

BOROUGH OF NORTHVALE

**Financial Statements With
Supplementary Information
December 31, 2022
(With Independent Auditors' Report Thereon)**

BOROUGH OF NORTHVALE

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BOROUGH OF NORTHVALE

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
County of Bergen, New Jersey

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Northvale in the County of Bergen, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Northvale as of December 31, 2022 and 2021, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. 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 Northvale, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



Honorable Mayor and
Members of the Borough Council
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As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Northvale on the basis of the financial reporting provisions 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 requirements of New Jersey.

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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 14 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,357,419 and \$1,522,352 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2022 and 2021, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and 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 Northvale’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough'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.



Honorable Mayor and
Members of the Borough Council
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Other Matters

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Northvale's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.


The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2023 on our consideration of the Borough of Northvale'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 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 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 Northvale's internal control over financial reporting and compliance.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

September 13, 2023



BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2022 and 2021

| <u>Assets</u> | <u>Ref.</u> | <u>2022</u> | <u>2021</u> |
|--------------------------------------------------|-------------|---------------------|------------------|
| Current Fund | | | |
| Cash | A-4 | \$ 2,709,315 | 2,045,261 |
| Cash - Change Funds | A-5 | 200 | 200 |
| Cash - Petty Cash | A-6 | 200 | 100 |
| | | <u>2,709,715</u> | <u>2,045,561</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Tax Receivable | A-7 | 249,848 | 248,802 |
| Tax Title Liens Receivable | A-8 | 80,615 | 76,671 |
| Foreclosed Property - Property Acquired for | | | |
| Taxes - Assessed Valuation | A-9 | 2,156,700 | 2,156,700 |
| Revenue Accounts Receivable | A-10 | 2,479 | 1,460 |
| Interfunds Receivable: | | | |
| Animal License Trust Fund | A-11 | 9,586 | 4,516 |
| General Capital Fund | A-11 | 1,457 | 84 |
| Other Trust Fund - Escrow | A-11 | 68,089 | 50,089 |
| Other Trust Fund - Police DEA | A-11 | 45,608 | |
| Recreation Trust | A-11 | 1,654 | |
| Recreation - Umpire Fees Trust | A-11 | 19 | |
| | | <u>2,616,055</u> | <u>2,538,322</u> |
| Deferred Charges: | | | |
| Emergency Authorizations | A-12 | 22,818 | |
| Overexpenditure of Appropriation Reserves | A-12 | 3,815 | 177 |
| Overexpenditure of Appropriations | A-12 | | 6,870 |
| Special Emergency Authorizations (40A:4-55) | A-13 | 359,663 | 311,579 |
| | | <u>386,296</u> | <u>318,626</u> |
| | | <u>5,712,066</u> | <u>4,902,509</u> |
| Federal and State Grant Fund: | | | |
| Grants Receivable | A-26 | 52,648 | 52,648 |
| Due from Current Fund | A-27 | 680,261 | 558,984 |
| | | <u>732,909</u> | <u>611,632</u> |
| | | <u>\$ 6,444,975</u> | <u>5,514,141</u> |

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2022 and 2021

| | <u>Ref.</u> | <u>2022</u> | <u>2021</u> |
|-------------------------------------------------------------------------|-------------|---------------------|------------------|
| <u>Liabilities, Reserves & Fund Balance</u> | | | |
| Current Fund | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3/A-14 | 306,429 | 135,951 |
| Reserve for Encumbrances | A-15 | 28,554 | 11,089 |
| Accounts Payable | A-16 | | |
| Due to State of New Jersey - Senior Citizen and Veteran's Deductions | A-16 | 7,511 | 8,261 |
| Local District School Taxes Payable | A-17 | 255,295 | |
| Prepaid Taxes | A-20 | 58,336 | 116,587 |
| Tax Overpayments Payable | A-21 | | 63,306 |
| Marriage License Fees Payable | A-22 | | 100 |
| DCA Fees Payable | A-23 | 6,294 | 12,858 |
| Reserve for Various Reserves | A-24 | 526,911 | 685,857 |
| Special Emergency Note Payable | A-25 | 289,184 | 223,500 |
| Interfund Payable: | | | |
| Federal and State Grant Fund | A-11 | 680,261 | 558,984 |
| | | <u>2,158,775</u> | <u>1,816,493</u> |
| Reserve for Receivables | | 2,616,055 | 2,538,322 |
| Fund Balance | A-1 | <u>937,236</u> | <u>547,694</u> |
| | | <u>5,712,066</u> | <u>4,902,509</u> |
| Federal and State Grant Fund | | | |
| Appropriated Reserves | A-28 | 247,937 | 258,522 |
| Due to General Capital Fund | A-27 | 22,875 | 22,875 |
| Unappropriated Reserves | A-29 | 462,097 | 330,235 |
| | | <u>732,909</u> | <u>611,632</u> |
| | | <u>\$ 6,444,975</u> | <u>5,514,141</u> |

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|-----------------------------------------------------------|-------------------|-------------------|
| Revenue and other income realized: | | |
| Fund Balance Utilized | \$ 200,000 | 109,000 |
| Miscellaneous Revenue Anticipated | 1,916,700 | 1,693,102 |
| Receipts from Delinquent Taxes | 233,302 | 243,864 |
| Receipts from Current Taxes | 26,124,358 | 26,014,092 |
| Non-Budget Revenues | 60,696 | 117,696 |
| Other Credits to Income: | | |
| Tax Overpayment and Premium Adjustments | 1,072 | |
| Unexpended Balance of Appropriation Reserves | 94,579 | 136,707 |
| Statutory Excess-Aminal Trust Fund | | 4,516 |
| Interfunds Returned | | 3,739 |
| Total Income | <u>28,630,707</u> | <u>28,322,716</u> |
| Expenditures - Budget Appropriations: | | |
| Appropriations | | |
| Salaries and Wages | 3,416,200 | 3,549,039 |
| Other Expenses | 4,175,295 | 4,068,801 |
| Deferred Charges and Statutory Expenditures | 1,139,979 | 1,049,827 |
| Capital Improvements | 107,000 | 40,000 |
| Municipal Debt Service | 673,227 | 656,411 |
| County Taxes | 2,519,621 | 2,460,336 |
| Amount Due County for Added and Omitted Taxes | 8,099 | 5,233 |
| Local District School Tax | 10,303,327 | 10,171,165 |
| Regional High School Tax | 5,822,954 | 5,952,801 |
| Refunds | 281 | 12,170 |
| Interfunds Advanced | 18,000 | 54,516 |
| Total Expenditures | <u>28,183,983</u> | <u>28,020,299</u> |
| Excess/(Deficit) in Revenues | <u>446,724</u> | <u>302,417</u> |
| Adjustments to Income before Surplus: | | |
| Expenditures Included Above Which are by Statute Deferred | | |
| Charges to Budget of Succeeding Year | | |
| Over-Expenditure of Budget Appropriations | | 4,489 |
| 40A:4-53 Special Emergency | 120,000 | |
| Emergency Authorizations | 22,818 | 151,579 |
| | <u>142,818</u> | <u>156,068</u> |
| Statutory Excess to Surplus | 589,542 | 458,485 |
| Fund Balance, January 1 | <u>547,694</u> | <u>198,209</u> |
| | 1,137,236 | 656,694 |
| Decreased by Utilization as Anticipated Revenue | <u>200,000</u> | <u>109,000</u> |
| Fund Balance, December 31 | <u>\$ 937,236</u> | <u>547,694</u> |

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Anticipated</u> | <u>Realized</u> | Excess or (deficit) |
|-----------------------------------------------------|---------------------|----------------------|---------------------------|
| Fund Balance Anticipated | \$ 200,000 | 200,000 | |
| Miscellaneous Revenues: | | | |
| Licenses: | | | |
| Alcoholic Beverage | \$ 15,300 | 15,304 | 4 |
| Other | 15,600 | 15,765 | 165 |
| Fees and Permits: | | | |
| Construction Code Official | 200,000 | 275,582 | 75,582 |
| Other | 70,300 | 56,045 | (14,255) |
| Fines - Municipal Court - Northvale | 32,000 | 36,711 | 4,711 |
| Interest and Costs on Taxes | 55,700 | 77,787 | 22,087 |
| Interest on Investments and Deposits | 1,000 | 47,338 | 46,338 |
| Energy Receipts Tax | 561,305 | 561,305 | |
| Borough of Rockleigh - Police/Court Services | 312,000 | 319,908 | 7,908 |
| Borough of Rockleigh - Public Works Services | 25,000 | 25,000 | |
| Uniform Fire Safety Act | 37,800 | 41,234 | 3,434 |
| Cable TV Franchise Fees | 58,300 | 58,367 | 67 |
| Compost Program - Hillsdale | 30,500 | 64,354 | 33,854 |
| Reserve for Sale of Property | 125,000 | 125,000 | |
| American Rescue Plan - Revenue Loss | 197,000 | 197,000 | |
| | <u>1,736,805</u> | <u>1,916,700</u> | <u>179,895</u> |
| Receipts from Delinquent Taxes | <u>241,000</u> | <u>233,302</u> | <u>(7,698)</u> |
| Subtotal - General Revenues | <u>2,177,805</u> | <u>2,350,002</u> | <u>172,197</u> |
| Municipal Budget - Local Tax for Municipal Purposes | 7,300,000 | 7,464,162 | 164,162 |
| Minimum Library Tax | <u>344,195</u> | <u>344,195</u> | |
| Budget Totals | \$ <u>9,822,000</u> | <u>10,158,359</u> | <u>336,359</u> |
| Non-Budget Revenues | | <u>60,696</u> | |
| | | \$ <u>10,219,055</u> | |

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Anticipated</u> | <u>Realized</u> | Excess or (deficit) |
|-------------------------------------------------------|--------------------|---------------------|---------------------------|
| Analysis of Realized Revenues: | | | |
| Current Tax Collections | | <u>26,124,358</u> | |
| Allocated to: | | | |
| Local District School | | 10,303,327 | |
| Regional High School | | 5,822,954 | |
| County (Including Added County Taxes) | | <u>2,527,720</u> | |
| | | <u>18,654,001</u> | |
| Balance for Support of Municipal Budget Appropriation | | 7,470,357 | |
| Add Appropriation Reserve for Uncollected Taxes | | <u>338,000</u> | |
| Amount for Support of Municipal Budget Appropriation | | <u>\$ 7,808,357</u> | |
| Receipts from Delinquent Taxes - Delinquent Tax | | | |
| Delinquent Tax Collections | | <u>\$ 233,302</u> | |
| Analysis of Non-Budget Revenues: | | | |
| Miscellaneous Revenue not Anticipated: | | | |
| Admin Fees - SC/VT Deductions & Homestead Rebates | \$ | 722 | |
| Payment in Lieu of Taxes | | 4,188 | |
| Insurance Reimbursements | | 12,441 | |
| Recycling | | 4,043 | |
| Refunds and Reimbursements Prior Years | | 88 | |
| Sewer Connection Fees | | 116 | |
| Duplicate Tax Bills | | 1,760 | |
| Property Owners List | | 220 | |
| Miscellaneous | | 2,636 | |
| Senior Center Donations | | 5,202 | |
| State Aid Municipal Relief Fund | | <u>29,280</u> | |
| | \$ | <u>60,696</u> | |

See accompanying notes to financial statements.

