds	125,860	125,860	125,860	
NJ Infrastructure Trust Loan				
Loan Repayments for Principal and Interest	<u>11,740</u>	<u>11,741</u>	<u>11,741</u>	<u>-</u>
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,407,600</u>	<u>1,407,601</u>	<u>1,407,601</u>	<u>-</u>
DEFERRED CHARGES MUNICIPAL				
Deferred Charges				
General Capital Fund				
Unfunded - Ordinance No 06-06/20-06	<u>24,500</u>	<u>24,500</u>	<u>24,500</u>	<u>-</u>
Total Deferred Charges-Municipal Excluded from "CAPS"	<u>24,500</u>	<u>24,500</u>	<u>24,500</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,997,206</u>	<u>4,040,005</u>	<u>4,015,884</u>	<u>\$ 24,121</u>
Subtotal General Appropriations	13,474,435	13,517,233	12,698,587	818,646
Reserve for Uncollected Taxes	<u>966,940</u>	<u>966,940</u>	<u>966,940</u>	<u>-</u>
Total General Appropriations	<u>\$ 14,441,375</u>	<u>\$ 14,484,173</u>	<u>\$ 13,665,527</u>	<u>\$ 818,646</u>
Adopted Budget		\$ 14,441,375		
Appropriation by 40A:4-87		<u>42,798</u>		
		<u>\$ 14,484,173</u>		
Cash Disbursed			\$ 12,150,275	
Accounts Payable			548,312	
Reserve for Uncollected Taxes			<u>966,940</u>	
			<u>\$ 13,665,527</u>	

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
ANIMAL CONTROL FUND			
Cash	B-3	\$ 19,710	\$ 19,492
Due from State of New Jersey	B-4	<u>775</u>	<u>804</u>
		<u>20,485</u>	<u>20,296</u>
PARK AND RIDE CONTINGENCY FUND			
Cash	B-3	<u>32,298</u>	<u>30,329</u>
		<u>32,298</u>	<u>30,329</u>
OTHER TRUST FUND			
Cash	B-3	2,274,674	2,705,273
Due from Current Fund	B-15	141,887	
Due from Park and Ride Contingency Fund	B-7		4,006
Due from Unemployment Insurance Trust Fund	B-10	<u>673</u>	<u>-</u>
		<u>2,417,234</u>	<u>2,709,279</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	66,635	65,916
Due from State of New Jersey	B-11	11,554	
Due from Current Fund	B-9		119
Due from Other Trust Fund	B-10	<u>-</u>	<u>2,317</u>
		<u>78,189</u>	<u>68,352</u>
SELF INSURANCE TRUST FUND			
Cash	B-3	<u>57,028</u>	<u>145,354</u>
		<u>57,028</u>	<u>145,354</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Cash	B-3	4,810	74,355
Due from Current Fund	B-19	<u>281</u>	<u>14,735</u>
		<u>5,091</u>	<u>89,090</u>
Total Assets		<u>\$ 2,610,325</u>	<u>\$ 3,062,700</u>

**BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020
(Continued)**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND			
Due to Current Fund	B-5		\$ 29
Reserve for Animal Control Expenditures	B-6	<u>\$ 20,485</u>	<u>20,267</u>
		<u>20,485</u>	<u>20,296</u>
PARK AND RIDE CONTINGENCY FUND			
Due to Other Trust Fund	B-7		4,006
Reserve for Park and Ride Expenditures	B-8	<u>32,298</u>	<u>26,323</u>
		<u>32,298</u>	<u>30,329</u>
OTHER TRUST FUND			
Due to Current Fund	B-15		133,361
Due to Unemployment Ins. Trust Fund	B-10		2,317
Due to General Capital Fund	C-6		50
Developer's Escrow and Other Reserves	B-16	1,823,428	1,999,500
Reserve for Payroll Deductions Payable	B-17	176,113	170,108
Reserve for COAH Expenditures	B-18	<u>417,693</u>	<u>403,943</u>
		<u>2,417,234</u>	<u>2,709,279</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Due to Other Trust Fund	B-10	673	
Due to State of New Jersey	B-11		9,263
Reserve for Unemployment Claims	B-12	<u>77,516</u>	<u>59,089</u>
		<u>78,189</u>	<u>68,352</u>
SELF-INSURANCE TRUST FUND			
Due to Current Fund	B-13		101
Reserve for Property Insurance Expenditures	B-14	<u>57,028</u>	<u>145,253</u>
		<u>57,028</u>	<u>145,354</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Due to General Capital Fund	B-20	45,000	120,900
Reserve/(Deficit) for Expenditures	B-21	<u>(39,909)</u>	<u>(31,810)</u>
		<u>5,091</u>	<u>89,090</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,610,325</u>	<u>\$ 3,062,700</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK
STATEMENT OF REVENUES-REGULATORY BASIS
MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Anticipated Budget After Modification</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 81,223	\$ 81,223	\$ 81,504	\$ 281
	<u>\$ 81,223</u>	<u>\$ 81,223</u>	<u>\$ 81,504</u>	<u>\$ 281</u>

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserved</u>
Development of Lands for Recreation and Conservation:				
Other Expenses	\$ 49,413	\$ 49,413	\$ 90,000	\$ (40,587)
Deferred Charge - Overexpenditure	<u>31,810</u>	<u>31,810</u>	<u>31,810</u>	<u>-</u>
	<u>\$ 81,223</u>	<u>\$ 81,223</u>	<u>\$ 121,810</u>	<u>\$ (40,587)</u>

Analysis of Paid or Charged

Cash Disbursements	\$ 76,810
Due to General Capital Fund	<u>45,000</u>
	<u>\$ 121,810</u>

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

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	C-2,C-3	\$ 1,492,224	\$ 2,668,294
Deferred Charges to Future Taxation			
Funded	C-7	8,307,342	9,586,762
Unfunded	C-8	1,354,020	42,520
Grant and Other Receivable	C-9	233,424	174,541
Due from Current Fund	C-4		404,063
Due from Municipal Open Space Trust Fund	C-5	45,000	120,900
Due from Other Trust Fund	C-6	-	50
		<u>\$ 11,432,010</u>	<u>\$ 12,997,130</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-10	\$ 8,226,000	\$ 9,496,000
Loans Payable	C-11	81,342	90,762
Improvement Authorizations			
Funded	C-12	1,036,779	987,979
Unfunded	C-12	873,305	602
Accounts Payable	C-13	526,717	1,679,088
Due to Current Fund	C-4	328,622	
Reserve for Payment of Debt Service	C-14	34,536	34,536
Reserve for Pistol Range	C-15	47,402	31,396
Capital Improvement Fund	C-16		91,960
Fund Balance	C-1	<u>277,307</u>	<u>584,807</u>
		<u>\$ 11,432,010</u>	<u>\$ 12,997,130</u>

There were bonds and notes authorized but not issued of \$1,354,020 and \$42,520 at December 31, 2021 and 2020 respectively (Exhibit C-17).

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

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ 584,807	\$ 343,861
Increased by:		
Premium on Sale of Bond Anticipation Notes		69,780
Cancelled Improvement Authorizations	-	<u>226,366</u>
	584,807	640,007
Decreased by:		
Appropriated to Finance Improvement Authorization	287,500	55,200
Payment to Current Fund as Anticipated Revenue	<u>20,000</u>	<u>-</u>
Balance, December 31	<u>\$ 277,307</u>	<u>\$ 584,807</u>

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

ASSETS	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Cash	D-5	\$ 1,970,792	\$ 1,932,298
Change Fund	D	<u>100</u>	<u>100</u>
		<u>1,970,892</u>	<u>1,932,398</u>
Receivables With Full Reserves			
Consumer Accounts Receivable	D-7	<u>85,482</u>	<u>64,391</u>
Total Assets		<u>\$ 2,056,374</u>	<u>\$ 1,996,789</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	D-4,D-10	\$ 136,316	\$ 140,296
Accounts Payable	D-11	68,086	82,632
Prepaid Water Rents	D-12	3,667	5,552
Water Rent Overpayments	D-13	5,877	3,823
Due to Water Utility Capital Fund	D-17		4,531
Due to Current Fund	D-18		544
Reserve for Tax Map	D-22	3,667	3,667
Accrued Interest Payable on Bonds and Notes	D-19	6,183	6,406
Accrued Interest Payable on Loans	D-21	<u>6,667</u>	<u>7,188</u>
		230,463	254,639
Reserve for Receivables	D	85,482	64,391
Fund Balance	D-1	<u>1,740,429</u>	<u>1,677,759</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,056,374</u>	<u>\$ 1,996,789</u>

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020
(Continued)

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	D-5,D-6	\$ 5,710	\$ 386,399
Fixed Capital	D-8	9,345,690	9,236,995
Fixed Capital Authorized and Uncompleted	D-9	855,103	431,706
Due from Water Utility Operating Fund	D-17	<u>-</u>	<u>4,531</u>
 Total Assets		 <u>\$ 10,206,503</u>	 <u>\$ 10,059,631</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	D-20	\$ 1,216,000	\$ 1,376,000
State Water Loans Payable	D-14	588,349	643,165
Accounts Payable	D-11	253,177	103,822
Improvement Authorization			
Funded	D-15	151,689	233,679
Unfunded	D-15	51,833	418
Reserves for			
Amortization	D-23	7,882,026	7,649,118
Deferred Amortization	D-24	49,000	-
Payment of Debt	D-25	4,008	4,008
Capital Improvement Fund	D-16	10,143	14,643
Fund Balance	D-2	<u>278</u>	<u>34,778</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 10,206,503</u>	 <u>\$ 10,059,631</u>

There were bonds and notes authorized but not issued of \$465,418 and \$418 at December 31, 2021 and 2020, respectively. (Exhibit D-26).