Borough of Northvale
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Appropriation</u> | | <u>Expended 2022</u> | | <u>Unexpended Balance Cancelled</u> |
|----------------------------------------|----------------------|------------------------------------------------------------|----------------------------|-----------------|---------------------------------------------|
| | <u>Budget</u> | <u>Total for 2022 as Modified by All Transfers</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>General Appropriations</u> | | | | | |
| General Government: | | | | | |
| Administrative and Executive: | | | | | |
| Salaries and Wages | \$ 68,800 | 80,800 | 75,780 | 5,020 | |
| Other Expenses | 100,000 | 100,000 | 80,223 | 19,777 | |
| Mayor and Council | | | | | |
| Salaries and Wages | 31,700 | 31,700 | 31,670 | 30 | |
| Other Expenses | 1,000 | 1,000 | 295 | 705 | |
| Financial administration: | | | | | |
| Salaries and Wages | 79,500 | 90,500 | 90,056 | 444 | |
| Other Expenses | 25,000 | 22,500 | 21,400 | 1,100 | |
| Annual Audit | 45,000 | 45,000 | 39,650 | 5,350 | |
| Collection of Taxes: | | | | | |
| Salaries and Wages | 69,400 | 70,600 | 70,562 | 38 | |
| Other Expenses | 10,000 | 10,000 | 6,699 | 3,301 | |
| Assessment of taxes: | | | | | |
| Salaries and Wages | 23,100 | 23,100 | 23,063 | 37 | |
| Other Expenses | 10,000 | 10,000 | 4,657 | 5,343 | |
| Legal services and costs: | | | | | |
| Other Expenses | 95,000 | 95,000 | 75,568 | 19,432 | |
| Engineering services and costs: | | | | | |
| Other Expenses | 95,000 | 95,000 | 50,952 | 44,048 | |
| Municipal Land Use Law NJSA (40:55D-1) | | | | | |
| Planning Board: | | | | | |
| Salaries and Wages | 5,000 | 5,000 | 4,975 | 25 | |
| Other Expenses | 15,000 | 15,000 | 5,341 | 9,659 | |
| Municipal Court | | | | | |
| Salaries and Wages | 62,000 | 63,500 | 63,432 | 68 | |
| Other Expenses | 10,000 | 10,000 | 6,404 | 3,596 | |

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | Appropriation | | Expended 2022 | | Unexpended Balance Cancelled |
|------------------------------------------|---------------|---------------------------------------------------|--------------------|----------|------------------------------------|
| | Budget | Total for 2022 as Modified by All Transfers | Paid or Charged | Reserved | |
| <u>General Appropriations</u> | | | | | |
| Public Defender | | | | | |
| Salaries and Wages | 5,500 | 5,500 | 5,434 | 66 | |
| Public Safety: | | | | | |
| Police: | | | | | |
| Salaries and Wages | 1,973,000 | 1,887,000 | 1,824,390 | 22,610 | 40,000 |
| Other Expenses: | 95,000 | 95,000 | 89,564 | 5,436 | |
| Interboro Radio | 69,200 | 69,200 | 69,190 | 10 | |
| American Rescue Plan - Police Department | 197,000 | 197,000 | 197,000 | | |
| First Aid Organization | | | | | |
| Ambulance Other Expenses | 30,000 | 30,000 | 60 | 19,940 | 10,000 |
| Insurance: | | | | | |
| Workers Compensation | 135,000 | 137,000 | 136,882 | 118 | |
| Other Insurance | 9,000 | 9,000 | 7,592 | 1,408 | |
| Liability Insurance | 135,000 | 135,000 | 133,126 | 1,874 | |
| Group Insurance for Employees | 500,000 | 508,000 | 495,534 | 12,466 | |
| Fire: | | | | | |
| Other Expenses | 50,000 | 50,000 | 49,097 | 903 | |
| Rental of Fire House | 28,100 | 28,100 | 28,090 | 10 | |
| Fire Hydrant Service | 80,300 | 80,300 | 80,263 | 37 | |
| Fire Prevention Bureau: | | | | | |
| Salaries and Wages | 34,100 | 34,400 | 34,300 | 100 | |
| Other Expenses | 2,000 | 6,000 | 2,288 | 3,712 | |
| Prosecutor: | | | | | |
| Salaries and Wages | 13,400 | 13,400 | 13,307 | 93 | |

Borough of Northvale
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Appropriation</u> | | <u>Expended 2022</u> | | <u>Unexpended Balance Cancelled</u> |
|--------------------------------|----------------------|------------------------------------------------------------|----------------------------|-----------------|---------------------------------------------|
| | <u>Budget</u> | <u>Total for 2022 as Modified by All Transfers</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>General Appropriations</u> | | | | | |
| Public Works Function: | | | | | |
| Road Repairs and Maintenance: | | | | | |
| Salaries and Wages | 800,000 | 800,000 | 713,796 | 26,204 | 60,000 |
| Other Expenses | 200,000 | 200,000 | 182,113 | 17,887 | |
| Sanitation: | | | | | |
| Garbage and Trash Removal | | | | | |
| Collection | 266,000 | 266,100 | 266,098 | 2 | |
| Disposal | 266,000 | 266,150 | 266,098 | 52 | |
| Recycling: | | | | | |
| Salaries and Wages | 7,900 | 7,900 | 7,805 | 95 | |
| Other Expenses | 10,000 | 10,000 | 6,126 | 3,874 | |
| Public Buildings and Grounds | | | | | |
| Other Expenses | 60,000 | 81,500 | 81,211 | 289 | |
| Sewer Repairs and Maintenance: | | | | | |
| Other Expenses | 20,000 | 25,500 | 25,388 | 112 | |
| Borough of Norwood | 14,000 | 14,000 | | 14,000 | |
| Health and Welfare: | | | | | |
| Board of Health: | | | | | |
| Salaries and Wages | 13,100 | 17,600 | 17,301 | 299 | |
| Other Expenses | 33,000 | 33,000 | 30,934 | 2,066 | |
| Animal Control | | | | | |
| Other Expenses | 7,500 | 7,500 | 6,350 | 1,150 | |
| Recreation and Education: | | | | | |
| Senior Center | | | | | |
| Salaries and Wages | 50,000 | 50,000 | 49,975 | 25 | |
| Other Expenses | 20,000 | 20,000 | 15,783 | 4,217 | |
| Senior Bus Trips: | | | | | |
| Other Expenses | 5,000 | 5,000 | 4,903 | 97 | |

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | Appropriation | | Expended 2022 | | Unexpended Balance Cancelled |
|-----------------------------------------------------|---------------|---------------------------------------------------|----------------------------|-----------------|------------------------------------|
| | <u>Budget</u> | Total for 2022 as Modified by All Transfers | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>General Appropriations</u> | | | | | |
| Celebration of Public Events | | | | | |
| Other Expenses | 5,000 | 10,700 | 10,574 | 126 | |
| Parks and Playgrounds: | | | | | |
| Other Expenses | 30,000 | 30,000 | 25,532 | 4,468 | |
| Uniform Construction Code Official: | | | | | 5,000 |
| Salaries and Wages | 120,000 | 120,000 | 102,439 | 12,561 | |
| Other Expenses | 12,000 | 12,000 | 9,476 | 2,524 | |
| Code Compliance: | | | | | |
| Salaries and Wages | 22,000 | 23,200 | 23,155 | 45 | |
| Other Expenses | 1,000 | 1,000 | 423 | 577 | |
| UNCLASSIFIED: | | | | | |
| Utilities: | | | | | |
| Electricity | 67,000 | 67,000 | 65,072 | 1,928 | |
| Street Lighting | 65,000 | 67,000 | 66,961 | 39 | |
| Telephone | 45,000 | 45,000 | 41,618 | 3,382 | |
| Water | 21,000 | 21,000 | 17,285 | 3,715 | |
| Natural Gas | 27,000 | 27,000 | 21,702 | 5,298 | |
| Vehicle Fuel | 50,000 | 56,550 | 56,394 | 156 | |
| Total Operations within "CAPS" | 6,339,600 | 6,338,300 | 5,931,356 | 291,944 | |
| Contingent | 700 | 700 | | 700 | |
| Total Operations Including Contingent-within "CAPS" | 6,340,300 | 6,339,000 | 5,931,356 | 292,644 | |

Borough of Northvale
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Appropriation</u> | | <u>Expended 2022</u> | | <u>Unexpended Balance Cancelled</u> |
|----------------------------------------------|----------------------|------------------------------------------------------------|----------------------------|-----------------|---------------------------------------------|
| | <u>Budget</u> | <u>Total for 2022 as Modified by All Transfers</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>General Appropriations</u> | | | | | |
| Detail: | | | | | |
| Salaries and Wages | 3,575,500 | 3,521,200 | 3,348,440 | 67,760 | 105,000 |
| Other Expenses | 2,764,800 | 2,817,800 | 2,582,916 | 224,884 | 10,000 |
| | 6,340,300 | 6,339,000 | 5,931,356 | 292,644 | 115,000 |
| Deferred Charges and Statutory Expenditures: | | | | | |
| DEFERRED CHARGES | | | | | |
| Emergency Appropriations - Legal Fees | 22,818 | 22,818 | 22,818 | | |
| Overexpenditure of Appropriation Reserves | 2,558 | 2,558 | 2,558 | | |
| Expenditure without Appropriation | 4,489 | 4,489 | 4,489 | | |
| Prior Year Bills - Legal Services | | | | | |
| Contribution to: | | | | | |
| Social Security System (O.A.S.I.) | 265,000 | 265,000 | 258,311 | 6,689 | |
| Police and Firemen's Retirement System of NJ | 604,517 | 604,517 | 604,517 | | |
| Public Employees' Retirement System | 168,181 | 168,181 | 168,181 | | |
| Defined Contribution Retirement Program | 500 | 500 | | 500 | |
| Total Deferred and Statutory | | | | | |
| Expenditures - Municipal within "CAPS" | 1,068,063 | 1,068,063 | 1,060,874 | 7,189 | |
| Total General Appropriations for | | | | | |
| Municipal Purposes within "CAPS" | 7,408,363 | 7,407,063 | 6,992,230 | 299,833 | 115,000 |

Borough of Northvale
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Appropriation</u> | | <u>Expended 2022</u> | | <u>Unexpended Balance Cancelled</u> |
|------------------------------------------------------|----------------------|------------------------------------------------------------|----------------------------|-----------------|---------------------------------------------|
| | <u>Budget</u> | <u>Total for 2022 as Modified by All Transfers</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>General Appropriations</u> | | | | | |
| Operations Excluded from "CAPS": | | | | | |
| Aid to Library (NJSA 40:54-35) | | | | | |
| Public Library | 344,195 | 344,195 | 337,841 | 6,354 | |
| Sewer: | | | | | |
| Bergen County Utilities Authority | 642,000 | 642,000 | 641,854 | 146 | |
| Contribution to: | | | | | |
| LOSAP | 43,000 | 44,300 | 44,204 | 96 | |
| Total Other Operations - Excluded from "CAPS" | 1,029,195 | 1,030,495 | 1,023,899 | 6,596 | - |
| Shared Service Agreements | | | | | |
| Borough of Rockleigh Police and Court | 312,000 | 312,000 | 312,000 | | |
| Salaries and Wages | | | | | |
| Borough of Rockleigh Public Work | 25,000 | 25,000 | 25,000 | | |
| Salaries and Wages | | | | | |
| Total Shared Services Agreements | 337,000 | 337,000 | 337,000 | | - |
| Total Operations Excluded from "CAPS" | 1,366,195 | 1,367,495 | 1,360,899 | 6,596 | - |

Borough of Northvale
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | <u>Appropriation</u> | | <u>Expended 2022</u> | | <u>Unexpended Balance Cancelled</u> |
|----------------------------------------------------------------|----------------------|------------------------------------------------------------|----------------------------|-----------------|---------------------------------------------|
| | <u>Budget</u> | <u>Total for 2022 as Modified by All Transfers</u> | <u>Paid or Charged</u> | <u>Reserved</u> | |
| <u>General Appropriations</u> | | | | | |
| Detail: | | | | | |
| Other Expenses | 1,366,195 | 1,367,495 | 1,360,899 | 6,596 | - |
| | 1,366,195 | 1,367,495 | 1,360,899 | 6,596 | - |
| Capital Improvements - Excluded From "CAPS" | | | | | |
| Capital Improvement Fund | 107,000 | 107,000 | 107,000 | | |
| Total Capital Improvements - Excluded from "CAPS" | 107,000 | 107,000 | 107,000 | | |
| Municipal Debt Service-Excluded from "CAPS" | | | | | |
| Payment of Bond Principal | 450,000 | 450,000 | 450,000 | | |
| Payment of Bond Anticipation Notes and Capital Notes | 115,000 | 115,000 | 115,000 | | |
| Interest on Bonds | 101,238 | 101,238 | 101,238 | | |
| Interest on Notes | 7,106 | 7,106 | 6,990 | | 116 |
| Total Municipal Debt Service-Excluded from "CAPS" | 673,344 | 673,344 | 673,228 | | 116 |
| Deferred Charges: | | | | | |
| Special Emergency Authorizations- 5 years (N.J.S. 40A-4-55) | 71,916 | 71,916 | 71,916 | | |
| Total Deferred Charges - Municipal - Excluded from "CAPS" | 71,916 | 71,916 | 71,916 | | |

Borough of Northvale
Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2022

| | Appropriation | | Expended 2022 | | Unexpended Balance Cancelled |
|-----------------------------------------------------------------------------|---------------|---------------------------------------------------|--------------------|----------|------------------------------------|
| | Budget | Total for 2022 as Modified by All Transfers | Paid or Charged | Reserved | |
| <u>General Appropriations</u> | | | | | |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | 2,218,455 | 2,219,755 | 2,213,043 | 6,596 | 116 |
| Total General Appropriations - Excluded from "CAPS" | 2,218,455 | 2,219,755 | 2,213,043 | 6,596 | 116 |
| Subtotal General Appropriations | 9,626,818 | 9,626,818 | 9,205,273 | 306,429 | 115,116 |
| Reserve for Uncollected Taxes | 338,000 | 338,000 | 338,000 | | |
| Total General Appropriations | \$ 9,964,818 | 9,964,818 | 9,543,273 | 306,429 | 115,116 |
| Adopted Budget \$ | 9,822,000 | | | | |
| Special Emergency Appropriation | 120,000 | | | | |
| Emergency Appropriation | 22,818 | | | | |
| | \$ 9,964,818 | | | | |
| Reserve for Uncollected Taxes \$ | 338,000 | | | | |
| Deferred Charges | 101,781 | | | | |
| Reserve for Encumbrances | 28,554 | | | | |
| Cash Disbursed | 9,074,938 | | | | |
| | \$ 9,543,273 | | | | |

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2022 and 2021

| | <u>Ref.</u> | <u>2022</u> | <u>2021</u> |
|------------------------------------------------------------------------------|-------------|---------------------|------------------|
| <u>Assets</u> | | | |
| Animal Trust Fund: | | | |
| Cash | B-1 | \$ 17,525 | 13,840 |
| | | <u>17,525</u> | <u>13,840</u> |
| Other Trust Funds: | | | |
| Cash | B-1 | 1,579,833 | 1,035,278 |
| Due from Capital | B-7 | 100,000 | 100,000 |
| | | <u>1,679,833</u> | <u>1,135,278</u> |
| Community Development Block Grant Fund: | | | |
| Cash | B-1 | 56,158 | |
| Unemployment Trust Fund: | | | |
| Cash | B-1 | 102,335 | 95,726 |
| | | <u>102,335</u> | <u>95,726</u> |
| Open Space Trust Fund: | | | |
| Cash | B-1 | 473 | 466 |
| Emergency Services Volunteer Length of Service Award Program (unaudited): | | | |
| Cash in Plan | B-1 | 1,310,803 | 1,479,352 |
| Service Award Contributions Receivable | B-9 | 46,616 | 43,000 |
| | | <u>1,357,419</u> | <u>1,522,352</u> |
| | | \$ <u>3,213,743</u> | <u>2,767,662</u> |

BOROUGH OF NORTHVALE
Comparative Balance Sheet-Regulatory Basis
Trust Funds
December 31, 2022 and 2021

| | <u>Ref.</u> | <u>2022</u> | <u>2021</u> |
|---------------------------------------------------------------------------|-------------|---------------------|------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Animal Trust Fund: | | | |
| Reserve for Expenditures | B-3 | 7,939 | 9,324 |
| Schedule of Interfunds | B-7 | 9,586 | 4,516 |
| | | <u>17,525</u> | <u>13,840</u> |
| Other Trust Funds: | | | |
| Schedule of Interfunds | B-7 | 151,763 | 86,482 |
| Escrow Deposits | B-4 | 371,928 | 326,641 |
| Miscellaneous Reserves | B-5 | 1,156,142 | 722,155 |
| | | <u>1,679,833</u> | <u>1,135,278</u> |
| Community Development Block Grant Fund: | | | |
| Schedule of Interfunds | B-7 | <u>56,158</u> | |
| Unemployment Trust Fund: | | | |
| Reserve for Unemployment Insurance Compensation | B-6 | <u>102,335</u> | <u>95,726</u> |
| Open Space Trust Fund: | | | |
| Reserve for Expenditures | B-8 | <u>473</u> | <u>466</u> |
| Emergency Services Volunteer Length of Service Award Program (unaudited): | | | |
| Net Assets Available for Benefits | B-10 | <u>1,357,419</u> | <u>1,522,352</u> |
| | | <u>\$ 3,213,743</u> | <u>2,767,662</u> |

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

For the Years Ended December 31, 2022 and 2021

| | <u>Ref.</u> | <u>2022</u> | <u>2021</u> |
|-----------------------------------------------|-------------|---------------------|------------------|
| <u>Assets</u> | | | |
| Cash | C-2/C-3 | \$ 108,438 | 133,501 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-4 | 4,495,000 | 4,945,000 |
| Unfunded | C-5 | 3,448,899 | 1,977,449 |
| Interfunds Receivable | C-6 | 115,426 | 59,268 |
| Grants/Contributions Receivable | C-7 | <u>1,635,263</u> | <u>1,195,771</u> |
| | | \$ <u>9,803,026</u> | <u>8,310,989</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| General Serial Bonds Payable | C-8 | 4,495,000 | 4,945,000 |
| Bond Anticipation Notes Payable | C-9 | 3,233,450 | 1,762,000 |
| Improvement Authorizations: | | | |
| Funded | C-10 | 236,598 | 275,479 |
| Unfunded | C-10 | 1,674,750 | 1,210,755 |
| Interfunds Payable | C-6 | 101,457 | 100,084 |
| Capital Improvement Fund | C-11 | 60,902 | 16,802 |
| Fund Balance | C-1 | <u>869</u> | <u>869</u> |
| | | \$ <u>9,803,026</u> | <u>8,310,989</u> |

There were Bonds and Notes Authorized but not Issued on December 31, 2022 and 2021 of \$215,449 and \$215,449 respectively per Exhibit C-12.

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE**Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis****General Capital Fund****For the Years Ended December 31, 2022 and 2021**

| | <u>2022</u> | <u>2021</u> |
|---------------------------|----------------------|-------------------|
| Fund Balance, January 1 | \$ <u>869</u> | <u>869</u> |
| Fund Balance, December 31 | \$ <u><u>869</u></u> | <u><u>869</u></u> |

See accompanying notes to financial statements.

Exhibit E**BOROUGH OF NORTHVALE****Comparative Balance Sheet-Regulatory Basis****Public Assistance Trust Fund****December 31, 2022 and 2021**

| | <u>Ref</u> | <u>2022</u> | <u>2021</u> |
|-----------------------------------|------------|---------------|-------------|
| <u>Assets</u> | | | |
| Cash - PATF I | E-1 | \$ 116 | 114 |
| Cash - PATF II | E-1 | <u>306</u> | <u>302</u> |
| | | \$ <u>422</u> | <u>416</u> |
| <u>Liabilities</u> | | | |
| Reserve for Expenditure - PATF I | E-3 | \$ 116 | 114 |
| Reserve for Expenditure - PATF II | E-3 | <u>306</u> | <u>302</u> |
| | | \$ <u>422</u> | <u>416</u> |

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Balance Sheet-Regulatory Basis

Payroll and Agency Fund

December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|------------------|--------------|
| <u>Assets</u> | | |
| Cash | \$ <u>12,758</u> | <u>5,537</u> |
| | \$ <u>12,758</u> | <u>5,537</u> |
| <u>Liabilities</u> | | |
| Reserve for Payroll Withholdings | \$ <u>12,578</u> | <u>5,537</u> |
| | \$ <u>12,578</u> | <u>5,537</u> |

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------|---------------------------------|------------------------------|
| <u>General Fixed Assets:</u> | | |
| Land and Land Improvements | \$ 7,931,100 | 7,931,100 |
| Buildings and Building Improvements | 2,119,500 | 2,119,500 |
| Vehicles and Equipment | <u>7,186,491</u> | <u>7,132,873</u> |
| | \$ <u><u>17,237,091</u></u> | <u><u>17,183,473</u></u> |
| Investment in Fixed Assets | \$ <u><u>17,237,091</u></u> | <u><u>17,183,473</u></u> |

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of Northvale have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Northvale (the "Northvale") operates under a Mayor/Council form of government. 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 has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the state of New Jersey.

Open Space Trust - This fund is used to account for taxes raised to finance the acquisition and preservation of property.

Emergency Services Volunteer Length of Service Award Plan (LOSAP) Trust Fund - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective April 7, 2009, the Borough transferred administration of the General Assistance Program to the Bergen County Board of Social Services.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Payroll and Agency Fund - This fund is used to account for net payroll checks and payroll deductions.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Northvale. 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 for municipalities by the Division 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:

Property Tax Revenues - 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. 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 June 30, of each fiscal year.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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 the 11th day of the 11th month in the current year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. 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 taxes 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, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - 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.

Grant Revenues - 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 in the accounting period when they become susceptible to accrual.

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 per N.J.S.A. 40A:4 et seq.

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

- General Capital Fund
- Trust Fund
- Public Assistance Fund

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not 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. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. 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 2022, the Mayor and Council approved \$-0- additional revenues and appropriations in accordance with N.J.S.A. 40A:4-87, \$142,818 of Emergency Appropriations along with several budget transfers.

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 canceled 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, which should be recognized when due.

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

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Northvale has developed a fixed assets accounting and reporting system.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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 drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations 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.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The Borough did not adopt any new pronouncements during 2022.

C. Basic Financial Statements

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

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BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022, \$-0- of the Borough's bank balance of \$5,163,621 was exposed to custodial credit risk and as of December 31, 2021, \$-0- of the Borough's bank balance of \$3,405,286 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 15, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$1,310,803 and \$1,479,352, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|-------------------------|--------------------|--------------------|
| LVIP SsgA S&P 500 Index | \$627,553 | \$760,243 |
| Fixed Income | 307,697 | 284,505 |
| All Others | <u>375,553</u> | <u>434,604</u> |
| Total | <u>\$1,310,803</u> | <u>\$1,479,352</u> |

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

| | <u>Balance</u> <u>Dec. 31, 2021</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>Dec. 31, 2022</u> | <u>Amounts Due</u> <u>Within</u> <u>One Year</u> |
|--------------------------------------------------|----------------------------------------|------------------|-------------------|----------------------------------------|--------------------------------------------------------|
| Bonds Payable - General Obligation Debt | \$4,945,000 | \$ | \$450,000 | \$4,495,000 | \$475,000 |
| Other Liabilities - Compensated Absences Payable | <u>845,476</u> | <u>21,533</u> | <u>130,411</u> | <u>736,598</u> | <u> </u> |
| | <u>\$5,790,476</u> | <u>\$21,533</u> | <u>\$580,411</u> | <u>\$5,231,598</u> | <u>\$475,000</u> |

| | <u>Balance</u> <u>Dec. 31, 2020</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance</u> <u>Dec. 31, 2021</u> | <u>Amounts Due</u> <u>Within</u> <u>One Year</u> |
|--------------------------------------------------|----------------------------------------|------------------|-------------------|----------------------------------------|--------------------------------------------------------|
| Bonds Payable - General Obligation Debt | \$5,370,000 | \$ | \$425,000 | \$4,945,000 | \$425,000 |
| Other Liabilities - Compensated Absences Payable | <u>845,677</u> | <u>81,739</u> | <u>79,940</u> | <u>847,476</u> | <u> </u> |
| | <u>\$6,215,677</u> | <u>\$81,739</u> | <u>\$504,940</u> | <u>\$5,792,476</u> | <u>\$425,000</u> |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. 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, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|-------------------------------------|--------------------|--------------------|--------------------|
| <u>Issued:</u> | | | |
| General: | | | |
| Bonds, Notes and Loans | \$7,728,450 | \$6,707,000 | \$6,350,000 |
| <u>Authorized But Not Issued</u> | | | |
| General: | | | |
| Bonds and Notes | <u>215,449</u> | <u>215,449</u> | <u>215,449</u> |
| Total Bonds, Notes and Loans Issued | | | |
| and Authorized not Issued | <u>7,943,899</u> | <u>6,922,449</u> | <u>6,565,449</u> |
| | <u>\$7,943,899</u> | <u>\$6,922,449</u> | <u>\$6,565,449</u> |

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.742% for 2022.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------|--------------------|-------------------|--------------------|
| School debt | \$991,043 | \$991,043 | \$0 |
| General debt | <u>7,943,899</u> | <u>0</u> | <u>7,943,899</u> |
| | <u>\$8,934,942</u> | <u>\$991,043</u> | <u>\$7,943,899</u> |

Net debt of \$7,943,899 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,069,990,837 equals 0.742%.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.689% for 2021.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------|--------------------|--------------------|--------------------|
| School debt | \$1,502,534 | \$1,502,534 | \$0 |
| General debt | <u>6,922,449</u> | | <u>6,922,449</u> |
| | <u>\$8,424,983</u> | <u>\$1,502,534</u> | <u>\$6,922,449</u> |

Net debt of \$6,922,449 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,004,620,686 equals 0.689%.