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

	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME		
Surplus Anticipated	\$ 170,000	
Rents	1,846,236	\$ 1,917,337
Fire Hydrant Service	25,000	25,000
Miscellaneous	7,724	23,463
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	143,013	143,281
Cancelled Accounts Payable	<u>567</u>	<u>7,054</u>
	<u>2,192,540</u>	<u>2,116,135</u>
EXPENDITURES		
Budget Appropriations		
Operating	1,530,905	1,317,300
Capital Improvements	30,000	11,500
Debt Service	250,129	257,971
Deferred Charges and Statutory Expenditures	<u>148,836</u>	<u>170,097</u>
	<u>1,959,870</u>	<u>1,756,868</u>
Excess in Revenue	232,670	359,267
Fund Balance, January 1	<u>1,677,759</u>	<u>1,318,492</u>
Decreased by:		
Utilization by Water Operating Budget	<u>170,000</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 1,740,429</u>	<u>\$ 1,677,759</u>

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

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ 34,778	\$ 24,608
Increased by:		
Premium on Sale of Bonds	-	10,170
	34,778	34,778
Decreased by:		
Appropriated to Finance Improvement Authorizations	34,500	-
Balance, December 31	\$ 278	\$ 34,778

EXHIBIT D-3

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

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Utilized	\$ 170,000	\$ 170,000	
Rents	1,765,617	1,846,236	\$ 80,619
Fire Hydrant Service	25,000	25,000	
Miscellaneous	-	7,724	7,724
	\$ 1,960,617	\$ 2,048,960	\$ 88,343
Analysis of Miscellaneous Revenue			
Interest on Investments and Deposits		\$ 7,724	
		\$ 7,724	
Analysis of Miscellaneous Revenue			
Cash Receipts		\$ 6,011	
Due From Water Capital		1,713	
		\$ 7,724	

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WALDWICK
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries and Wages	\$ 736,653	\$ 736,653	\$ 713,980	\$ 22,673	
Other Expenses	796,752	794,252	704,601	89,651	
Capital Improvements					
Capital Improvement Fund	10,000	10,000	10,000	-	
Capital Outlay	20,000	20,000	19,862	138	
Debt Service					
Payment of Bond Principal	160,000	160,000	160,000		
Interest on Bonds	19,115	19,115	18,892		\$ 223
Environmental Trust Principal & Interest	71,761	71,761	71,237		524
Statutory Expenditures					
Public Employees Retirement System	72,336	74,836	74,536	300	
Social Security System	74,000	74,000	50,446	23,554	-
	<u>\$ 1,960,617</u>	<u>\$ 1,960,617</u>	<u>\$ 1,823,554</u>	<u>\$ 136,316</u>	<u>\$ 747</u>
Cash Disbursed			\$ 1,720,386		
Accounts Payable			67,547		
Interest on Bonds and Notes			18,892		
Interest on Loans			<u>16,729</u>		
			<u>\$ 1,823,554</u>		

BOROUGH OF WALDWICK
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Land	\$ 8,508,600	\$ 8,508,600
Buildings and Building Improvements	5,491,472	5,412,020
Machinery and Equipment	<u>8,861,677</u>	<u>7,301,209</u>
Total Assets	<u>\$ 22,861,749</u>	<u>\$ 21,221,829</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 22,861,749</u>	<u>\$ 21,221,829</u>

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Waldwick (the "Borough") was incorporated in 1919 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2020 balances to conform to the December 31, 2021 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

Incurred But Not Reported (IBNR) Reserves and Claims Payable - The Borough has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Borough has not received notices or report of losses (i.e. IBNR). Additionally, the Borough has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining potential claims are recorded as a long-term obligation in the government-wide financial statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

General Fixed Assets purchased after December 31, 2017 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds (Except Municipal Open Space Trust Fund)
General Capital Fund
Water Utility Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021 and 2020 the Borough Council increased the original budget by \$42,798 and \$-0-. (The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2021 and 2020.

B. **Deficit Fund Balances**

The Borough has an accumulated deficit of \$39,909 in the Municipal Open Space Trust Fund. The Fund anticipated funding this deficit through a budget contribution in 2022.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. **Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021 and 2020, the book value of the Borough's deposits were \$16,351,720 and \$18,120,669 and bank and brokerage firm balances of the Borough's deposits amounted to \$16,592,049 and \$18,515,873, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured	\$ 15,702,864	\$ 17,627,051
Uninsured and Collateralized	<u>889,185</u>	<u>888,822</u>
	<u>\$ 16,592,049</u>	<u>\$ 18,515,873</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, the Borough's bank balances of \$889,185 and \$888,822 were exposed to custodial credit risk as follows:

	<u>2021</u>	<u>2020</u>
<u>Uninsured and Collateralized:</u>		
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 889,185</u>	<u>\$ 888,822</u>

B. Investments

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

As of December 31, 2021 and 2020 the Borough had no outstanding investments.

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

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2021</u>			
Property Taxes	\$ 201,978		\$ 201,978
Utility Rents	<u>-</u>	<u>\$ 85,482</u>	<u>85,482</u>
	<u>\$ 201,978</u>	<u>\$ 85,482</u>	<u>\$ 287,460</u>

In 2021, the Borough collected \$197,943 and \$64,391 from delinquent taxes and utility charges and fees, which represented 101% and 100% of the delinquent tax and water charges receivable at December 31, 2020.

Receivables at December 31, 2020 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2020</u>			
Property Taxes	\$ 195,518		\$ 195,518
Utility Rents	<u>-</u>	<u>\$ 64,391</u>	<u>64,391</u>
	<u>\$ 195,518</u>	<u>\$ 64,391</u>	<u>\$ 259,909</u>

In 2020, the Borough collected \$360,959 and \$37,773 from delinquent taxes and utility charges and fees, which represented 99% and 100% of the delinquent tax and water charges receivable at December 31, 2019.

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

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2021</u>		<u>2020</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 328,622	\$ 142,168	\$ 134,035	\$ 418,917
Trust Funds				
Animal Control				29
Park and Ride Contingency				4,006
Other Trust	142,560		4,006	135,728
Unemployment Insurance Trust		673	2,436	
Self-Insurance Trust Fund				101
Municipal Open Space	281	45,000	14,735	120,900
General Capital Fund	45,000	328,622	525,013	
Water Utility Operating Fund				5,075
Water Utility Capital Fund	-	-	4,531	-
Total	<u>\$ 516,463</u>	<u>\$ 516,463</u>	<u>\$ 684,756</u>	<u>\$ 684,756</u>

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

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

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

NOTE 6 FUND BALANCES APPROPRIATED

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

	<u>2021</u>		<u>2020</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 7,480,650	\$ 1,967,959	\$ 7,453,810	\$ 1,525,102
Non-Cash Surplus	<u>102,561</u>	<u>-</u>	<u>60,366</u>	<u>-</u>
	<u>\$ 7,583,211</u>	<u>\$ 1,967,959</u>	<u>\$ 7,514,176</u>	<u>\$ 1,525,102</u>
Water Utility Operating Fund				
Cash Surplus	<u>\$ 1,740,429</u>	<u>\$ 170,000</u>	<u>\$ 1,677,759</u>	<u>\$ 170,000</u>
	<u>\$ 1,740,429</u>	<u>\$ 170,000</u>	<u>\$ 1,677,759</u>	<u>\$ 170,000</u>

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

NOTE 7 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2021 and 2020.

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land	\$ 8,508,600			\$ 8,508,600
Buildings and Building Improvements	5,412,020	\$ 79,452		5,491,472
Machinery and Equipment	7,301,209	1,689,818	\$ 129,350	8,861,677
	<u>\$ 21,221,829</u>	<u>\$ 1,769,270</u>	<u>\$ 129,350</u>	<u>\$ 22,861,749</u>
	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land	\$ 8,604,989		\$ 96,389	\$ 8,508,600
Buildings and Building Improvements	4,882,250	\$ 529,770		5,412,020
Machinery and Equipment	7,073,793	531,916	304,500	7,301,209
	<u>\$ 20,561,032</u>	<u>\$ 1,061,686</u>	<u>\$ 400,889</u>	<u>\$ 21,221,829</u>

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

NOTE 7 FIXED ASSETS (Continued)

B. Water Utility Fund Fixed Assets

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

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Fixed Capital				
System and System Improvements	\$ 3,350,252	\$ 45,000		\$ 3,395,252
Tanks, Pumping Station Structures	3,055,205			3,055,205
Vehicles and Equipment	<u>2,831,538</u>	<u>63,695</u>	<u>-</u>	<u>2,895,233</u>
	<u>\$ 9,236,995</u>	<u>\$ 108,695</u>	<u>\$ -</u>	<u>\$ 9,345,690</u>
	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Adjustments</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Fixed Capital				
System and System Improvements	\$ 3,298,779	\$ 51,473		\$ 3,350,252
Tanks, Pumping Station Structures	3,033,192	22,013		3,055,205
Vehicles and Equipment	<u>2,664,625</u>	<u>166,913</u>	<u>-</u>	<u>2,831,538</u>
	<u>\$ 8,996,596</u>	<u>\$ 240,399</u>	<u>\$ -</u>	<u>\$ 9,236,995</u>

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

NOTE 8 MUNICIPAL DEBT

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

The Borough's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Loans and Notes	\$ 8,307,342	\$ 9,586,762
Water Utility		
Bonds, Notes and Loans	<u>1,804,349</u>	<u>2,019,165</u>
Total Issued	10,111,691	11,605,927
Less Funds Temporarily Held to Pay Bonds and Notes	<u>38,544</u>	<u>38,544</u>
Net Debt Issued	10,073,147	11,567,383
Authorized But Not Issued		
General		
Bonds and Notes	1,354,020	42,520
Water Utility		
Bonds and Notes	<u>465,418</u>	<u>418</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 11,892,585</u>	<u>\$ 11,610,321</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .55% and .57% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 9,661,361	\$ 34,536	\$ 9,626,825
School Debt	31,175,000	31,175,000	
Water Utility Debt	<u>2,269,767</u>	<u>2,269,767</u>	<u>-</u>
Total	<u>\$ 43,106,128</u>	<u>\$ 33,479,303</u>	<u>\$ 9,626,825</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 9,629,282	\$ 34,536	\$ 9,594,746
School Debt	1,250,000	1,250,000	
Water Utility Debt	<u>2,019,583</u>	<u>2,019,583</u>	<u>-</u>
Total	<u>\$ 12,898,865</u>	<u>\$ 3,304,119</u>	<u>\$ 9,594,746</u>

Statutory Borrowing Power

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

	<u>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 61,240,588	\$ 59,295,837
Less: Net Debt	<u>9,626,825</u>	<u>9,594,746</u>
Remaining Borrowing Power	<u>\$ 51,613,763</u>	<u>\$ 49,701,091</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

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

	<u>2021</u>	<u>2020</u>
\$4,508,000, 2014 Bonds, due in annual installments of \$418,000 to \$420,000 through November, 2026, interest at 2.00% to 2.50%	\$ 2,098,000	\$ 2,518,000
\$6,978,000, 2020 Bonds, due in annual installments of \$578,000 to \$750,000 through July, 2030, interest at 0.05% to 2.00%	<u>6,128,000</u>	<u>6,978,000</u>
	<u>\$ 8,226,000</u>	<u>\$ 9,496,000</u>

General Intergovernmental Loans Payable

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

	<u>2021</u>	<u>2020</u>
\$86,874, 2011 Fund Loan due in Semi-annual installments of \$1,589 to \$3,178 through August 2029, interest free	\$ 36,025	\$ 40,792
\$86,874, 2011 Trust Loan due in Annual installments of \$996 to \$6,368 through August 2030, interest at 3.28% to 4.51%	<u>45,317</u>	<u>49,970</u>
	<u>\$ 81,342</u>	<u>\$ 90,762</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Water Utility Bonds