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

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------------------|---------------------|---------------------|
| 3 1/2% of equalized valuation basis (municipal) | \$37,449,679 | \$35,161,724 |
| Net debt | <u>7,943,899</u> | <u>6,922,449</u> |
| Remaining Borrowing Power | <u>\$29,505,780</u> | <u>\$28,239,275</u> |

The Borough's long-term debt consisted of the following at December 31, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| General serial bonds: | | |
| \$5,685,000 General Serial Bonds - with an interest rate of 2.00% to 2.125% issued November 1, 2019, due through November 1, 2030 | <u>4,495,000</u> | <u>4,945,000</u> |
| | <u>\$4,495,000</u> | <u>\$4,945,000</u> |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements for outstanding bonded debt for the next five years is:

| <u>Year</u> | <u>General Serial Bonds</u> | | <u>Total Debt</u> |
|-------------|-----------------------------|------------------|--------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Service</u> |
| 2023 | 475,000 | 92,238 | 567,238 |
| 2024 | 500,000 | 82,738 | 582,738 |
| 2025 | 525,000 | 72,738 | 597,738 |
| 2026 | 550,000 | 62,238 | 612,238 |
| 2027 | 575,000 | 51,238 | 626,238 |
| 2028-2030 | <u>1,870,000</u> | <u>79,900</u> | <u>1,949,900</u> |
| Total | <u>\$4,495,000</u> | <u>\$441,090</u> | <u>\$4,936,090</u> |

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2022, the Borough had authorized but not issued debt of \$215,449.

NOTE 4. BOND ANTICIPATION NOTES

On December 31, 2022 and 2021, the Borough had \$3,233,450 and \$1,762,000, respectively, outstanding General Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2022 and 2021:

| <u>2022</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|----------------------------|----------------------------------|----------------------|-----------------------|-------------------------------|
| Notes Payable: | | | | |
| Municipal Excess Liability | \$ | \$3,233,450 | \$ | \$3,233,450 |
| Joint Insurance Fund | | | | |
| Amboy Bank | <u>1,762,000</u> | | <u>1,762,000</u> | <u>0</u> |
| | <u>\$1,762,000</u> | <u>\$3,233,450</u> | <u>\$1,762,000</u> | <u>\$3,233,450</u> |
| <u>2021</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
| Notes Payable: | | | | |
| Depository Trust Company | \$980,000 | \$ | \$980,000 | \$ |
| Amboy Bank | | <u>1,762,000</u> | | <u>1,762,000</u> |
| | <u>\$980,000</u> | <u>\$1,762,000</u> | <u>\$980,000</u> | <u>\$1,762,000</u> |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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 vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS), (continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 a 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 at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS), (continued)

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% (Tiers 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.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

| <u>Year</u> | <u>PERS</u> | <u>PFRS</u> |
|-------------|-------------|-------------|
| 2022 | \$168,181 | \$604,517 |
| 2021 | 174,292 | 590,472 |
| 2020 | 174,311 | 533,148 |

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough had a liability of \$1,737,991 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0115164528 percent, which was a decrease of 0.0028442909 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Borough recognized pension expense of \$168,181. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference between expected and actual experience | \$12,544 | \$11,062 |
| Changes of assumptions | 5,385 | 260,246 |
| Net difference between projected and actual earnings on pension plan investments | 71,934 | |
| Changes in proportion and differences between the Borough's contributions and proportionate share of contributions | <u>34,599</u> | <u>685,471</u> |
| Total | <u>\$124,462</u> | <u>\$956,779</u> |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

| | |
|---------------------|-------------|
| Year ended June 30: | |
| 2023 | \$(149,083) |
| 2024 | (75,953) |
| 2025 | (37,041) |
| 2026 | 80,809 |
| 2027 | (178) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

| | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|-------------------------------------------|----------------------|----------------------|
| Collective deferred outflows of resources | \$1,660,772,008 | \$1,164,738,169 |
| Collective deferred inflows of resources | 3,236,303,935 | 8,339,123,762 |
| Collective net pension liability | 15,219,184,920 | 11,972,782,878 |
| Borough's Proportion | 0.011516453% | 0.014360744% |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

| | |
|---------------------------|----------------------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75-6.55% (based on years of service) |
| Investment Rate of Return | 7.00 Percent |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

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

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

**BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)**

NOTE 5. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

| | June 30, 2022 | | |
|-----------------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Borough's proportionate share of the pension liability | \$2,237,000 | \$1,737,991 | \$1,313,315 |

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

The following pension information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

At December 31, 2021, the Borough had a liability of \$3,791,199 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was 0.000518691986 percent, which was a decrease of (0.0000098503) percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$(312,821). At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference in actual and expected experience | \$43,253 | \$454,146 |
| Changes of assumptions | 20,173 | 1,136,205 |
| Net difference between projected and actual earnings on pension plan investments | | 1,615,553 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | <u>371,826</u> | <u>128,027</u> |
| Total | <u>\$435,252</u> | <u>\$3,333,931</u> |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

| | |
|---------------------|---------------|
| Year ended June 30: | |
| 2022 | \$(1,006,027) |
| 2023 | (755,168) |
| 2024 | (647,987) |
| 2025 | (638,994) |
| 2026 | (80,601) |
| Thereafter | (13,702) |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> |
|-------------------------------------------|----------------------|----------------------|
| Collective deferred outflows of resources | \$817,271,932 | \$1,601,195,680 |
| Collective deferred inflows of resources | 6,875,738,520 | 4,191,274,402 |
| Collective net pension liability | 9,364,849,587 | 14,926,648,722 |
| Borough's Proportion | 0.0518691986% | 0.05285423% |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

| | |
|---------------------------|-----------------------------------------|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases: | |
| Through all Future Years | 3.25-15.25% (based on years of service) |
| Investment Rate of Return | 7.00% |

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

| | June 30, 2021 | | |
|-----------------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|
| | 1% Decrease <u>6.00%</u> | At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
| Borough's proportionate share of the pension liability | \$6,309,646 | \$3,791,199 | \$1,694,863 |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 5. PENSION PLANS, (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, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,066,274 and \$1,059,902, respectively. For the years ended December 31, 2021 and 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 \$118,752 and \$120,119, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$92,626 and \$81,599, respectively. 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 pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 6. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension described in Note 5, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

Special Funding Situation PFRS With State Health Local Government Retired Employees Plan

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

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

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$6,178,559 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(279,817).

NOTE 7. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2023 and 2022 which has been appropriated as revenue in the 2023 budget is \$320,000 and \$200,000 in 2022.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 8. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2022 and 2021:

| | Balance Dec. 31, 2021 | Additions | Deletions | Balance Dec. 31, 2022 |
|------------------------------------|--------------------------|-----------------|------------|--------------------------|
| Land | \$7,931,100 | \$ | \$ | \$7,931,100 |
| Building and Building Improvements | 2,119,500 | | | 2,119,500 |
| Machinery and Equipment | <u>7,132,873</u> | <u>53,618</u> | <u>—</u> | <u>7,186,491</u> |
| | <u>\$17,183,473</u> | <u>\$53,618</u> | <u>\$0</u> | <u>\$17,237,091</u> |

| | Balance Dec. 31, 2020 | Additions | Deletions | Balance Dec. 31, 2021 |
|------------------------------------|--------------------------|------------------|------------|--------------------------|
| Land | \$7,931,100 | \$ | | \$7,931,100 |
| Building and Building Improvements | 2,119,500 | | \$ | 2,119,500 |
| Machinery and Equipment | <u>6,921,810</u> | <u>211,063</u> | <u>—</u> | <u>7,132,873</u> |
| | <u>\$16,972,410</u> | <u>\$211,063</u> | <u>\$0</u> | <u>\$17,183,473</u> |

NOTE 9. ACCRUED SICK AND VACATION BENEFITS

The Borough permits all employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation approximates \$736,598 as of December 31, 2022. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not allow this amount to be reported either as an expenditure or liability.

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BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2022 consist of the following:

| | |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------|
| \$1,457 | Due to the Current Fund from the General Capital Fund for interest earnings. |
| 9,586 | Due to the Current Fund from the Animal License Trust Fund for the current and prior year statutory excess calculation. |
| 68,089 | Due to the Current Fund from the Escrow Trust Fund to fund the General Escrow account. |
| 45,608 | Due to the Current Fund from the Police DEA Trust Fund to fund the police overtime and deposit errors. |
| 1,654 | Due to the Current Fund from the Recreation Trust Fund for interest earnings. |
| 19 | Due to the Current Fund from the Recreation - Umpire Fees Trust Fund for interest earnings. |
| 680,261 | Due to the Federal and State Grant Fund from the Current Fund for grant monies received less expenditures paid. |
| 100,000 | Due to the Affordable Housing Trust Fund from the General Capital Fund for cash advance. |
| 36,393 | Due to the General Capital Fund from the Escrow Trust Fund to reimburse prior year expenses. |
| 22,875 | Due to the General Capital Fund from the Federal and State Grant Fund to reimburse grant expenditures paid. |
| <u>56,158</u> | Due to the General Capital Fund from the Community Development Block Grant Trust for Bergen County Grants received from CDBG. |
| <u>\$1,022,100</u> | |

It is anticipated that all interfund will be liquidated during the fiscal year.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On December 15, 2000, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln National Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln National Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$600 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2022 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2021 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 12. RISK MANAGEMENT, (continued)

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 insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were 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.

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

NOTE 13. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

| | <u>Balance</u> <u>Dec. 31, 2022</u> | <u>Balance</u> <u>Dec 31, 2021</u> |
|--------------------------------------------------|----------------------------------------|---------------------------------------|
| Prepaid Taxes | <u>\$58,336</u> | <u>\$116,587</u> |
| Cash Liability for Taxes Collected in Advance | <u>\$58,336</u> | <u>\$116,587</u> |

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the Borough of Northvale:

| | Balance Dec.31, 2022 | 2023 Budget Appropriation | Balance Succeeding Year Budget |
|-------------------------------------------|-------------------------|---------------------------------|--------------------------------------|
| Current Fund: | | | |
| Emergency Authorization | \$22,818 | \$22,818 | \$ |
| Special Emergency Appropriations | 359,663 | 95,916 | 263,747 |
| Overexpenditure of Appropriation Reserves | <u>3,815</u> | <u> </u> | <u>3,815</u> |
| Total Current Fund | <u>\$386,296</u> | <u>\$118,734</u> | <u>\$267,562</u> |

NOTE 15. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation.

NOTE 16. OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The estimated amount of federal aid available to the Borough of Northvale is \$515,702 which will be available for use until December 31, 2024.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(continued)

NOTE 16. OTHER MATTERS, (continued)

As allowed by New Jersey Statutes, the Borough adopted a Special Emergency appropriation in 2020 in the amount of \$88,000 for projected loss of revenues to help mitigate the financial effects on the Borough.

NOTE 17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through September 13, 2023, the date which the financial statements were available to be issued and the following item was noted for disclosure:

SUPPLEMENTARY DATA

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2022

Comparative Schedule of Tax Rate Information

| | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|----------------------------|--------------|----------------|--------------|
| Tax rate | <u>3.020</u> | <u>3.026</u> | <u>3.032</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | 0.838 | 0.843 | 0.826 |
| Municipal - Library | 0.039 | 0.037 | 0.039 |
| County | 0.290 | 0.284 | 0.288 |
| District School | 1.184 | 1.175 | 1.173 |
| Regional School | <u>0.669</u> | <u>0.687</u> | <u>0.706</u> |
| Assessed Valuation: | | | |
| 2022 | | \$ 869,805,900 | |
| 2021 | | 865,370,900 | |
| 2020 | | 863,321,303 | |

Comparison of Tax Levies and Collections 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.

Confirm with A Exhibits

| <u>Year</u> | <u>Tax levy</u> | <u>Currently</u> | |
|-------------|-----------------|-------------------------|---------------------------------|
| | | <u>Cash collections</u> | <u>Percentage of collection</u> |
| 2022 | \$ 26,379,921 | 26,124,358 | 99.03% |
| 2021 | 26,269,380 | 26,014,092 | 99.03% |
| 2020 | 26,318,610 | 25,927,297 | 98.51% |

Delinquent Taxes and Tax Title Liens

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

| <u>Year</u> | <u>Amount of tax title liens</u> | <u>Amount of delinquent taxes</u> | <u>Total delinquent</u> | <u>Percentage of tax levy</u> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2022 | \$ 80,615 | 249,848 | 330,463 | 1.25% |
| 2021 | 76,671 | 248,802 | 325,473 | 1.24% |
| 2020 | 72,719 | 243,800 | 316,519 | 1.20% |

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2022

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2022 by foreclosure or deed as a result of liquidation of tax title liens.

The value of properties 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> |
|-------------|---------------|
| 2022 | \$ 2,156,700 |
| 2021 | 2,156,700 |
| 2020 | 2,156,700 |

Comparative Schedule of Fund Balances

| | <u>Year</u> | <u>Balance, Dec. 31</u> | <u>Utilized in budget of succeeding year</u> |
|--------------|-------------|-----------------------------|----------------------------------------------------------|
| Current Fund | 2022 | \$ 937,236 | 320,000 |
| | 2021 | 547,694 | 200,000 |
| | 2020 | 198,209 | 109,000 |
| | 2019 | 272,199 | 223,000 |
| | 2018 | 545,199 | 273,000 |

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2022

Officials in Office and Surety Bonds

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

| <u>Name</u> | <u>Title</u> | <u>Amount of bond</u> | <u>Type of / Bond</u> |
|------------------------------------|-----------------------------------------------------------|---------------------------|---------------------------|
| Patrick Marana | Mayor | | |
| Louis DeLisio | Council President | | |
| Frances Devlin | Councilman | | |
| Thomas Agiro | Councilman | | |
| John Hogan | Councilman | | |
| Joseph McGuire | Councilman | | |
| Kara McMorro | Councilwoman | | |
| Shuaib Firozvi | Chief Financial Officer/Treasurer (01/01/2022-08/31/2022) | | |
| Joseph Luppino | Chief Financial Officer/Treasurer (09/01/2022-12/31/2022) | | |
| Fran Weston | Borough Clerk | | |
| Suzanne Burroughs | Tax Collector | \$ 1,000,000 | (A) |
| Robert Connell | Construction Code | | |
| Chuck Batch | Fire Subcode Official | | |
| Stephen Wiersma | Plumbing Subcode Official | | |
| Roger A. Hauser | Municipal Court Judge | \$ 1,000,000 | (A) |
| Clare Cabbibo | Court Administrator | \$ 1,000,000 | (A) |
| Robert Brescia | Tax Assessor | | |
| Howard Ostrow | Chief of Police | | |
| Colliers Engineering & Design Inc. | Borough Engineer | | |
| Deena Rosendahl | Borough Attorney | | |

(A) - Statutory positions are covered under the Bergen County Municipal Joint Insurance Fund policy (\$50,000) and the Municipal Excess Liability Joint Insurance Fund Excess Crime Policy - Public Employees Bond (\$950,000)

BOROUGH OF NORTHVALE

Schedule of Expenditures of Federal Awards

Year ended December 31, 2022

| Federal Program | C.F.D.A. Number | FAIN Number | Grant or State Project Number | Grant Award Amount | Grant Period | Grant Receipts | Grant Expenditures | Adjustments/ Cancelled | MEMO cumulative Expenditures |
|-----------------------------------------------------------------------------------------------------|--------------------|----------------|-------------------------------------|--------------------------|-----------------|-------------------|-----------------------|---------------------------|------------------------------------|
| Federal Program | | | | | | | | | |
| Federal and State Grant Fund: | | | | | | | | | |
| U.S. Department of Agriculture | 10.565 | | | 792 | 1/1/16-12/31/16 | | | * | * |
| USDA - Dining with Dignity | 10.565 | | | 2,068 | 1/1/15-12/31/15 | | | * | * |
| USDA - Dining with Dignity | 10.565 | | | 2,640 | 1/1/14-12/31/14 | | | * | 519 |
| | | | | | | | | * | 519 |
| U.S. Department of Treasury | 21.027 | | | 257,851 | 2021 | 257,851 | 197,000 | * | 197,000 |
| | | | | | | | | * | |
| U.S. Department of Transportation | 20.616 | | | 6,020 | 2022 | 6,020 | | * | * |
| Drive Sober or Get Pulled Over | 20.616 | | | 3,495 | 2021 | 6,020 | | * | * |
| Highway Traffic Safety Grant | | | | | | | | * | * |
| U.S. Department of Homeland Security (passed through State of NJ) | 97.036 | | | 5,972 | 2022 | 5,972 | | * | * |
| FEMA - Hurricane Grant | 97.036 | | | 29,860 | 2021 | 7,950 | | * | * |
| FEMA - Tropical Storm Isaias | 97.036 | | | 39,029 | 2021 | 7,950 | | * | * |
| FEMA - Coronavirus Pandemic | 97.044 | | | 2,260 | 2021 | 13,922 | | * | * |
| FEMA - Assistance to Firefighters Program | | | | | | | | * | * |
| Total Federal and State Grant Fund | | | | | | 277,793 | 197,000 | * | 197,519 |
| General Capital Fund: | | | | | | | | * | * |
| U.S. Department of Transportation Federal Highway Administration (passed through State of NJ) | 20.205 | Ord. 996 | | 383,627 | 2019 | | | * | 383,627 |
| Highway Planning and Construction - | | | | | | | | * | * |
| Vancous Capital Improvements | 20.205 | Ord. 972 | 2015-078-6320-480-ALL | 304,500 | 2017 | | | * | 304,500 |
| Livingston Street Sidewalk Imps. | 20.205 | Ord. 923 | 2013-078-6320-480-ALL | 150,000 | 2013 | | | * | 150,000 |
| (Phase IV) | 20.205 | Ord. 879 | 2010-078-6320-480 | 200,000 | 2010 | | | * | 150,700 |
| Livingston Street Sidewalk Imps. | | | | | | | | * | 998,827 |
| (Phase II, III) | | | | | | | | * | |
| Improvements to White Avenue | | | | | | | | * | |
| Trust Funds: | | | | | | | | * | * |
| U.S. Department of Justice Department of Justice | 16.922 | 19-DEA-639379 | | 744,490 | | 397,322 | 91,617 | * | 638,985 |
| Department of Treasury | 21.016 | | 2016-100-100-024-701-001 | 123,185 | | 1,463 | | * | 46,000 |
| Equitable Sharing Program | | | | | | 398,785 | 91,617 | * | 684,985 |
| Equitable Sharing Program | | | | | | 676,378 | 288,617 | * | 1,881,331 |
| Total Trust Funds | | | | | | | | * | |

This schedule was not subject to an audit in accordance with the Uniform Guidance.

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2022

| State Funding Department | State Program | State Grant No. | Grant Period | Grant Award Amount | Cash Received | Grant Expenditures | Adjustment | MEMO Cumulative Expenditures |
|----------------------------------------|--------------------------------------|---------------------------|--------------|--------------------|---------------|--------------------|------------|------------------------------|
| <u>Federal and State Grant Fund:</u> | | | | | | | | |
| Administration of the Courts | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2021 | 454 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2018 | 146 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2016 | 181 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2015 | 295 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2014 | 236 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2012 | 108 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2011 | 647 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2010 | 1,508 | | | | * |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2009 | 928 | | | | 669 |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2008 | 1,017 | | | | 1,017 |
| | Alcohol Education and Rehabilitation | 9735-760-098-Y900-01-X100 | 2007 | 1,579 | | | | 1,579 |
| | | | | | | | | 3,265 |
| Division of Motor Vehicles | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2015 | 4,333 | | | | * |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2013 | 1,140 | | | | 764 |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2012 | 2,335 | | | | * |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2011 | 3,391 | | | | * |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2010 | 3,853 | | | | * |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2009 | 2,856 | | | | 420 |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2008 | 4,708 | | | | * |
| | Drunk Driving Enforcement Fund | 6400-10-078-6400 | 2007 | 5,049 | | | | 1,977 |
| | | | | | | | | 3,161 |
| Department of Environmental Protection | Clean Communities | 4900-765-042-4900-004 | 2022 | 10,308 | 10,308 | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2021 | 10,040 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2020 | 9,455 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2019 | 10,464 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2018 | 9,375 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2017 | 9,800 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2016 | 11,536 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2015 | 10,088 | | | | * |
| | Clean Communities | 4900-765-042-4900-004 | 2014 | 8,367 | | | | 6,854 |
| | | | | | 10,308 | | | 6,854 |
| | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2022 | 12,700 | 12,700 | | | * |

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2022

| State Funding Department | State Program | State Grant No. | Grant Period | Grant Award Amount | Cash Received | Grant Expenditures | Adjustment | MEMO Cumulative Expenditures |
|-----------------------------------------------------------------|---------------------------------------------------------|----------------------------|--------------|--------------------|---------------|--------------------|------------|------------------------------|
| State Funding Department | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2021 | 14,571 | | | | * |
| | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2020 | 14,093 | | | | * |
| | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2019 | 11,462 | | | | * |
| | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2017 | 33,209 | | | | * |
| | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2016 | 33,209 | | 6,000 | | * |
| Division of Criminal Justice | Recycling Tonnage Grant | 4900-752-042-4900-001 | 2014 | 18,930 | | 6,000 | | * |
| | | | | | | | | 21,599 |
| | | | | | | | | 18,930 |
| | | | | | | | | 40,529 |
| | | | | | | | | * |
| Division of Criminal Justice | Body Armor Replacement Fund | 1020-718-066-1020-001-YCJS | 2022 | 2,260 | 2,260 | | | * |
| | Body Armor Replacement Fund | 1020-718-066-1020-001-YCJS | 2021 | 1,360 | | | | * |
| | Body Armor Replacement Fund | 1020-718-066-1020-001-YCJS | 2020 | 1,675 | | | | * |
| | Body Armor Replacement Fund | 1020-718-066-1020-001-YCJS | 2019 | 1,865 | | | | * |
| | Body Armor Replacement Fund | 1020-718-066-1020-001-YCJS | 2017 | 1,705 | 2,260 | | | 1,231 |
| Department of Law and Public Safety | Body-Worn Cameras | 100-066-1020-495 | 2022 | 22,418 | 22,418 | | | 1,231 |
| | | | | | | | | * |
| | | | | | | | | * |
| | | | | | | | | * |
| | | | | | | | | * |
| Bergen County Pass Through Grant | Disoriented Driving Enforcement | | | | | | | * |
| | Municipal Drug Alliance | | FY22 | 3,383 | 3,383 | | | * |
| | Municipal Drug Alliance | | FY21 | 6,252 | | | | 1,164 |
| | Municipal Drug Alliance | | FY20 | 9,520 | | 2,439 | | 6,210 |
| | Municipal Drug Alliance | | FY19 | 9,520 | | | 250 | 9,985 |
| Bergen County CARES Act | Municipal Drug Alliance | | FY17 | 9,520 | | | | 9,520 |
| | Municipal Drug Alliance | | FY16 | 9,520 | 3,383 | 2,439 | 230 | 36,399 |
| | | | | | | | | * |
| | | | FY20 | 110,057 | | | | 74,463 |
| | | | | | | | | * |
| Total Federal and State Grant Fund | | | | | 15,951 | 8,439 | 250 | 165,902 |
| General Capital Fund: | | | | | | | | * |
| | | | | | | | | * |
| | | | | | | | | * |
| | | | | | | | | * |
| | | | | | | | | * |
| Department of Transportation Transportation Trust Fund | Veteran's Drive, Phase I Resurfacing - Ord. 1055 | | 2022 | 216,000 | | 153,398 | | 153,831 |
| | Clinton Avenue and Arrow Street Resurfacing - Ord. 1053 | | 2022 | 229,000 | | 229,000 | | 229,000 |
| | Livingston Street and Paris Avenue Imps. - Ord. 1040 | | 2021 | 397,000 | | 232,725 | | 232,725 |
| | Veteran's Drive, Phase II - Ord. 781 | 8100-133-5837 | 1999 | 70,000 | | | | 70,000 |
| | Veteran's Drive, Phase I - Ord. 775 | 8100-133-5837 | 1999 | 150,000 | | | | 150,000 |
| Hill Terrace School Warning Lights, Curbs, Sidewalks - Ord. 729 | | 8100-133-5837 | 1998 | 40,000 | | 615,123 | | 40,000 |
| | | | | | | | | 875,556 |
| | | | | | | | | * |
| | | | | | | | | * |
| | | | | | | | | * |
| Total General Capital Fund | | | | | | 615,123 | | 875,556 |
| Total State Financial Assistance | | | | | 15,951 | 623,562 | 250 | 1,041,458 |