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

	<u>2021</u>	<u>2020</u>
\$564,000, 2014 Bonds, due in annual installments of \$59,000 to \$60,000 through November, 2026, interest at 2.00% to 2.50%	\$ 299,000	\$ 359,000
\$1,017,000, 2020 Bonds, due in annual installments of \$100,000 to \$105,000 through July, 2030, interest at 0.05% to 2.00%	<u>917,000</u>	<u>1,017,000</u>
	<u>\$ 1,216,000</u>	<u>\$ 1,376,000</u>

Water Utility Intergovernmental Loans Payable

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

	<u>2021</u>	<u>2020</u>
\$566,508, 2010 Fund Loan due in Semi-annual installments of \$9,939 to \$19,877 through August 2030, interest free	\$ 268,349	\$ 298,165
\$545,000, 2010 Trust Loan due in Annual installments of \$25,000 to \$45,000 through August 2030, interest at 5.00%	<u>320,000</u>	<u>345,000</u>
	<u>\$ 588,349</u>	<u>\$ 643,165</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	<u>General Bonds</u>		<u>General Loans</u>		<u>Water Utility Bonds</u>		<u>Water Utility Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	\$ 1,170,000	\$ 116,835	\$ 9,584	\$ 1,879	\$ 160,000	\$ 17,865	\$ 59,817	\$ 16,000	\$ 1,551,980
2023	1,145,000	108,260	9,760	1,703	160,000	16,615	59,817	14,500	1,515,655
2024	1,145,000	99,498	9,951	1,511	160,000	15,365	59,817	13,000	1,504,142
2025	1,145,000	88,635	10,159	1,304	160,000	13,815	64,817	11,500	1,495,230
2026	1,143,000	70,885	10,381	1,082	159,000	11,315	64,817	9,750	1,470,230
2027-2030	<u>2,478,000</u>	<u>121,740</u>	<u>31,507</u>	<u>1,807</u>	<u>417,000</u>	<u>20,760</u>	<u>279,264</u>	<u>20,750</u>	<u>3,370,828</u>
	<u>\$ 8,226,000</u>	<u>\$ 605,853</u>	<u>\$ 81,342</u>	<u>\$ 9,286</u>	<u>\$ 1,216,000</u>	<u>\$ 95,735</u>	<u>\$ 588,349</u>	<u>\$ 85,500</u>	<u>\$ 10,908,065</u>

Changes in Long-Term Municipal Debt

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

	<u>Balance, January 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2021</u>	<u>Due Within One Year</u>
<u>General Capital Fund</u>					
Bonds Payable	\$ 9,496,000		\$ 1,270,000	\$ 8,226,000	\$ 1,170,000
Intergovernmental Loans	<u>90,762</u>	<u>-</u>	<u>9,420</u>	<u>81,342</u>	<u>9,584</u>
<u>General Capital Fund Long-Term Liabilities</u>	<u>\$ 9,586,762</u>	<u>\$ -</u>	<u>\$ 1,279,420</u>	<u>\$ 8,307,342</u>	<u>\$ 1,179,584</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 1,376,000		\$ 160,000	\$ 1,216,000	\$ 160,000
Intergovernmental Loans	<u>643,165</u>	<u>-</u>	<u>54,816</u>	<u>588,349</u>	<u>59,816</u>
<u>Water Utility Capital Fund Long-Term Liabilities</u>	<u>\$ 2,019,165</u>	<u>\$ -</u>	<u>\$ 214,816</u>	<u>\$ 1,804,349</u>	<u>\$ 219,816</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>General Capital Fund</u>					
Bonds Payable	\$ 3,735,000	\$ 6,978,000	\$ 1,217,000	\$ 9,496,000	\$ 1,270,000
Intergovernmental Loans	<u>100,035</u>	<u>-</u>	<u>9,273</u>	<u>90,762</u>	<u>9,421</u>
General Capital Fund Long-Term Liabilities	<u>\$ 3,835,035</u>	<u>\$ 6,978,000</u>	<u>\$ 1,226,273</u>	<u>\$ 9,586,762</u>	<u>\$ 1,279,421</u>
<u>Water Utility Capital Fund</u>					
Bonds Payable	\$ 518,000	\$ 1,017,000	\$ 159,000	\$ 1,376,000	\$ 160,000
Intergovernmental Loans	<u>697,981</u>	<u>-</u>	<u>54,816</u>	<u>643,165</u>	<u>54,817</u>
Water Utility Capital Fund Long-Term Liabilities	<u>\$ 1,215,981</u>	<u>\$ 1,017,000</u>	<u>\$ 213,816</u>	<u>\$ 2,019,165</u>	<u>\$ 214,817</u>

B. Short-Term Debt

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

Bond Anticipation Notes

2021

None

			Balance January 1, <u>2020</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2020</u>
<u>General Capital Fund</u>	Rate (%)	Maturity Date				
Various Public Improvements & Acquisitions	2.00%	7/24/2020	\$ 4,713,613	\$ -	\$ 4,713,613	\$ -
Total General Capital Fund			<u>\$ 4,713,613</u>	<u>\$ -</u>	<u>\$ 4,713,613</u>	<u>\$ -</u>
<u>Water Utility Capital Fund</u>						
Various Public Improvements & Acquisitions	2.00%	7/24/2020	\$ 600,387	\$ -	\$ 600,387	\$ -
Total Water Capital Fund			<u>\$ 600,387</u>	<u>\$ -</u>	<u>\$ 600,387</u>	<u>\$ -</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

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

NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

	<u>Capital Project/Purpose</u>	<u>Construction / Other Commitment</u>	<u>Estimated Date of Completion</u>
<u>2021</u>			
	Roll Off Truck	\$ 159,689	2022
	Design and Treatment of Various Wells	199,700	2022
<u>2020</u>			
	Dump Truck with Plow/Salter	\$ 95,511	2021
	Single Axle Dump Truck	111,238	2021
	Tow Behind Generator	43,989	2021
	Public Safety Radio Equipment	1,131,732	2021

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$822,936 and \$873,388 at December 31, 2021 and 2020, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$144,641 and \$150,378, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

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

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

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

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

	Balance, January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 873,388	\$ 55,285	\$ 105,737	\$ 822,936	
Net Pension Liability					
PERS (1)	4,938,712			4,938,712	
PFRS (1)	<u>6,529,253</u>	<u>-</u>	<u>-</u>	<u>6,529,253</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 12,341,353</u>	<u>\$ 55,285</u>	<u>\$ 105,737</u>	<u>\$ 12,290,901</u>	<u>\$ -</u>

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

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 732,319	\$ 141,069		\$ 873,388	
Net Pension Liability					
PERS	6,564,604		\$ 1,625,892	4,938,712	
PFRS	<u>5,769,451</u>	<u>759,802</u>	<u>-</u>	<u>6,529,253</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 13,066,374</u>	<u>\$ 900,871</u>	<u>\$ 1,625,892</u>	<u>\$ 12,341,353</u>	<u>\$ -</u>

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Other Pension Funds

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2021 and 2020 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2021, 2020 and 2019 were equal to the required contributions.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2021, 2020 and 2019, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$ 564,516	\$ 331,305	\$ 12,382
2020	476,211	354,384	11,114
2019	571,630	372,520	11,541

In addition for the years ended December 31, 2021, 2020 and 2019 the Borough contributed for long-term disability insurance premiums (LTDI) \$-0-, \$901 and \$1,041, respectively for PERS.

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

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

Public Employees Retirement System (PERS)

At December 31, 2020, the Borough reported a liability of \$4,938,712 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough’s proportionate share was .03029 percent, which was a decrease of .00614 percent from its proportionate share measured as of June 30, 2019 of .03643 percent.

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2020, the pension system has determined the Borough's pension benefit to be \$216,852 for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$354,384. At December 31, 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 89,926	\$ 17,465
Changes of Assumptions	160,217	2,067,885
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	168,809	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>62,236</u>	<u>1,393,093</u>
Total	<u>\$ 481,188</u>	<u>\$ 3,478,443</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (823,848)
2022	(823,848)
2023	(823,849)
2024	(457,192)
2025	(68,518)
Thereafter	<u>-</u>
	<u>\$ (2,997,255)</u>

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

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

Discount Rate

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

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

Sensitivity of Net Pension Liability

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

<u>2020</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,217,015</u>	\$ <u>4,938,712</u>	\$ <u>3,854,037</u>

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2020 the Borough reported a liability of \$6,529,253 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the Borough’s proportionate share was .05053 percent, which was an increase of .00339 percent from its proportionate share measured as of June 30, 2019 of .04714 percent.

For the year ended December 31, 2020, the pension system has determined the Borough pension expense to be \$126,589 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough’s financial statements of \$476,211. At December 31, 2020, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 65,826	\$ 23,433
Changes of Assumptions	16,431	1,750,454
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	382,841	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>625,525</u>	<u>1,506,034</u>
Total	<u>\$ 1,090,623</u>	<u>\$ 3,279,921</u>

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2021	\$ (568,608)
2022	(568,608)
2023	(568,606)
2024	(495,266)
2025	11,790
Thereafter	<u>-</u>
	<u>\$ (2,189,298)</u>

Actuarial Assumptions

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

	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

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

Discount Rate

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

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

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

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2020</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 8,682,563</u>	<u>\$ 6,529,253</u>	<u>\$ 4,740,765</u>

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Special Funding Situation – PFRS

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

At December 31, 2020, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,013,310. For the year ended December 31, 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$114,838, which is more than the actual contribution the State made on behalf of the Borough of \$77,974. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was .05053 percent, which was an increase of .00339 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .04714 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

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

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

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

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

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

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

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

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

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2021 was not available and for 2020 is \$17.9 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.91% at June 30, 2020.

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

Actuarial Methods and Assumptions

In the July 1, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$292.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$35.0 million for fiscal year 2020.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough is not required to make contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2021, 2020 and 2019.

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

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2022-12 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

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

Special Funding Situation

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

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$8,993,682. For the year ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$447,708. At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the Borough was .16465 percent, which was an increase of .04054 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .12411 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

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

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

NOTE 13 RISK MANAGEMENT

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

The Borough has established a Self-Insurance Trust Fund for the purpose of funding non-reimbursable property, plant and equipment claims as well as the deductible portion of the claims. As of December 31, 2021 and 2020 the Borough has available in the Self-Insurance Trust Fund \$57,028 and \$145,253, respectively for the payment of self-insurance claims.