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2022

| State Funding Department Other Financial Assistance: | State Program | State Grant No. | Grant Period | Grant Award Amount | Cash Received | Grant Expenditures | Adjustment | MEMO Cumulative Expenditures |
|---------------------------------------------------------|--------------------------------------------------------|--------------------|-----------------|--------------------------|------------------|-----------------------|------------|------------------------------------|
| Federal and State Grant Fund: | | | | | | | | |
| Local | Northvale Drug Alliance (Golf Outing) - Local | | 2015 | 4,132 | | | | |
| | Northvale Junior Police - Local | | 2021 | 375 | | | (250) | 2,490 |
| | Northvale Junior Police - Local | | 2021 | 3,725 | | | | |
| | Northvale Junior Police - Local | | 2020 | 2,500 | | | | |
| | Northvale Junior Police - Local | | 2019 | 200 | | | | |
| | Northvale Junior Police - Local | | 2018 | 3,528 | | 2,046 | | 3,126 |
| | Northvale Junior Police - Local | | 2017 | 1,750 | | | | 1,750 |
| | Northvale Junior Police - Local | | 2016 | 1,600 | | | | 1,600 |
| | Senior Citizen Computers | | Various | | | | | |
| | Senior Citizen Caregivers | | Various | | | | | |
| | Mary McDougal | | Various | | | | | |
| | | | | | | 2,046 | (250) | 8,966 |
| | | | | | | 2,046 | (250) | 8,966 |
| | <i>Total Federal and State Grant Fund</i> | | | | | | | |
| General Capital Fund: | | | | | | | | |
| County of Bergen | Installation of ADA Compliant Front Door | Ord. 1052 | 2022 | 28,000 | 26,000 | | | |
| | Construction of Pavilion at Senior Center | Ord. 1041 | 2021 | 35,650 | 30,158 | | | |
| | Livingston Street Improvements | Ord. 861 | 2008 | 750,000 | | | | 537,384 |
| | Improvements to Tappan Road | Ord. 761 | 2001 | 514,550 | 56,158 | | | 479,471 |
| | | | | | | | | 1,016,835 |
| County of Bergen | Various Improvements to Veteran's Park | Ord. 1056-22 | 2022 | 22,650 | | | | |
| Open Space Trust Fund | Construction of a Butterfly Garden at Veteran's Park | Ord. 1056-21 | 2021 | 20,125 | | 18,459 | | 18,459 |
| | Walkways to Gazebos at Hogan's Park | Ord. 1022-20 | 2020 | 20,000 | | 20,000 | | 20,000 |
| | Construction of a Gazebo at Hogan's Park - Ord. 943-14 | 03-200-56-130-910 | 2014 | 40,000 | | | | 40,000 |
| | Improvement to Recreation Fields - Schools | Ord. 911-12 | 2012 | 85,002 | | | | 85,002 |
| | Improvements to Veteran's Park | Ord. 871-09 | 2009 | 63,352 | | 38,459 | | 63,352 |
| | | | | | | | | 226,813 |
| | <i>Total General Capital Fund</i> | | | | 56,158 | 38,459 | | 1,243,668 |
| | <i>Total Other Financial Assistance</i> | | | | 56,158 | 40,505 | (250) | 1,232,634 |
| | <i>Total State and Other Financial Assistance</i> | | | | 72,109 | 664,067 | | 2,294,092 |

This schedule was not subject to an audit in accordance with NJOMB 15-08

(2) Passed through the State of New Jersey

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2022

| | | Current Fund |
|--------------------------------------------|------------|-------------------|
| Balance, December 31, 2021 | \$ | 2,045,261 |
| Increased by Receipts: | | |
| Prepaid Taxes | \$ | 58,336 |
| Taxes Receivable | | 26,211,823 |
| Revenue Accounts Receivable | | 1,594,700 |
| Miscellaneous Revenue Not Anticipated | | 60,696 |
| Petty Cash | | |
| Tax Overpayments | | |
| Marriage License/Domestic Partnership Fees | | 150 |
| DCA fees | | 12,233 |
| State of New Jersey - Veterans and | | |
| Senior Citizens | | 28,500 |
| Various Reserves | | 8,438 |
| Special Emergency Notes | | 289,184 |
| Grants Receivable | | |
| Unappropriated Grant Reserves | | 328,862 |
| Interfunds | | 1,204,974 |
| | | <u>29,797,896</u> |
| | | 31,843,157 |
| Decreased by Disbursements: | | |
| Budget Appropriations | 9,074,938 | |
| Appropriation Reserves | 56,276 | |
| Petty Cash | 100 | |
| County Taxes | 2,527,720 | |
| Local District School Taxes | 10,048,032 | |
| Regional High School Taxes | 5,822,954 | |
| Tax Overpayments | 63,306 | |
| Interfunds | 1,245,000 | |
| Marriage License/Domestic Partnership Fees | 250 | |
| DCA Fees | 18,797 | |
| Various Reserves | 42,384 | |
| Special Emergency Notes | 223,500 | |
| Appropriated Grant Reserves | 10,585 | |
| | | <u>29,133,842</u> |
| Balance, December 31, 2022 | \$ | <u>2,709,315</u> |

Exhibit A-5**BOROUGH OF NORTHVALE****Schedule of Change Fund****Current Fund****Year ended December 31, 2022**

| | |
|----------------------------|----------------------|
| Balance, December 31, 2021 | \$ <u>200</u> |
| Balance, December 31, 2022 | \$ <u><u>200</u></u> |
| Analysis of balance: | |
| Tax Collector | 50 |
| Municipal Court | <u>150</u> |
| | \$ <u><u>200</u></u> |

Exhibit A-6**Schedule of Petty Cash Fund****Current Fund****Year ended December 31, 2022**

| | |
|----------------------------|----------------------|
| Balance, December 31, 2021 | \$ <u>100</u> |
| Increased by: | |
| Petty Cash Advanced | <u>100</u> |
| Balance, December 31, 2022 | \$ <u><u>200</u></u> |
| Analysis of balance: | |
| Borough Clerk | \$ 100 |
| Senior Center | <u>100</u> |
| | \$ <u><u>200</u></u> |

BOROUGH OF NORTHVALE

Schedule of Taxes Receivable and
Analysis of 2022 Property Tax Levy

Current Fund

Year ended December 31, 2022

| Year | Balance, Dec. 31, 2021 | Total 2022 Levy | Added | Collections | | Veterans and Senior Citizens | Transferred to Tax Title Liens | Remitted, abated or cancelled | Balance, Dec. 31, 2022 |
|------|------------------------------|--------------------|--------|-------------|------------|------------------------------------|--------------------------------------|-------------------------------------|------------------------------|
| | | | | 2021 | 2022 | | | | |
| 2021 | \$ 248,802 | | | | 233,302 | | | 15,500 | |
| 2022 | | 26,295,584 | 84,337 | 116,587 | 25,978,521 | 29,250 | 3,944 | 1,771 | 249,848 |
| \$ | 248,802 | 26,295,584 | 84,337 | 116,587 | 26,211,823 | 29,250 | 3,944 | 17,271 | 249,848 |

Cash 26,211,823
\$ 26,211,823

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax \$ 26,295,584
Added Taxes (54:4-63.12 et seq.) 84,337

\$ 26,379,921

Tax Levy:

Regional High School Tax 5,822,954
Local District School Tax 10,303,327
County Tax 2,519,621
Amount Due County/Added Taxes 8,099
Local Tax/Municipal Purposes 7,644,195
Additional Tax Levied 81,725

\$ 26,379,921

Exhibit A-8

BOROUGH OF NORTHVALE

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2022

| | |
|--------------------------------------|-------------------------|
| Balance, December 31, 2021 | \$ 76,671 |
| Increased by: | |
| Transfers from 2022 Taxes Receivable | <u>3,944</u> |
| Balance, December 31, 2022 | \$ <u><u>80,615</u></u> |

Exhibit A-9

**Schedule of Property Acquired for Taxes
at Assessed Valuation**

Current Fund

Year ended December 31, 2022

| | |
|----------------------------|----------------------------|
| Balance, December 31, 2021 | \$ <u>2,156,700</u> |
| Balance, December 31, 2022 | \$ <u><u>2,156,700</u></u> |

BOROUGH OF NORTHVALE

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2022

| | Balance, Dec. 31, <u>2021</u> | <u>Accrued</u> | <u>Received</u> | Balance, Dec. 31, <u>2022</u> |
|-----------------------------------------------|-------------------------------------|------------------------------|------------------|-------------------------------------|
| Licenses: | | | | |
| Alcoholic Beverages | \$ | 15,304 | 15,304 | |
| Other | | 15,765 | 15,765 | |
| Fees and Permits: | | | | |
| Construction Code Official | | 275,582 | 275,582 | |
| Other | | 56,045 | 56,045 | |
| Fines and Costs - Municipal Court - Northvale | 1,460 | 37,730 | 36,711 | 2,479 |
| Interest and Costs on Taxes | | 77,787 | 77,787 | |
| Interest on Investments and Deposits | | 47,338 | 47,338 | |
| Energy Receipts Tax | | 561,305 | 561,305 | |
| Borough of Rockleigh-Police/Court Services | | 319,908 | 319,908 | |
| Borough of Rockleigh-Public Works Services | | 25,000 | 25,000 | |
| Uniform Fire Safety Act | | 41,234 | 41,234 | |
| American Rescue Plan - Revenue Loss | | 197,000 | 197,000 | |
| Cable TV Franchise Fees | | 58,367 | 58,367 | |
| Compost Program - Hillsdale | | 64,354 | 64,354 | |
| Reserve for Sale of Property | | 125,000 | 125,000 | |
| | <u>\$ 1,460</u> | <u>1,917,719</u> | <u>1,916,700</u> | <u>2,479</u> |
| | | Interfunds \$ | 197,000 | |
| | | Reserve for Various Reserves | 125,000 | |
| | | Cash Receipts | <u>1,594,700</u> | |
| | | \$ | <u>1,916,700</u> | |

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

Current Fund

Year ended December 31, 2022

| | Balance, Dec. 31, 2021 | Increased | Decreased | Balance, Dec. 31, 2022 |
|--------------------------------|------------------------------|---------------------|------------------|------------------------------|
| Due from/(to): | | | | |
| General Capital Fund | \$ 84 | 1,229,002 | 1,227,629 | 1,457 |
| Animal License Trust Fund | 4,516 | 5,070 | | 9,586 |
| Other Trust Fund | | | | |
| Escrow Trust Fund | 50,089 | 18,000 | | 68,089 |
| Police DEA Trust Fund | | 45,608 | | 45,608 |
| Recreation Trust | | 1,654 | | 1,654 |
| Recreation - Umpire Fees Trust | | 19 | | 19 |
| Federal and State Grant Fund | (558,984) | 207,585 | 328,862 | (680,261) |
| | <u>\$ (504,295)</u> | <u>1,506,938</u> | <u>1,556,491</u> | <u>(553,848)</u> |
| Due to Current Fund | \$ 54,689 | 1,299,353 | 1,227,629 | 126,413 |
| Due from Current Fund | (558,984) | 207,585 | 328,862 | (680,261) |
| | <u>\$ (504,295)</u> | <u>1,506,938</u> | <u>1,556,491</u> | <u>(553,848)</u> |
| Cash Disbursements | \$ 1,245,000 | | | |
| Cash Receipts | | | 1,204,974 | |
| Budget Offsets | | | 22,655 | |
| Appropriated Grant Reserves | | 10,585 | | |
| Unappropriated Grant Reserves | | 197,000 | 328,862 | |
| Interest of Investments | | 3,675 | | |
| Reimbursements | | 45,608 | | |
| Statutory Excess | | 5,070 | | |
| | | <u>\$ 1,506,938</u> | <u>1,556,491</u> | |

BOROUGH OF NORTHALE

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2022

| | Balance, Dec. 31, 2021 | Added in 2022 | Decreased by: Budget Appropriation | Balance, Dec. 31, 2022 |
|---------------------------|------------------------------|------------------|------------------------------------------|------------------------------|
| Current Fund: | | | | |
| Emergency Authorizations: | | | | |
| Legal Services | | 22,818 | | 22,818 |
| Overexpenditure of : | | | | |
| Appropriations | 6,870 | | 6,870 | |
| Appropriation Reserves | 177 | 3,815 | 177 | 3,815 |
| Total Deferred Charges | \$ 7,047 | 26,633 | 7,047 \$ | 26,633 |

BOROUGH OF NORTHVALE
Schedule of Deferred Charges
N.J.S. 40A:4-55 Special Emergencies