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

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 7,096	\$ 299	\$ 77,516
2020	6,587	20,306	59,089
2019	8,034	13,138	67,906

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

NOTE 14 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be (material). As of December 31, 2021 and 2020, the Borough reserved \$350,000 and \$300,000, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2021 and 2020, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 15 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2021 and 2020, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 16 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

NOTE 16 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

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

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

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

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

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

The Borough will receive \$1,057,990 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$528,995. The Borough utilized this first installment in the 2022 budget to replace lost public sector revenue. The Borough has not yet determined how it will spend the second installment to be received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

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

NOTE 17 SUBSEQUENT EVENTS (Continued)

Debt Authorized

On April 12, 2022 the Borough adopted a bond ordinance authorizing the issuance \$1,469,000 in Bonds or bond anticipation notes to fund certain General Capital Fund projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On April 12, 2022 the Borough adopted a bond ordinance authorizing the issuance \$376,475 in Bonds or bond anticipation notes to fund certain Water Utility Capital Fund projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 21, 2022 the Borough adopted a bond ordinance authorizing the issuance of \$5,000,000 in Bonds or bond anticipation notes to fund various water system treatment improvements in the Water Utility Capital Fund. This ordinance involves an environmental infrastructure project to be funded by loans pursuant to the New Jersey Environmental Infrastructure Financing Program.

CURRENT FUND

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

Balance, January 1, 2021		\$ 10,091,659
Increased by Receipts:		
Revenue Accounts Receivable	\$ 3,800,432	
Non-Budget Revenue	200,723	
Senior Citizens' and Veterans' Deductions - Due from State of NJ	70,356	
Taxes Receivable	45,152,825	
Grants Receivable	20,855	
Receipts from Animal Control Trust Fund	171	
Receipts from Other Trust Fund	275,166	
Receipts from Self Insurance Fund	711	
Receipts from General Capital Fund	6,334	
Receipts from Water Operating Fund	544	
Tax Overpayments	52,623	
Prepaid Taxes	235,464	
Public and Private Programs - Unappropriated Reserves	536,281	
Construction Code Fees Payable	<u>12,945</u>	
		<u>50,365,430</u>
		60,457,089
Decreased by Disbursements:		
2021 Budget Appropriations	12,150,275	
2020 Appropriation Reserves	70,788	
Accounts Payable	361,007	
County Taxes Payable	4,431,646	
Local District School Taxes Payable	31,951,677	
Miscellaneous Reserves	59,557	
Payments for Free Public Library	45,647	
Payments to Other Trust Fund	138,562	
Payments to Unemployment Insurance Trust Fund	119	
Payments to Municipal Open Space Trust Fund	95,958	
Payments to General Capital Fund	712,371	
Construction Code Fees Payable	<u>12,943</u>	
		<u>50,030,550</u>
Balance, December 31, 2021		<u>\$ 10,426,539</u>

**BOROUGH OF WALDWICK
STATEMENT OF CHANGE FUNDS**

<u>Office</u>	Balance, January 1, <u>2021</u>	Balance, December 31, <u>2021</u>
Collector-Treasurer	\$ 975	\$ 975
Municipal Court	125	125
Municipal Clerk	50	50
Swimming Pool	<u>50</u>	<u>50</u>
	<u>\$ 1,200</u>	<u>\$ 1,200</u>

EXHIBIT A-6

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

Balance, January 1, 2021		\$ 50,396
Increased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 10,750	
Veterans' Deductions Per Tax Billings	59,250	
Senior Citizens/Veterans' Deductions Allowed by Tax Collector-2021	6,250	
Senior Citizens/Veterans' Deductions Allowed by Tax Collector-2020	<u>1,750</u>	
		<u>78,000</u>
		128,396
Decreased by:		
Cash Received from State of New Jersey	70,356	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2021	3,795	
Senior Citizens/Veterans' Deductions Disallowed by Tax Collector-2020	2,800	
Senior Citizens/Veterans' Deductions Disallowed by State	<u>500</u>	
		<u>77,451</u>
Balance, December 31, 2021		<u>\$ 50,945</u>

EXHIBIT A-7

STATEMENT OF DUE FROM FREE PUBLIC LIBRARY

Increased by		
Payments made for Library		<u>\$ 45,647</u>
Balance, December 31, 2021		<u>\$ 45,647</u>

**BOROUGH OF WALDWICK
STATEMENT OF TAXES RECEIVABLE**

Year	Balance, January 1, 2021	2021 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Cash Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Balance, December 31, 2021
				2020	2021			
2019	\$ 375							\$ 375
2020	195,143		\$ 2,800		\$ 196,193	\$ 1,750		-
2021	<u>-</u>	\$ 45,520,684	<u>3,795</u>	\$ 279,859	<u>44,956,632</u>	<u>76,250</u>	\$ 10,135	<u>201,603</u>
	<u>\$ 195,518</u>	<u>\$ 45,520,684</u>	<u>\$ 6,595</u>	<u>\$ 279,859</u>	<u>\$ 45,152,825</u>	<u>\$ 78,000</u>	<u>\$ 10,135</u>	<u>\$ 201,978</u>

Analysis of 2021 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 45,387,329
Added Taxes (54:4-63.1 et seq.)	<u>133,355</u>
	<u>\$ 45,520,684</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 31,951,677
County Tax (Abstract)	\$ 4,218,161
County Open Space Tax (Abstract)	174,858
Due for Added and Omitted Taxes (54:4-63.1 et seq.)	<u>12,904</u>
	4,405,923
Local Tax for Municipal Purposes	8,382,198
Minimum Library Tax	575,763
Municipal Open Space Tax	81,223
Municipal Open Space Tax Added	281
Add Additional Tax Levies	<u>123,619</u>
	<u>9,163,084</u>
	<u>\$ 45,520,684</u>

**BOROUGH OF WALDWICK
STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2021</u>	<u>Accrued</u>	<u>Collections</u>	Balance, December 31, <u>2021</u>
Municipal Alliance Program-Donation	\$ 1,484			\$ 1,484
Clean Communities	3,979	\$ 17,914	\$ 19,066	2,827
BCUA Recycling Enhancement	251	-		251
Body Worn Cameras	-	42,798		42,798
Police Vest	-	1,789	1,789	-
Police Donation	4,256	-	-	4,256
	<u>\$ 9,970</u>	<u>\$ 62,501</u>	<u>\$ 20,855</u>	<u>\$ 51,616</u>

BOROUGH OF WALDWICK
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2021</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2021</u>
Borough Clerk				
Licenses				
Alcoholic Beverage		\$ 19,398	\$ 19,398	
Other		1,010	1,010	
Fees and Permits		11,960	11,960	
Tax Collector				
Fees and Permits		550	550	
Board of Health				
Licenses		18,195	18,195	
Construction Code Official				
Fees and Permits		265,532	265,532	
Fire Prevention Bureau				
Fees and Permits		19,751	19,751	
Police				
Fees and Permits		412	412	
Swimming Pool				
Fees and Permits		134,110	134,110	
Park and Ride Contingency Fund				
Fees and Permits		53,775	53,775	
Sewer Connection				
Fees and Permits		6,259	6,259	
Municipal Court				
Fines and Costs	\$ 2,206	47,746	44,564	\$ 5,388
Interest and Costs on Taxes		51,403	51,403	
Sewer Privileges - Midland Park and Wyckoff		156,693	156,693	
Cable Television Franchise Fees		142,818	142,818	
Energy Receipts Tax		2,327,293	2,327,293	
Supplemental Energy Receipts Tax		141,307	141,307	
Police Training - Various Municipal Agreements		46,921	46,921	
Uniform Fire Safety Act		13,099	13,099	
Solar Energy Credit		2,700	2,700	
Cell Site Rent	-	342,682	342,682	-
	<u>\$ 2,206</u>	<u>\$ 3,803,614</u>	<u>\$ 3,800,432</u>	<u>\$ 5,388</u>

**BOROUGH OF WALDWICK
STATEMENT OF 2020 APPROPRIATION RESERVES**

	Balance, January 1, <u>2021</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Municipal Clerk	\$ 2,000	-	\$ 2,000	\$ 1,125	\$ 875
Revenue Administration	13		13	-	13
Tax Assessment Administration	180		180	167	13
Uniform Construction Code	3,610		3,610	-	3,610
Police	116,739		116,739	109,301	7,438
Fire	1,825		1,825	-	1,825
Fire Prevention	43		43	-	43
Streets and Road Maintenance	56,679		56,679	11,267	45,412
Recycling	407		407	-	407
Recreation Services and Programs	16,138		16,138	-	16,138
Municipal Court	9,680	-	9,680	2,687	6,993
	<u>207,314</u>	<u>-</u>	<u>207,314</u>	<u>124,547</u>	<u>82,767</u>
Total Salaries and Wages					
Other Expenses					
General Administration	13,617		13,617	3,560	10,057
Mayor and Council	735		735	459	276
Municipal Clerk	3,175		3,175	569	2,606
Financial Admin	11,377		11,377	3,044	8,333
Audit Services	-	\$ 132	132	-	132
Revenue Administration	11,612		11,612	3,612	8,000
Tax Title Liens	100		100	-	100
Tax Assessment Administration	2,760		2,760	-	2,760
Legal Services & Costs	36,192		36,192	-	36,192
Engineering Services & Costs	600	13	613	-	613
Planning Board	1,672		1,672	-	1,672
Board of Adjustments	2,098		2,098	-	2,098
Insurance					
General Liability	11,401		11,401	-	11,401
Employee Group Health	28,905	719	29,624	-	29,624
Health Benefit Waiver	24,794		24,794	-	24,794
Police	3,888		3,888	728	3,160
Office of Emergency Management	500		500	-	500
Aid to Volunteer Ambulance Companies	1,720		1,720	-	1,720
Fire	10,938	2,800	13,738	-	13,738
Fire Prevention	10,556		10,556	-	10,556
Streets and Road Maintenance	6,017		6,017	524	5,493
Snow Removal	85,148		85,148	85,148	-
Municipal Park and Ride	1,507	1	1,508	-	1,508
Traffic Control Devices	1,880	139	2,019	-	2,019
Garbage Collection	2,000		2,000	-	2,000
Recycling	36,346	11,770	48,116	-	48,116
Public Buildings and Grounds	2,350	11,223	13,573	-	13,573
Vehicle Maintenance	16,048	15,514	31,562	-	31,562

BOROUGH OF WALDWICK
STATEMENT OF 2020 APPROPRIATION RESERVES
(Continued)

	Balance, January 1, <u>2021</u>	Cancelled <u>Payables</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Northwest Bergen Comm. Contractual	\$ 5,479		\$ 5,479		\$ 5,479
Welfare/Administration of Public Assistance	100		100		100
Recreation Services & Programs	8,443	\$ 13,250	21,693		21,693
Municipal Court	2,435		2,435	\$ 2,256	179
Public Defender	627		627		627
Acquisition and Development of Land	282,600		282,600	171,500	111,100
Celebration of Public Events	4,687	761	5,448		5,448
Uniform Construction Code	1,208		1,208		1,208
Fuel Oil	40,197		40,197	4,109	36,088
Electricity	47,980	3,290	51,270		51,270
Telephone	1,548	9,367	10,915		10,915
Natural Gas	12,740	1,387	14,127		14,127
Street Lighting	1	40	41		41
Water	2		2		2
Sewerage Processing and Disposal	12,270		12,270	4,383	7,887
Sanitary Landfill Dump Fees	27,025	4,881	31,906		31,906
Social Security System	42,441		42,441	2,177	40,264
Public Employee Retirement System	1,250		1,250	142	1,108
Police & Firemen's Retirement System of NJ	1,500		1,500	472	1,028
Defined Contribution Retirement Plan	3,886		3,886	94	3,792
Boro of Ho-Ho-Kus - Contractual - Sewer	1		1		1
Recycling Tax Appropriation	761		761		761
Maintenance of Free Public Library	17,881		17,881		17,881
Deferred Charge - Unfunded Ordinance				(24,500)	24,500
Recycling Tonnage Grant	11,770		11,770	11,770	
Police Vest Fund	35		35	35	
Motor Vehicle Inspection	400		400	400	
Public Safety - Police Training	6,887		6,887	6,887	
Police Donations	4,256	-	4,256	4,256	-
	<u>866,346</u>	<u>75,287</u>	<u>941,633</u>	<u>281,625</u>	<u>660,008</u>
Total Other Expenses	<u>\$ 1,073,660</u>	<u>\$ 75,287</u>	<u>\$ 1,148,947</u>	<u>\$ 406,172</u>	<u>\$ 742,775</u>
				\$ 70,788	
Cash Disbursed				154,306	
Accounts Payable				4,691	
Appropriated Grant Reserves/Mics. Reserves				<u>176,387</u>	
Due to Other Trust Fund				<u>\$ 406,172</u>	

**BOROUGH OF WALDWICK
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2021		\$ 436,294
Increased by:		
Charges to 2021 Budget Appropriation	\$ 548,312	
Transferred from 2020 Appropriation Reserves	<u>154,306</u>	
		<u>702,618</u>
		1,138,912
Decreased by:		
Cash Disbursements	361,007	
Cancelled Payables Restored to 2020 Appropriation Reserves	<u>75,287</u>	
		<u>436,294</u>
Balance, December 31, 2021		<u>\$ 702,618</u>

STATEMENT OF PREPAID TAXES

Balance, January 1, 2021		\$ 279,859
Increased by:		
2022 Taxes Collected		<u>235,464</u>
		515,323
Decreased by:		
Applied to 2021 Taxes		<u>279,859</u>
Balance, December 31, 2021		<u>\$ 235,464</u>

**BOROUGH OF WALDWICK
STATEMENT OF TAX OVERPAYMENTS**

Increased by:		
Overpayments		\$ <u>52,623</u>
Balance, December 31, 2021		\$ <u>52,623</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2021		\$ 38,627
Increased by:		
2021 Tax Levy		
County Taxes	\$ 4,218,161	
County Open Space Preservation	174,858	
Added and Omitted Taxes	<u>12,904</u>	
		<u>4,405,923</u>
		4,444,550
Decreased by:		
Payments		<u>4,431,646</u>
Balance, December 31, 2021		\$ <u>12,904</u>

STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Increased by:		
Levy - Calendar Year 2021		\$ 31,951,677
Decreased by:		
Payments		<u>\$ 31,951,677</u>

**BOROUGH OF WALDWICK
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, January 1, <u>2021</u>	<u>Increased by:</u>	<u>Decreased by:</u>	Balance, December 31, <u>2021</u>
Tax Appeals	\$ 300,000	\$ 109,557	\$ 59,557	\$ 350,000
Sale of Municipal Assets	12,162	-	-	12,162
Police Donations	<u>1,425</u>	<u>4,256</u>	<u>-</u>	<u>5,681</u>
	<u>\$ 313,587</u>	<u>\$ 113,813</u>	<u>\$ 59,557</u>	<u>\$ 367,843</u>
Transferred from 2020 Appropriation Reserves		\$ 4,256		
Transferred from 2021 Tax Collections		109,557		
Cash Disbursed		<u>-</u>	<u>\$ 59,557</u>	
		<u>\$ 113,813</u>	<u>\$ 59,557</u>	

EXHIBIT A-18

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

	Balance, January 1, <u>2021</u>	Transferred from 2020 Appropriation Reserves	Balance, December 31, <u>2021</u>
Drunk Driving Enforcement Fund	\$ 28,024		\$ 28,024
NJ Alcohol Rehab. Program - Court	5,723		5,723
Stormwater Grant	10,261		10,261
Police Vest Fund	-	\$ 35	35
Motor Vehicle Inspection	-	400	400
History Grant	274		274
Crime Prevention Grant	1,988		1,988
Municipal Alliance - Local Share	1,484		1,484
Recycling Grant	24,552		24,552
Steed Grant	1,578		1,578
BCUA Recycling Enhanced Grant	<u>251</u>	<u>-</u>	<u>251</u>
	<u>\$ 74,135</u>	<u>\$ 435</u>	<u>\$ 74,570</u>

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

	Cash Received	Balance, December 31, 2021
ARP - Local Fiscal Recovery Funds	\$ 528,995	\$ 528,995
Recycling Tonnage Grant	<u>7,286</u>	<u>7,286</u>
	<u>\$ 536,281</u>	<u>\$ 536,281</u>

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

Balance, January 1, 2021	\$ 3,970
Increased by:	
Cash Received	<u>12,945</u>
	16,915
Decreased by:	
Payments to State of New Jersey	<u>12,943</u>
Balance, December 31, 2021	<u>\$ 3,972</u>

TRUST FUNDS

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

	<u>Animal Control</u>	<u>Park and Ride</u>	<u>Other Trust</u>	<u>State Unemployment</u>	<u>Self-Insurance</u>	<u>Municipal Open Space</u>
Balance, January 1, 2021	\$ 19,492	\$ 30,329	\$ 2,705,273	\$ 65,916	\$ 145,354	\$ 74,355
Increased by Receipts:						
COAH Proceeds			\$ 14,234			
Interest on Investments and Deposits	\$ 142		3,243	\$ 76	\$ 610	\$ 397
Employee Payroll Deductions			6,219,413			
Developer's Escrow and Other Reserves			389,599			
State Dog License Fees	1,253					
Dog License Fees	11,551					
Late Fees Collected	810					
Park & Ride Permits		\$ 5,975				
Receipts from Current Fund			138,562	119		95,958
Receipts from Other Trust Fund				10,086		
Receipts for Unemployment Trust			7,096			
Receipts from Park and Ride Contingency Fund			4,006			
Insurance Reimbursements					1,453	
Budget Appropriation		-	-	-	14,500	-
	<u>13,756</u>	<u>5,975</u>	<u>6,776,153</u>	<u>10,281</u>	<u>16,563</u>	<u>96,355</u>
	33,248	36,304	9,481,426	76,197	161,917	170,710
Decreased by Disbursements:						
Expenditures Under R.S. 4:19-15.11	12,143					
Payments to Current Fund	171		275,166		711	
Payments to Other Trust Fund		4,006				
Payments to Unemployment Trust Fund			10,086			
Payments to General Capital Fund			50			165,900
Payments to State of New Jersey	1,224			9,562		
Developer's Escrow and Other Reserves			707,558			
Payroll Deductions Payable			6,213,408			
Reserve for COAH Expenditures			484			
Self-Insurance Expenditures	-	-	-	-	104,178	-
	<u>13,538</u>	<u>4,006</u>	<u>7,206,752</u>	<u>9,562</u>	<u>104,889</u>	<u>165,900</u>
Balance, December 31, 2021	<u>\$ 19,710</u>	<u>\$ 32,298</u>	<u>\$ 2,274,674</u>	<u>\$ 66,635</u>	<u>\$ 57,028</u>	<u>\$ 4,810</u>

EXHIBIT B-4

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

Balance, January 1, 2021	\$	804
Increased by:		
Payments to State of New Jersey		<u>1,224</u>
		2,028
Decreased by:		
State Share Dog License Fees Collected		<u>1,253</u>
Balance, December 31, 2021	\$	<u>775</u>

EXHIBIT B-5

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

Balance, January 1, 2021	\$	29
Increased by:		
Interest on Investments		<u>142</u>
		171
Decreased by:		
Cash Disbursements		<u>171</u>

EXHIBIT B-6

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

Balance, January 1, 2021	\$	20,267
Increased by:		
Dog License Fees Collected	\$ 11,551	
Late Fees Collected	<u>810</u>	
		<u>12,361</u>
		32,628
Decreased by:		
Expenditures Under R.S. 4:19 - 15.11		<u>12,143</u>
Balance, December 31, 2021	\$	<u>20,485</u>

**BOROUGH OF WALDWICK
STATEMENT OF DUE TO OTHER TRUST FUND
PARK AND RIDE CONTINGENCY FUND**

Balance, January 1, 2021	\$ 4,006
Decreased by:	
Payments to Other Trust Fund	<u>\$ 4,006</u>

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

Balance, January 1, 2021	\$ 26,323
Increased by:	
Park and Ride Permits Collected	<u>5,975</u>
Balance, December 31, 2021	<u>\$ 32,298</u>

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

Balance, January 1, 2021 (Due from)	\$	119
Decreased by:		
Receipts from Current Fund	\$	<u>119</u>

**STATEMENT OF DUE FROM/TO OTHER TRUST FUND
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, January 1, 2021 (Due From)	\$	2,317
Increased by:		
Employee Payroll Deductions Received in Other Trust		<u>7,096</u>
		9,413
Decreased by:		
Cash Receipts		<u>10,086</u>
Balance, December 31, 2021 (Due to)	\$	<u>673</u>

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

Balance, January 1, 2021 (Due to)	\$	9,263
Increased by:		
Benefits Due to State of New Jersey		<u>299</u>
		9,562
Decreased by:		
Payments to State of New Jersey	\$	9,562
Benefit Credits Due from State of New Jersey		<u>11,554</u>
		<u>21,116</u>
Balance, December 31, 2021 (Due from)	\$	<u>11,554</u>

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

Balance, January 1, 2021		\$	59,089
Increased by:			
Interest on Investments and Deposits		\$	76
Benefits Credit Due from State of New Jersey			11,554
Employee Payroll Deductions			<u>7,096</u>
			<u>18,726</u>
			77,815
Decreased by:			
Benefits Due State of New Jersey			<u>299</u>
Balance, December 31, 2021		\$	<u>77,516</u>

EXHIBIT B-13

**STATEMENT OF DUE TO CURRENT FUND
SELF INSURANCE TRUST FUND**

Balance, January 1, 2021		\$	101
Increased by:			
Interest on Investments and Deposits			<u>610</u>
			711
Decreased by:			
Payments to Current Fund		\$	<u>711</u>