Current Fund

Year ended December 31, 2022

| <u>Purpose</u> | <u>Date</u> <u>Authorized</u> | <u>Net Amount</u> <u>Authorized</u> | <u>1/5th of</u> <u>Net Amount</u> <u>Authorized</u> | <u>Balance,</u> <u>Dec. 31,</u> <u>2021</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance,</u> <u>Dec. 31,</u> <u>2022</u> |
|----------------------------|----------------------------------|----------------------------------------|-----------------------------------------------------------|---------------------------------------------------|------------------|------------------|---------------------------------------------------|
| Accumulated Absence Payout | Dec. 3, 2019 | 120,000 | 24,000 | 72,000 | | 24,000 | 48,000 |
| COVID-19 | Dec. 9, 2020 | 88,000 | 17,600 | 88,000 | | 17,600 | 70,400 |
| Tax Maps | May 12, 2021 | 35,000 | 7,000 | 35,000 | | 7,000 | 28,000 |
| Accumulated Absence Payout | Oct. 20, 2021 | 116,579 | 23,316 | 116,579 | | 23,316 | 93,263 |
| Accumulated Absence Payout | Aug. 10, 2022 | 120,000 | 24,000 | | 120,000 | | 120,000 |
| | | | | | | | |
| | | | | \$ 311,579 | 120,000 | 71,916 | \$ 359,663 |

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2022

| | Balance, Dec. 31, 2021 | Balance After Transfers and Encumbrances | Paid or Charged | Balance Lapsed | Over- expended |
|----------------------------------------|------------------------------|------------------------------------------------|--------------------|-------------------|-------------------|
| Salaries and Wages Within "CAPS" | | | | | |
| General Government: | | | | | |
| Administrative and Executive | \$ 94 | 94 | | 94 | |
| Mayor and Council | 3 | 3 | | 3 | |
| Financial Administration | 55 | 55 | | 55 | |
| Collection of Taxes | 88 | 88 | | 88 | |
| Assessment of Taxes | 42 | 42 | | 42 | |
| Planning Board | 47 | 47 | | 47 | |
| Municipal Court | 27 | 27 | | 27 | |
| Public Defender | 99 | 99 | | 99 | |
| Police | 1,812 | 1,812 | | 1,812 | |
| Fire Prevention Bureau | 47 | 47 | | 47 | |
| Prosecutor | 3 | 3 | | 3 | |
| Road Repairs and Maintenance | 32,619 | 32,619 | | 32,619 | |
| Recycling | 57 | 57 | | 57 | |
| Board of Health | 33 | 33 | | 33 | |
| Senior Center | 10 | 10 | | 10 | |
| Uniform Construction Code Official | 33 | 33 | | 33 | |
| Code Compliance | 26 | 26 | | 26 | |
| Total Salaries and Wages Within "CAPS" | 35,095 | 35,095 | - | 35,095 | - |
| Other Expenses Within "CAPS" | | | | | |
| General Government: | | | | | |
| Mayor and Council | 405 | 405 | | 405 | |
| Collection of Taxes | 2,888 | 3,042 | (140) | 3,182 | |
| Assessment of Taxes | 1,785 | 1,785 | | 1,785 | |
| Legal Services and Costs | 5,975 | 6,328 | 5,912 | 416 | |
| Engineering | 18,751 | 18,751 | 9,620 | 9,131 | |
| Municipal Land Use: | | | | | |
| Planning Board | 4,230 | 4,230 | 3,325 | 905 | |
| Municipal Court | 193 | 193 | 51 | 142 | |
| Police: | | | | | |
| Other Expenses | 7,508 | 8,112 | 604 | 7,508 | |
| Interboro Radio | 6 | 6 | | 6 | |
| Insurance: | | | | | |
| Other Insurance | 108 | 108 | (300) | 408 | |
| Group Insurance for Employees | 2,774 | 2,774 | (998) | 3,772 | |
| Fire: | | | | | |
| Other Expenses | 6 | 5,090 | 139 | 4,951 | |
| Fire Hydrant Service | 37 | 37 | | 37 | |
| Fire Prevention Bureau | 588 | 775 | | 775 | |
| Road Repairs and Maintenance | 719 | 829 | (3,734) | 4,563 | |
| Garbage and Trash Removal: | | | | | |

BOROUGH OF NORTHVALE
Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2022

| | Balance, Dec. 31, <u>2021</u> | Balance After Transfers and <u>Encumbrances</u> | <u>Paid or</u> <u>Charged</u> | Balance <u>Lapsed</u> | Over- <u>expended</u> |
|-------------------------------------------|-------------------------------------|-------------------------------------------------------|----------------------------------|--------------------------|--------------------------|
| Salaries and Wages Within "CAPS" | | | | | |
| Collection | 11 | 11 | | 11 | |
| Disposal | 11 | 11 | | 11 | |
| Recycling | 299 | 299 | | 299 | |
| Public Buildings and Grounds | | | 1,852 | | 1,852 |
| Sewer Repairs and Maintenance: | | | | | |
| Other Expenses | 5,063 | 5,063 | 5,000 | 63 | |
| Board of Health | 43 | 293 | | 293 | |
| Animal Control | 505 | 505 | | 505 | |
| Senior Center | 4,628 | 4,878 | (89) | 4,967 | |
| Parks and Playgrounds | 834 | 834 | | 834 | |
| Recreation Senior Bus | 275 | 275 | (221) | 496 | |
| Celebration of Public Events | 200 | 200 | | 200 | |
| Uniform Construction Code | 3,546 | 3,546 | 3,010 | 536 | |
| Code Compliance | 51 | 51 | | 51 | |
| Street Lighting | 4,146 | 4,146 | 6,109 | | 1,963 |
| Telephone | 4,052 | 4,052 | (895) | 4,947 | |
| Water | 702 | 702 | | 702 | |
| Contingent | 841 | 841 | | 841 | |
| Public Employees' Retirement System | | | (5,396) | 5,396 | |
| Defined Contribution Retirement Program | 409 | 409 | | 409 | |
| Social Security System (O.A.S.I.) | 758 | 758 | | 758 | |
| Total Other Expenses Within "CAPS" | <u>72,347</u> | <u>79,339</u> | <u>23,849</u> | <u>59,305</u> | <u>3,815</u> |
| Other Expenses Excluded from "CAPS" | | | | | |
| Aid to Library (NJSA 40:54-35) | | | | | |
| Public Library | 28,330 | 32,427 | 32,427 | | |
| LOSAP | 167 | 167 | | 167 | |
| Sewer: | | | | | |
| Bergen County Utilities Authority | 12 | 12 | | 12 | |
| Total Other Expenses Excluded from "CAPS" | <u>28,509</u> | <u>32,606</u> | <u>32,427</u> | <u>179</u> | |
| Total | <u>\$ 135,951</u> | <u>147,040</u> | <u>56,276</u> | <u>94,579</u> | <u>3,815</u> |
| Encumbrances \$ | | 11,089 | | | |
| Appropriation Reserves | | <u>135,951</u> | | | |
| | | <u>147,040</u> | | | |

BOROUGH OF NORTHVALE

Schedule of Reserve for Encumbrances

Current Fund

Year ended December 31, 2022

| | | |
|---------------------------------------|----|----------------------|
| Balance - December 31, 2021 | \$ | 11,089 |
| Increased by: | | |
| 2022 Encumbrances | | <u>28,554</u> |
| | | 39,643 |
| Decreased by: | | |
| Transferred to Appropriation Reserves | | <u>11,089</u> |
| Balance - December 31, 2022 | \$ | <u><u>28,554</u></u> |

BOROUGH OF NORTHVALE**Schedule of Due from/(to) State of New Jersey -
Senior Citizens' and Veterans' Deductions****Current Fund****Year ended December 31, 2022**

| | | | |
|-------------------------------------------------------|----|---------------|-----------------------|
| Balance, December 31, 2021 | | \$ | (8,261) |
| Increased by: | | | |
| Senior Citizen Deductions per Tax Duplicate | \$ | 29,250 | |
| Veteran Deductions per Tax Duplicate | | <u>500</u> | |
| | | | <u>29,750</u> |
| | | | 21,489 |
| Decreased by: | | | |
| Deductions Disallowed by Tax Collector - Current Year | | 500 | |
| Cash Receipts | | <u>28,500</u> | |
| | | | <u>29,000</u> |
| Balance, December 31, 2022 | | \$ | <u><u>(7,511)</u></u> |

BOROUGH OF NORTHVALE
Schedule of Local District School Taxes
Current Fund
Year ended December 31, 2022

| | |
|----------------------------|--------------------------|
| Increased by: | |
| 2022 Levy | \$ <u>10,303,327</u> |
| Decreased by: | |
| Payments | <u>10,048,032</u> |
| Balance, December 31, 2022 | \$ <u><u>255,295</u></u> |

Schedule of Regional High School Taxes
Current Fund
Year ended December 31, 2022

| | |
|---------------|----------------------------|
| Increased by: | |
| 2022 Levy | \$ <u>5,822,954</u> |
| Decreased by: | |
| Payments | \$ <u><u>5,822,954</u></u> |

BOROUGH OF NORTHVALE

Schedule of County Taxes

Current Fund

Year ended December 31, 2022

Increased by:

| | |
|------------------------------|--------------|
| 2022 Levy | \$ 2,419,681 |
| 2022 Open Space Preservation | 99,940 |
| 2022 Added Taxes | <u>8,099</u> |

2,527,720

Decreased by:

| | |
|----------|----------------------------|
| Payments | \$ <u><u>2,527,720</u></u> |
|----------|----------------------------|

Exhibit A-20

BOROUGH OF NORTHVALE

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2022

| | | |
|-----------------------------|----|----------------------|
| Balance, December 31, 2021 | \$ | 116,587 |
| Increased by: | | |
| 2023 Taxes Received in 2022 | | <u>58,336</u> |
| | | 174,923 |
| Decreased by: | | |
| Applied to 2022 | | <u>116,587</u> |
| Balance, December 31, 2022 | \$ | <u><u>58,336</u></u> |

Exhibit A-21

Schedule of Tax Overpayments Payable

Current Fund

Year ended December 31, 2022

| | | |
|----------------------------|----|----------------------|
| Balance, December 31, 2021 | \$ | <u>63,306</u> |
| Decreased by: | | |
| Overpayments Refunded | \$ | <u><u>63,306</u></u> |

BOROUGH OF NORTHVALE**Schedule of Due to State of New Jersey
for Marriage Licenses/Domestic Partnerships****Current Fund****Year ended December 31, 2022**

| | | |
|----------------------------|----|-------------------|
| Balance, December 31, 2021 | \$ | 100 |
| Increased by: | | |
| Cash Receipts | | <u>150</u> |
| | | <u>250</u> |
| Decreased by: | | |
| Cash Disbursements | \$ | <u><u>250</u></u> |

Schedule of Due to State of New Jersey - DCA Fees**Current Fund****Year ended December 31, 2022**

| | | |
|----------------------------|----|---------------------|
| Balance, December 31, 2021 | \$ | 12,858 |
| Increased by: | | |
| Receipts | \$ | <u>12,233</u> |
| | | 25,091 |
| Decreased by: | | |
| Disbursements | | <u>18,797</u> |
| Balance, December 31, 2022 | \$ | <u><u>6,294</u></u> |

BOROUGH OF NORTHVALE
Schedule of Reserve for Various Reserves

Current Fund

Year ended December 31, 2022

| | Balance, Dec. 31, <u>2021</u> | Cash <u>Receipts</u> | Cash <u>Disbursements</u> | Balance, Dec. 31, <u>2022</u> |
|-------------------------------|-------------------------------------|-------------------------|------------------------------|-------------------------------------|
| Reserve for: | | | | |
| Tax Sale Premiums | \$ 7,648 | | 648 | 7,000 |
| McGuire Senior Center | 149,789 | 8,438 | 41,736 | 116,491 |
| Senior Citizens Van Donations | 2,681 | | | 2,681 |
| Cultural Arts Committee | 3,379 | | | 3,379 |
| Beautification Committee | 4,050 | | | 4,050 |
| Public Events Celebration | 12,714 | | | 12,714 |
| Sale of Property | <u>505,596</u> | | <u>125,000</u> | <u>380,596</u> |
| | <u>\$ 685,857</u> | <u>8,438</u> | <u>167,384</u> | <u>526,911</u> |
| | | Cash \$ 8,438 | 42,384 | |
| Anticipated Revenue | | | <u>125,000</u> | |
| | | <u>\$ 8,438</u> | <u>167,384</u> | |