EXHIBIT B-14

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

Balance, January 1, 2021		\$	145,253
Increased by:			
Insurance Reimbursements		\$	1,453
2021 Budget Appropriation - Current Fund			12,500
2021 Budget Appropriation - Water Operating			<u>2,000</u>
			<u>15,953</u>
			161,206
Decreased by:			
Expenditures			
Property Insurance Expenditures			<u>104,178</u>
Balance, December 31, 2021		\$	<u>57,028</u>

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

Balance, January 1, 2021 (Due to)		\$	133,361
Increased by:			
Interest on Investments		\$	3,243
Receipts from Current Fund			138,562
2021 Anticipated Revenue			<u>34,500</u>
			<u>176,305</u>
			309,666
Decreased by:			
Payments to Current Fund			275,166
2020 Appropriation Reserves			<u>176,387</u>
Payments to Current Fund			<u>451,553</u>
Balance, December 31, 2021 (Due from)		\$	<u>141,887</u>

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

	Balance, January 1, <u>2021</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance December 31, <u>2021</u>
Performance and Maintenance Bonds	\$ 183,464	\$ 19,995	\$ 19,424	\$ 184,035
Developer's and Other Escrows	457,915	72,043	73,992	455,966
Road Openings	6,600	3,000	4,500	5,100
Dumpster Permits	400	800	1,200	-
Vacant Properties	43,322	500	3,820	40,002
TTL Premiums	635,700		139,100	496,600
Municipal Court - P.O.A.A.	2,516	38		2,554
Police Outside Duty	282,811	199,396	212,895	269,312
Police Donations	5,509	1,290		6,799
Swim Meet	1,417	583		2,000
Basketball Program	41,574	53,280	94,844	10
Municipal Alliance - Teen Canteen	18,486	5,100	6,612	16,974
Storm Recovery Trust	140,232	96,174	70,764	165,642
Wall of Heroes	8,498	130	25	8,603
Yoga in the Park	1,106	216	261	1,061
Fire Prevention Trust Deposits	1,750	1,050		2,800
Fire Department Trust Deposits	1,710	1,050		2,760
Tennis	1,228		169	1,059
Accumulated Absences	150,378	100,000	105,737	144,641
Soil Movement	-	300		300
E-Bay	15		15	-
Flexible Spending	<u>14,869</u>	<u>11,041</u>	<u>8,700</u>	<u>17,210</u>
	<u>\$ 1,999,500</u>	<u>\$ 565,986</u>	<u>\$ 742,058</u>	<u>\$ 1,823,428</u>

Cash Receipts		\$	389,599	
Cash Disbursements			\$ 707,558	
Due From Current Fund			<u>176,387</u>	<u>34,500</u>
		\$	<u>565,986</u>	<u>\$ 742,058</u>

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

Balance, January 1, 2021	\$ 170,108
Increased by:	
Cash Receipts	<u>6,219,413</u>
	6,389,521
Decreased by:	
Cash Disbursements	<u>6,213,408</u>
Balance, December 31, 2021	<u>\$ 176,113</u>

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

Balance, January 1, 2021	\$ 403,943
Increased by:	
Cash Receipts	<u>14,234</u>
	418,177
Increased by:	
Cash Disbursements	<u>484</u>
Balance, December 31, 2021	<u>\$ 417,693</u>

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

Balance, January 1, 2021	\$ 14,735
Increased by:	
2021 Tax Levy	\$ 81,223
2021 Added Tax Levy	<u>281</u>
	<u>81,504</u>
	96,239
Decreased by:	
Cash Receipts	<u>95,958</u>
Balance, December 31, 2021	<u>\$ 281</u>

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

Balance, January 1, 2021	\$ 120,900
Increased by:	
General Capital Fund Improvement Authorizations	<u>90,000</u>
	210,900
Decreased by:	
Cash Disbursements	<u>165,900</u>
Balance, December 31, 2021	<u>\$ 45,000</u>

**STATEMENT OF RESERVE (DEFICIT) FOR MUNICIPAL OPEN SPACE EXPENDITURES
MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2021 (Deficit)	\$ (31,810)
Increased by:	
Due from Current Fund:	
2021 Tax Levy	\$ 81,223
2021 Added Tax Levy	<u>281</u>
	\$ 81,504
Interest on Investments and Deposits	<u>397</u>
	<u>81,901</u>
	50,091
Decreased by:	
General Capital Fund Improvement Authorizations	<u>90,000</u>
Balance, December 31, 2021 (Deficit)	<u>\$ (39,909)</u>

GENERAL CAPITAL FUND

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

Balance, January 1, 2021		\$ 2,668,294
Increased by:		
Grants and Other Receivables	\$ 113,306	
2021 Budget Appropriation		
Capital Improvement Fund	169,118	
Costs of Improvements	24,500	
Receipts from Current Fund	712,371	
Receipts from Other Trust Fund	50	
Receipts from Municipal Open Space Trust Fund	165,900	
Interest on Investments and Deposits	6,648	
Reserve for Pistol Range	<u>16,006</u>	
		<u>1,207,899</u>
		3,876,193
Decreased by Disbursements:		
Improvement Authorizations	726,552	
Disbursements to Current Fund	6,334	
Accounts Payable	<u>1,651,083</u>	
		<u>2,383,969</u>
Balance, December 31, 2021		<u>\$ 1,492,224</u>

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

		Balance, December 31, <u>2021</u>
Fund Balance		\$ 277,307
Grant and Other Receivables		(233,424)
Accounts Payable		526,717
Due to Current Fund		328,622
Due from Municipal Open Space Trust Fund		(45,000)
Reserve for Payment of Debt Service		34,536
Reserve for Pistol Range		47,402
 Improvement Authorizations:		
<u>Ord.</u>	<u>Improvement Description</u>	
<u>No.</u>		
2-96	Various Improvements and Acq. of Equipment	6,700
21-98/8-00	Various Improvements and Acq. of Equipment	240
6-06/20-06	Various Public Improvements & Acquisitions	(17,418)
01-09	Various Public Improvements & Acquisitions	2,933
5-10	Various Public Impvts. & Acq. Of Equip.	5,313
2-11/7-11	Various Public Improvements, the Acq. of New Additional or Replacement Equip., a New Automotive Vehicle and Addition to the Waldwick Public Library	11,788
2-13	Various Public Improvements & Acquisitions	23,470
1-15	Various Public Improvements & Acquisitions	44,472
1-16/10-17	Various Public Improvements & Acquisitions	25,178
1-17	Various Public Improvements & Acquisitions	3,222
18-17	Various Public Improvements	279
01-18	Various Public Improvements & Acquisitions	194,070
12-18/22-18	Various Public Improvements	20,072
02-19	Various Public Improvements	7,444
03-19	Various Public Improvements	200,377
07-19	Various Public Improvements	10,000
02-20	Various Public Improvements	28,707
08-20	Various Public Improvements & Acquisitions	151,589
07-20/11-20	Various Public Improvements & Acquisitions	129,227
05-21	Various Public Improvements & Acquisitions	(463,297)
07-21	Various Public Improvements & Acquisitions	37,676
28-21	Various Public Improvements & Acquisitions	134,022
		<u>1,492,224</u>
		\$ 1,492,224

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

Balance, January 1, 2021 (Due from)		\$ 404,063
Increased by:		
Cash Disbursements		<u>6,334</u>
		410,397
Decreased by:		
Cash Receipts		
Receipts from Current Fund	\$ 712,371	
Interest on Investments	<u>6,648</u>	
	\$ 719,019	
2021 Anticipated Revenue		<u>20,000</u>
		<u>739,019</u>
Balance, December 31, 2021 (Due to)		<u>\$ 328,622</u>

EXHIBIT C-5

STATEMENT OF DUE FROM MUNICIPAL OPEN SPACE TRUST FUND

Balance, January 1, 2021		\$ 120,900
Increased by:		
Improvement Authorizations Funded by Municipal Open Space		<u>90,000</u>
		210,900
Decreased by:		
Cash Receipts		<u>165,900</u>
Balance, December 31, 2021		<u>\$ 45,000</u>

EXHIBIT C-6

STATEMENT OF DUE FROM OTHER TRUST FUND

Balance, January 1, 2021		\$ <u>50</u>
Decreased by:		
Cash Receipts		<u>\$ 50</u>

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

Balance, January 1, 2021		\$ 9,586,762
Decreased by:		
2021 Budget Appropriation		
Bond Principal	\$ 1,270,000	
Loan Principal	<u>9,420</u>	
		<u>1,279,420</u>
Balance, December 31, 2021		<u>\$ 8,307,342</u>

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

Ord. No.	Improvement Description	Balance, January 1, 2021	2021 Authorizations	Funded by Budget Appropriation	Balance, December 31, 2021	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorizations
6-06/20-06	Various Public Improvements & Acquisitions	\$ 41,918		\$ 24,500	\$ 17,418	\$ 17,418	
8-20	Various Public Improvements & Acquisitions	602		-	602	-	\$ 602
05-21	Various Public Improvements & Acquisitions	-	\$ 1,336,000	-	1,336,000	463,297	872,703
		<u>\$ 42,520</u>	<u>\$ 1,336,000</u>	<u>\$ 24,500</u>	<u>\$ 1,354,020</u>	<u>\$ 480,715</u>	<u>\$ 873,305</u>

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

	<u>Total</u>	NJ Department	NJ Department		County of Bergen				
		<u>Env. Protection</u>	<u>of Transportation</u>		Mun.	CDBG	CDBG	CDBG	Mun.
		<u>Ord. No. 2-13</u>	<u>Ord. No. 01-18</u>	<u>Ord. No. 20-02</u>	<u>Open Space</u>	<u>Ord. No. 9-15</u>	<u>Ord. No. 11-15</u>	<u>Ord. No 05-21</u>	<u>Open Space</u>
Balance, January 1, 2021	\$ 174,541	\$ 23,470	\$ 55,630	\$ 81,470	\$ 7,633	\$ 1,138	\$ 5,200		
Increased by:									
Grants Awarded	172,189	-	-	-	-	-	-	\$ 75,000	\$ 97,189
Prior Period Adjustment	<u>31,836</u>	<u>-</u>	<u>-</u>	<u>31,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>378,566</u>	<u>23,470</u>	<u>55,630</u>	<u>113,306</u>	<u>7,633</u>	<u>1,138</u>	<u>5,200</u>	<u>75,000</u>	<u>97,189</u>
Decreased by:									
Collections:									
Cash Receipts	113,306	-	-	113,306	-	-	-	-	-
Prior Period Adjustment	<u>31,836</u>	<u>-</u>	<u>31,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2021	<u>\$ 233,424</u>	<u>\$ 23,470</u>	<u>\$ 23,794</u>	<u>\$ -</u>	<u>\$ 7,633</u>	<u>\$ 1,138</u>	<u>\$ 5,200</u>	<u>\$ 75,000</u>	<u>\$ 97,189</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
General Improvements	11/1/2014	4,508,000	11/1/2022-23	\$ 420,000	2.000 %				
			11/1/2024-25	420,000	2.500				
			11/1/2026	418,000	2.500	\$ 2,518,000		\$ 420,000	\$ 2,098,000
General Improvements	7/15/2020	6,978,000	7/15/2022	750,000	0.050				
			7/15/2023-24	725,000	0.050				
			7/15/2025	725,000	1.000				
			7/15/2026	725,000	1.500				
			7/15/2027	650,000	2.000				
			7/15/2028-29	625,000	2.000				
			7/15/2030	578,000	2.000	<u>6,978,000</u>	\$ <u>-</u>	<u>850,000</u>	<u>6,128,000</u>
						<u>\$ 9,496,000</u>	<u>\$ -</u>	<u>\$ 1,270,000</u>	<u>\$ 8,226,000</u>

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

Balance, January 1, 2021	\$ 90,762
Decreased by:	
Paid by Budget Appropriation	<u>9,420</u>
Balance, December 31, 2021	<u>\$ 81,342</u>
<u>Analysis of Balance</u>	
NJEIT - Fund Loan	\$ 36,025
NJEIT- Trust Loan	<u>45,317</u>
	<u>\$ 81,342</u>

**BOROUGH OF WALDWICK
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2021		\$ 1,679,088
Increased by:		
Charges to Improvement Authorizations		<u>526,717</u>
		2,205,805
Decreased by:		
Cash Disbursements	\$ 1,651,083	
Cancelled	<u>28,005</u>	
		<u>1,679,088</u>
Balance, December 31, 2021		<u><u>\$ 526,717</u></u>

STATEMENT OF RESERVE FOR PAYMENT OF DEBT SERVICE

Balance, January 1, 2021		<u>\$ 34,536</u>
Balance, December 31, 2021		<u><u>\$ 34,536</u></u>

STATEMENT OF RESERVE FOR PISTOL RANGE

Balance, January 1, 2021		\$ 31,396
Increased by:		
Cash Receipts - Contributions		<u>16,006</u>
Balance, December 31, 2021		<u><u>\$ 47,402</u></u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2021		\$ 91,960
Increased by:		
2021 Budget Appropriation	\$ 169,118	
Cancelled Improvement Authorization	<u>30,978</u>	
		<u>200,096</u>
		292,056
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u><u>\$ 292,056</u></u>

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

Ord. No.		Balance, January 1, <u>2021</u>	2021 Authori- zations	Funded by Budget <u>Appropriation</u>	Balance, December 31, <u>2020</u>
6-06/20-06	Various Public Improvements & Acquisitions	\$ 41,918		\$ 24,500	\$ 17,418
08-20	Various Public Improvements & Acquisitions	602	-	-	602
05-21	Various Public Improvements & Acquisitions	-	\$ 1,336,000	-	1,336,000
		<u>\$ 42,520</u>	<u>\$ 1,336,000</u>	<u>\$ 24,500</u>	<u>\$ 1,354,020</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2021	\$ 1,932,298	\$ 386,399
Increased by:		
Consumer Accounts Receivable	\$ 1,836,861	
Fire Hydrant Service	25,000	
Water Overpayments	5,877	
Prepaid Water Rents	3,667	
Capital Improvement Fund		\$ 10,000
Interest on Investments	6,011	1,713
Receipts from Water Utility Operating Fund		4,531
Receipts from Water Utility Capital Fund	<u>1,713</u>	<u>-</u>
	<u>1,879,129</u>	<u>16,244</u>
	3,811,427	402,643
Decreased by:		
2021 Budget Appropriations	1,720,386	
2020 Appropriation Reserves	1,311	
Accounts Payable	77,498	103,822
Improvement Authorizations		291,398
Interest on Bonds and Notes	19,115	
Interest on Water Loan	17,250	
Payments to Current Fund	544	
Payments to Water Utility Operating Fund		1,713
Payments to Water Utility Capital Fund	<u>4,531</u>	<u>-</u>
	<u>1,840,635</u>	<u>396,933</u>
Balance, December 31, 2021	<u>\$ 1,970,792</u>	<u>\$ 5,710</u>

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

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 278
Capital Improvement Fund	10,143
Accounts Payable	253,177
Reserve for Payment of Debt	4,008
Ord.	
<u>No.</u> <u>Improvement Description</u>	
2-17 Various Public Improvements & Acquisitions	5,005
04-19 Various Public Improvements & Acquisitions	5,701
09-20 Various Public Improvements & Acquisitions	124,983
06-21 Various Public Improvements & Acquisitions	(413,585)
23-21 Various Public Improvements & Acquisitions	<u>16,000</u>
	<u>\$ 5,710</u>

EXHIBIT D-7

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

Balance, January 1, 2021		\$ 64,391
Increased by:		
Water Rents Levied		<u>1,867,327</u>
		1,931,718
Decreased by:		
Collections	\$ 1,836,861	
Overpayments Applied	3,823	
Prepaid Water Rents Applied	<u>5,552</u>	
		<u>1,846,236</u>
Balance, December 31, 2021		<u>\$ 85,482</u>

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

	Balance, January 1, <u>2021</u>	Additions by		Balance, December 31, <u>2021</u>
		Budget <u>Capital Outlay</u>	<u>Ordinance</u>	
Generator	\$ 74,817			\$ 74,817
Springs and Wells	471,557	\$ 6,175	\$ 45,000	522,732
Reservoirs	50,034			50,034
Filters	812,936			812,936
Tanks, Pumping Station Structures	3,055,205			3,055,205
Distribution Mains and Accessories	1,724,792			1,724,792
Meters and Accessories	965,363	9,325	12,968	987,656
Fire Hydrants	260,601	2,592		263,193
General Equipment	1,498,915		32,635	1,531,550
Engineering, Legal	184,407			184,407
Vehicles	31,842			31,842
Other Costs and System Improvements	106,526	-	-	106,526
	<u>\$ 9,236,995</u>	<u>\$ 18,092</u>	<u>\$ 90,603</u>	<u>\$ 9,345,690</u>

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

Ord. No.	Improvement Description	Ordinance Amount	Balance, January 1, 2021	Increased by:		Costs to Fixed Capital	Balance, December 31, 2021
				<u>2021 Authorizations</u>			
				Deferred Reserve for Amortization	Deferred Charge to Future Revenue		
02-17	Various Public Improvements & Acquisitions	\$ 109,000	\$ 5,005				\$ 5,005
04-19	Various Public Improvements & Acquisitions	246,100	5,701				5,701
09-20	Various Public Improvements & Acquisitions	421,000	421,000				421,000
06-21	Various Public Improvements & Acquisitions	465,000			\$ 465,000	\$ 47,635	417,365
23-21	Various Public Improvements & Acquisitions	49,000	-	\$ 49,000	-	42,968	6,032
			<u>\$ 431,706</u>	<u>\$ 49,000</u>	<u>\$ 465,000</u>	<u>\$ 90,603</u>	<u>\$ 855,103</u>

**BOROUGH OF WALDWICK
STATEMENT OF 2020 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND**

	Balance, January 1, <u>2021</u>	Cancelled Payables	Budget After <u>Modifications</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Operating					
Salaries and Wages	\$ 67,523		\$ 67,523	\$ 1,719	\$ 65,804
Other Expenses	45,531	\$ 4,567	50,098		50,098
Capital Improvements					
Capital Outlay	6		6		6
Statutory Expenditures					
Public Employees Retirement System	12		12		12
Social Security	<u>27,224</u>	<u>-</u>	<u>27,224</u>	<u>131</u>	<u>27,093</u>
	<u>\$ 140,296</u>	<u>\$ 4,567</u>	<u>\$ 144,863</u>	<u>\$ 1,850</u>	<u>\$ 143,013</u>
				\$ 1,311	
				<u>539</u>	
				<u>\$ 1,850</u>	

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

	Operating <u>Fund</u>	Capital <u>Fund</u>
Balance, January 1, 2021	\$ 82,632	\$ 103,822
Increased by:		
Charges to 2021 Appropriations	67,547	
Charges to 2020 Appropriations	539	
Charges to Improvement Authorizations	<u>-</u>	<u>253,177</u>
	150,718	356,999
Decreased by:		
Cash Disbursements	77,498	103,822
Cancelled Payables - 2020 Budget	4,567	
Cancelled Payables	<u>567</u>	<u>-</u>
	<u>82,632</u>	<u>103,822</u>
Balance, December 31, 2021	<u>\$ 68,086</u>	<u>\$ 253,177</u>

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

Balance, January 1, 2021	\$ 5,552
Increased by:	
Prepaid Rents	3,667
	9,219
Decreased by:	
Applied to 2021 Water Rents	5,552
Balance, December 31, 2021	\$ 3,667

EXHIBIT D-13

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

Balance, January 1, 2021	\$ 3,823
Increased by:	
Overpayments	5,877
	9,700
Decreased by:	
Applied to 2021 Water Rents	3,823
Balance, December 31, 2021	\$ 5,877

EXHIBIT D-14

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

Balance, January 1, 2021	\$ 643,165
Decreased by:	
Paid by Budget Appropriation	54,816
Balance, December 31, 2021	\$ 588,349

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

Ord. No.	<u>Improvement Description</u>	Ordinance Amount	<u>Balance, January 1, 2021</u>		Capital Improvement Fund	Water Capital Fund Balance	<u>2021 Authorizations</u>		Paid or Charged	<u>Balance, December 31, 2021</u>	
			<u>Funded</u>	<u>Unfunded</u>			Deferred Charges to Future Revenue	Deferred Charges to Future Revenue		<u>Funded</u>	<u>Unfunded</u>
02-17	Various Public Improvements & Acquisitions	\$ 109,000	\$ 5,005							\$ 5,005	
04-19	Various Public Improvements & Acquisitions	246,100	5,701							5,701	
09-20	Various Public Improvements & Acquisitions	421,000	222,973	\$ 418				\$ 97,990		124,983	\$ 418
06-21	Various Public Improvements & Acquisitions	465,000					\$ 465,000	413,585			51,415
23-21	Various Public Improvements & Acquisitions	49,000	-	-	\$ 14,500	\$ 34,500	-	33,000		16,000	\$ -
			<u>\$ 233,679</u>	<u>\$ 418</u>	<u>\$ 14,500</u>	<u>\$ 34,500</u>	<u>\$ 465,000</u>	<u>\$ 544,575</u>		<u>\$ 151,689</u>	<u>\$ 51,833</u>
								Cash Disbursed	\$ 291,398		
								Accounts Payable	<u>253,177</u>		
									<u>\$ 544,575</u>		

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

Balance, January 1, 2021		\$ <u>14,643</u>
Increased by:		
2021 Budget Appropriation		<u>10,000</u>
		24,643
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>14,500</u>
Balance, December 31, 2021		<u><u>\$ 10,143</u></u>

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

Balance, January 1, 2021		\$ 4,531
Increased by:		
Cash Disbursed		<u>1,713</u>
		6,244
Decreased by:		
Interest on Investments	\$ 1,713	
Cash Receipts	<u>4,531</u>	
		<u><u>\$ 6,244</u></u>

**BOROUGH OF WALDWICK
STATEMENT OF DUE TO CURRENT FUND
WATER UTILITY OPERATING FUND**

Balance, January 1, 2021	\$	544
Decreased by:		
Cash Disbursed	\$	<u>544</u>

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

Balance, January 1, 2021	\$	6,406
Increased by:		
Budget Appropriation		
Interest on Bonds		<u>18,892</u>
		25,298
Decreased by:		
Interest Paid		<u>19,115</u>
Balance, December 31, 2021	\$	<u>6,183</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Water Bonds	11/1/2014	564,000	11/1/2022	\$ 60,000	2.000 %	\$ 359,000		\$ 60,000	\$ 299,000
			11/1/2023	60,000	2.000				
			11/1/2024	60,000	2.500				
			11/1/2025	60,000	2.500				
			11/1/2026	59,000	2.500				
Water Bonds	7/15/2020	1,017,000	7/15/2022	100,000	0.050	<u>1,017,000</u>	\$ -	<u>100,000</u>	<u>917,000</u>
			7/15/2023	100,000	0.050				
			7/15/2024	100,000	0.050				
			7/15/2025	100,000	1.000				
			7/15/2026	100,000	1.500				
			7/15/2027	105,000	2.000				
			7/15/2028	105,000	2.000				
			7/15/2029	105,000	2.000				
			7/15/2030	102,000	2.000				
						<u>\$ 1,376,000</u>	<u>\$ -</u>	<u>\$ 160,000</u>	<u>\$ 1,216,000</u>

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

Balance, January 1, 2021	\$	7,188
Increased by:		
Budget Appropriation		16,729
Interest on Loans		<u>23,917</u>
Decreased by:		
Interest Paid on Water Loan		<u>17,250</u>
Balance, December 31, 2021	\$	<u>6,667</u>

EXHIBIT D-22

STATEMENT OF RESERVE FOR TAX MAP
WATER UTILITY OPERATING FUND

Balance, January 1, 2021	\$	<u>3,667</u>
Balance, December 31, 2021	\$	<u>3,667</u>

EXHIBIT D-23

STATEMENT OF RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND

Balance, January 1, 2021	\$	7,649,118
Increased by:		
2021 Budget Appropriations:		
Serial Bonds	\$ 160,000	
Water Loans	54,816	
Capital Outlay - Operating Budget	<u>18,092</u>	
		<u>232,908</u>
Balance, December 31, 2021	\$	<u>7,882,026</u>

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Fixed Capital Authorized</u>	<u>Balance, December 31, 2021</u>
23-21	Various Public Improvements & Acquisitions	\$ 49,000	\$ 49,000
		<u>\$ 49,000</u>	<u>\$ 49,000</u>

EXHIBIT D-25

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

Balance, January 1, 2021	<u>\$ 4,008</u>
Balance, December 31, 2021	<u>\$ 4,008</u>

EXHIBIT D-26

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

<u>Ord.</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2021</u>	<u>2021 Authorizations</u>	<u>Balance, December 31, 2021</u>
09-20	Various Public Improvements & Acquisitions	\$ 418		\$ 418
06-21	Various Public Improvements & Acquisitions	<u>-</u>	<u>\$ 465,000</u>	<u>465,000</u>
		<u>\$ 418</u>	<u>\$ 465,000</u>	<u>\$ 465,418</u>

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

**PART II
GOVERNMENT AUDITING SECTION**



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Waldwick as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated July 20, 2022. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

Report on Internal Control over Financial Reporting

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

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

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

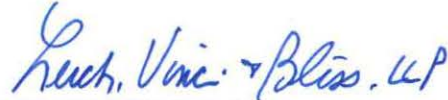
Report on Compliance and Other Matters

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

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

Purpose of this Report

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



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



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
July 20, 2022

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

	<u>Grant Year</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>2021 Grant Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expenditures</u>	<u>Adjustment</u>	<u>Balance, December 31, 2021</u>	<u>(Memo Only) Cumulative Expenditures</u>
U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds - ARP	2021	21.027	\$ 528,995	\$ 528,995	-	-	-	-	-	-
U.S. Department of Housing and Urban Development Community Development Block Grant Frederick Street S/W and Street Improvements Ord. 05-2021	2021	14.218	\$ 75,000	-	-	\$ 75,000	-	-	\$ 75,000	-
					<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>

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

**BOROUGH OF WALDWICK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant/Loan Award</u>	<u>2021 Grant Receipts (Memo)</u>	<u>Balance, January 1, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2021</u>	<u>(Memo Only) Cumulative Expenditures</u>
Clean Communities Grant	4900-765-1789000	2021	\$ 17,914	\$ 17,914		\$ 17,914	\$ 17,914		\$ 17,914
Body Armor Replacement Fund	1020-718-066-1020-001	2020	2,263		\$ 35			\$ 35	2,228
Police Vest Fund	N/A	2021	1,789	1,789		1,789	1,291	498	1,291
Law & Public Safety - Body Worn Cameras	N/A	2021	42,798	42,978		42,798	42,798		42,798
Drunk Driving Enforcement Fund	1110-448031020-22	2016	16,310		16,310			16,310	
		2013	3,000		3,000			3,000	
		2012	15,140		8,714			8,714	6,426
Stormwater Management Grant	4840-150-05-7500	2010	1,469		1,469			1,469	
		Prior	17,012		8,792			8,792	8,220
Alcohol Education and Rehabilitation Fund	9735-760-060000-60	2019	579		579			579	-
		2016	7,153		5,144			5,144	2,009
Recycling Tonnage Grant	042-4910-100-224	2020	11,770		11,770		11,770	-	11,770
		2019	11,770		11,770			11,770	
		2017	15,110		12,782			12,782	2,328
									-
Crime Prevention Grant	N/A	2016	3,136		1,988	-	-	1,988	1,148
					<u>\$ 82,353</u>	<u>\$ 62,501</u>	<u>\$ 73,773</u>	<u>\$ 71,081</u>	

N/A - Not Available

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

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

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

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund		\$ 62,501	\$ 62,501
General Capital Fund	\$ 75,000	-	75,000
	<u>\$ 75,000</u>	<u>\$ 62,501</u>	<u>\$ 137,501</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

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

NOTE 5 FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2021, which are not required to be reported on the schedules of expenditures of federal awards and state financial assistance, are as follows:

Loan Program

NJ Environmental Infrastructure Trust Loan Water Supply Rehabilitation Loans - 2010	\$	588,349
NJ Environmental Infrastructure Trust Loan Sanitary Sewer Improvement Loans - 2011		<u>81,342</u>
	\$	<u>669,691</u>

NOTE 6 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	_____ <u>Unmodified</u> _____
Internal control over financial reporting:	
1) Material weakness(es) identified	_____ yes <u> X </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes <u> X </u> none reported
Noncompliance material to the financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section - NOT APPLICABLE

State Awards Section - NOT APPLICABLE

**BOROUGH OF WALDWICK
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

There are none.

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

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF WALDWICK
BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$2.794</u>	<u>\$2.767</u>	<u>\$2.766</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.515	.516	.516
Library	.035	.035	.035
Municipal Open Space	.006	.005	.005
County	.271	.263	.255
Local School	1.967	1.948	1.955

Assessed Valuation

2021	<u>\$1,624,457,000</u>
2020	<u>\$1,607,770,100</u>
2019	<u>\$1,601,029,400</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 45,520,684	\$ 45,308,946	99.53%
2020	44,893,448	44,675,195	99.51%
2019	44,413,225	44,031,259	99.14%

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent Taxes</u>	<u>Percentage of Tax Levy</u>
2021	\$ 201,978		\$ 201,978	0.44%
2020	195,518		195,518	0.44%
2019	361,179		361,179	0.81%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2021	\$35,510
2020	35,510
2019	35,510

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2021	\$1,867,327	\$1,846,236
2020	1,943,955	1,917,337
2019	1,749,365	1,814,529

* Includes collections of prior years receivables.

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE

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

<u>Name</u>	<u>Title</u>
Thomas A. Giordano	Mayor
Paul Schatz	Council President
Gregor Bjork	Councilman
Nicole McNamara	Councilwoman
Joseph Oravetz	Councilman
Donald Sciolaro	Councilman
Theresa Sherman	Councilwoman
Patrick Wherry	Borough Administrator
Colleen Ennis	Chief Financial Officer, Collector – Treasurer Supervisor of Water Consumer Accounts Tax Search Officer
Kelley Halewicz	Borough Clerk Officer for Searches for Municipal Improvements
Angela Mattiace	Tax Assessor
Mark Messner	Police Chief
Joseph Mysliwicz	Construction Code Official
Helene Herbert	Magistrate
Christine Oravetz	Court Administrator
Craig Bossong	Attorney
James McGinnis	Engineer

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

SCHEDULE OF FINDINGS OF NONCOMPLIANCE

Prior Year Findings (Unresolved)

Our audit revealed a deficit balance of \$39,909 in the Municipal Open Space Trust Fund at year end. It is recommended that the Municipal Open Space Trust Fund deficit be funded through the subsequent year's open space budget.

Current Year Findings

Our audit revealed an excess balance in the Payroll Agency account. It is recommended that the balance in the Payroll Agency account be reviewed and the excess balance transferred back to the Current and or Water Operating Funds.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

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

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

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

Veterans Park Tennis Court	2021 Road Rehabilitation Project
Roll Off Truck	Roll Off Truck Body
Salt Spreader	Ford F350 XL Crew Cab Pick-up Truck
Air Packs and Replacement Cylinders	Body Worn Cameras and Associated Equipment
Public Safety Building Insulation Improvements	Well 5 Vertical Turbine Pump

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

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

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

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 5, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 16, 2021.

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

**BOROUGH OF WALDWICK
SUPPLEMENTARY DATA**

RECOMMENDATIONS

It is recommended that:

- * 1. The Municipal Open Space Trust Fund deficit be funded through the subsequent year's open space budget.
- 2. The balance in the Payroll Agency account be reviewed and the excess balance transferred back to the Current and or Water Operating Funds.

Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, except the recommendations denoted with an asterisk (*).