BOROUGH OF NORTHALE
Schedule of Emergency Notes Payable

Current Fund

Year ended December 31, 2022

| <u>Purpose</u> | <u>Date of Original Issue</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance, Dec. 31, 2021</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance, Dec. 31, 2022</u> |
|----------------------------|---------------------------------------|--------------------------|-----------------------------|--------------------------|---------------------------------------|------------------|------------------|---------------------------------------|
| Accumulated Absence Payout | Dec. 23, 2019 | 9/23/2022 | 9/23/2023 | 3.010% | \$ 72,000 | 48,000 | 72,000 | 48,000 |
| Tax Maps | Sept. 23, 2021 | 9/23/2022 | 9/23/2023 | 3.010% | 35,000 | 28,000 | 35,000 | 28,000 |
| Accumulated Absence Payout | Dec. 17, 2021 | 9/23/2022 | 9/23/2023 | 3.010% | 116,500 | 93,184 | 116,500 | 93,184 |
| Accumulated Absence Payout | Sept. 23, 2022 | 9/23/2022 | 9/23/2023 | 3.010% | | 120,000 | | 120,000 |
| | | | | | <u>\$ 223,500</u> | <u>289,184</u> | <u>223,500</u> | <u>289,184</u> |

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

State and Federal Grants

Year ended December 31, 2022

| | Balance, Dec. 31, <u>2021</u> | Balance, Dec. 31, <u>2022</u> |
|------------------------------|-------------------------------------|-------------------------------------|
| Purpose: | | |
| Municipal Alliance | \$ 574 | 574 |
| Municipal Alliance FY - 2017 | 3,223 | 3,223 |
| Municipal Alliance FY - 2019 | 171 | 171 |
| Municipal Alliance FY - 2020 | 9,520 | 9,520 |
| Municipal Alliance FY - 2021 | 566 | 566 |
| Bergen County CARES Act | <u>38,594</u> | <u>38,594</u> |
| | <u>\$ 52,648</u> | <u>52,648</u> |

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

Federal and State Grant Fund

Year ended December 31, 2022

| | Balance, Dec. 31, <u>2021</u> | <u>Increased</u> | <u>Decreased</u> | Balance, Dec. 31, <u>2022</u> |
|---------------------------------------|-------------------------------------|-------------------|------------------|-------------------------------------|
| Due from/(to): | | | | |
| General Capital Fund | (22,875) | | | (22,875) |
| Current Fund | <u>558,984</u> | <u>328,862</u> | <u>207,585</u> | <u>680,261</u> |
| | <u>\$ 536,109</u> | <u>328,862</u> | <u>207,585</u> | <u>657,386</u> |
| Due to Federal and State Grant Fund | 558,984 | 328,862 | 207,585 | 680,261 |
| Due from Federal and State Grant Fund | <u>(22,875)</u> | | | <u>(22,875)</u> |
| | <u>\$ 536,109</u> | <u>328,862</u> | <u>207,585</u> | <u>657,386</u> |
| Unappropriated Reserves \$ | | 328,862 | 197,000 | |
| Appropriated Reserves | | | <u>10,585</u> | |
| | | <u>\$ 328,862</u> | <u>207,585</u> | |

BOROUGH OF NORTHVALE

Schedule of Appropriated Reserves for

State and Federal Grants

Year ended December 31, 2022

| | Balance, Dec. 31, 2021 | Expended | Balance, Dec. 31, 2022 |
|----------------------------------------------|------------------------------|---------------|------------------------------|
| Alcohol Education Rehabilitation Fund - 2021 | \$ 454 | | 454 |
| Alcohol Education Rehabilitation Fund - 2018 | 146 | | 146 |
| Alcohol Education Rehabilitation Fund - 2016 | 181 | | 181 |
| Alcohol Education Rehabilitation Fund - 2015 | 295 | | 295 |
| Alcohol Education Rehabilitation Fund - 2014 | 236 | | 236 |
| Alcohol Education Rehabilitation Fund - 2012 | 108 | | 108 |
| Alcohol Education Rehabilitation Fund - 2011 | 647 | | 647 |
| Alcohol Education Rehabilitation Fund - 2010 | 1,508 | | 1,508 |
| Alcohol Education Rehabilitation Fund - 2009 | 259 | | 259 |
| Bergen County CARES Act | 35,594 | | 35,594 |
| Body Armor Replacement Fund - 2021 | 1,359 | | 1,359 |
| Body Armor Replacement Fund - 2020 | 1,675 | | 1,675 |
| Body Armor Replacement Fund - 2019 | 1,865 | | 1,865 |
| Body Armor Replacement Fund | 474 | | 474 |
| Clean Communities - 2021 | 10,040 | | 10,040 |
| Clean Communities - 2020 | 9,435 | | 9,435 |
| Clean Communities - 2019 | 10,464 | | 10,464 |
| Clean Communities - 2018 | 9,375 | | 9,375 |
| Clean Communities - 2017 | 9,800 | | 9,800 |
| Clean Communities - 2016 | 11,536 | | 11,536 |
| Clean Communities - 2015 | 10,088 | | 10,088 |
| Clean Communities - 2014 | 1,513 | | 1,513 |
| Donations - Mary McDougal | 1,685 | | 1,685 |
| Drunk Driving Enforcement Fund - 2015 | 4,333 | | 4,333 |
| Drunk Driving Enforcement Fund - 2013 | 377 | | 377 |
| Drunk Driving Enforcement Fund - 2012 | 2,335 | | 2,335 |
| Drunk Driving Enforcement Fund - 2011 | 3,391 | | 3,391 |
| Drunk Driving Enforcement Fund - 2010 | 3,433 | | 3,433 |
| Drunk Driving Enforcement Fund - 2009 | 2,856 | | 2,856 |
| Drunk Driving Enforcement Fund - 2008 | 4,708 | | 4,708 |
| Drunk Driving Enforcement Fund - 2007 | 3,072 | | 3,072 |
| FEMA Fire Department COVID-19 Grant | 2,260 | | 2,260 |
| Municipal Alliance - FY2021 | 6,252 | | 6,252 |
| Municipal Alliance - FY2020 | 4,756 | 2,439 | 2,317 |
| Northvale Drug Alliance-Golf Outing | 1,142 | | 1,142 |
| Northvale Junior Police - 2021 | 375 | | 375 |
| Northvale Junior Police - 2018 | 6,176 | 2,046 | 4,130 |
| Recycling Tonnage - 2021 | 14,093 | 6,100 | 7,993 |
| Recycling Tonnage - 2020 | 14,571 | | 14,571 |
| Recycling Tonnage - 2019 | 1,645 | | 1,645 |
| Recycling Tonnage - 2017 | 29,072 | | 29,072 |
| Recycling Tonnage - 2016 | 27,528 | | 27,528 |
| Senior Citizens Caregiver | 575 | | 575 |
| Senior Citizens Computer Grant | 2,074 | | 2,074 |
| USDA Food Program - 2016 | 792 | | 792 |
| USDA Food Program - 2015 | 2,068 | | 2,068 |
| USDA Food Program - 2014 | 1,901 | | 1,901 |
| | <u>\$ 258,522</u> | <u>10,585</u> | <u>\$ 247,937</u> |

BOROUGH OF NORTHVALE

Schedule of Unappropriated Reserves for

State and Federal Grants

Year ended December 31, 2022

| <u>Grant</u> | Balance, Dec. 31, <u>2021</u> | Transferred to 2022 <u>Budget</u> | Cash <u>Received</u> | Balance, Dec. 31, <u>2022</u> |
|--------------------------------|-------------------------------------|-----------------------------------------|-------------------------|-------------------------------------|
| Municipal Alliance | \$ | | 3,383 | 3,383 |
| Recycling Tonnage Grant | | | 12,700 | 12,700 |
| American Recovery Plan Grant | 257,851 | 197,000 | 257,851 | 318,702 |
| FEMA COVID-19 Assistance Grant | 39,029 | | 7,950 | 46,979 |
| FEMA Hurricane ISAIAS Grant | 29,860 | | | 29,860 |
| Highway Traffic Safety Grant | 3,495 | | | 3,495 |
| FEMA Hurricane Grant | | | 5,972 | 5,972 |
| Clean Communities Grant | | | 10,308 | 10,308 |
| Body Armor Grant | | | 2,260 | 2,260 |
| Driver Sober Get Pulled Over | | | 6,020 | 6,020 |
| Body Worn Cameras | | | 22,418 | 22,418 |
| | <u>\$ 330,235</u> | <u>197,000</u> | <u>328,862</u> | <u>462,097</u> |

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2022

| | Animal Trust Fund | Other Funds | Unemployment Trust | Community Development Trust | Open Space Trust | Emergency Services LOSAP Trust |
|----------------------------------|-------------------------|----------------|-----------------------|-----------------------------------|------------------------|-----------------------------------------|
| Balance, December 31, 2021 | \$ 13,840 | 1,035,278 | 95,726 | | 466 | 1,479,352 |
| Increase by Receipts: | | | | | | |
| License Fees | 3,431 | | | | | |
| Due to State of New Jersey | 412 | | | | | |
| Escrow Deposits | | 167,331 | | | | |
| Various Reserves | | 694,975 | | 56,158 | | 44,204 |
| Grants Receivable | | | | | | |
| Borough Contributions | | | 5,129 | | | |
| Employee Deductions | | | | | | |
| Interfunds | | 19,673 | | | | |
| Interest on Investments | 254 | 14,594 | 1,480 | | 7 | |
| | 4,097 | 896,573 | 6,609 | 56,158 | 7 | 44,204 |
| | 17,937 | 1,931,851 | 102,335 | 56,158 | 473 | 1,523,556 |
| Decrease by Payments: | | | | | | |
| Due to State of New Jersey | 412 | | | | | |
| Escrow Expenditures | | 122,044 | | | | 6,421 |
| Various Reserves | | 229,974 | | | | 204,082 |
| Benefit Payments | | | | | | 2,250 |
| Loss on Investments | | | | | | 212,753 |
| Account Charges/Tax Withholdings | 412 | 352,018 | | | | |
| Balance, December 31, 2022 | \$ 17,525 | 1,579,833 | 102,335 | 56,158 | 473 | 1,310,803 |

BOROUGH OF NORTHVALE

**Schedule of Due to State
of New Jersey**

Animal Trust Fund

Year ended December 31, 2022

Increased by:

State Fees Collected

\$ 412

Decreased by:

Paid to State of New Jersey

\$ 412

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Animal Trust Fund

Year ended December 31, 2022

| | | |
|-------------------------------|-------------|---------------------|
| Balance, December 31, 2021 | \$ | 9,324 |
| Increased by: | | |
| Dog License Fees Collected | \$ | 3,056 |
| Cat License Fees Collected | | 5 |
| Late Fees | | 370 |
| Interest on Investments | | <u>254</u> |
| | | <u>3,685</u> |
| | | 13,009 |
| Decreased by: | | |
| Statutory Excess | | <u>5,070</u> |
| Balance, December 31, 2022 | \$ | <u><u>7,939</u></u> |
| <u>License Fees Collected</u> | | |
| | <u>Year</u> | <u>Amount</u> |
| | 2021 | 3,621 |
| | 2020 | <u>4,318</u> |
| | | <u>\$ 7,939</u> |

BOROUGH OF NORTHVALE

Schedule of Escrow Deposits

Other Trust Funds

Year ended December 31, 2022

| | |
|------------------------------|--------------------------|
| Balance, December 31, 2021 | \$ 326,641 |
| Increased by: | |
| Escrow Deposits | <u>167,331</u> |
| | 493,972 |
| Decreased by: | |
| Escrow Disbursements/Refunds | <u>122,044</u> |
| Balance, December 31, 2022 | \$ <u><u>371,928</u></u> |

BOROUGH OF NORTHVALE

Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended December 31, 2022

| | Balance <u>Dec. 31, 2021</u> | <u>Increased</u> | <u>Decreased</u> | Balance <u>Dec. 31, 2022</u> |
|--------------------------------------|---------------------------------|-------------------|------------------|---------------------------------|
| Reserve for: | | | | |
| Parking Offenses Adjudication Act \$ | 2,496 | 100 | | 2,596 |
| Archives Commission | 413 | | | 413 |
| McGuire Food Program | 6,671 | 99 | | 6,770 |
| Recreation | 92,684 | 111,213 | 92,007 | 111,890 |
| Recreation - Summer Recreation | 11,485 | 39,622 | 37,510 | 13,597 |
| Recreation - Umpire Fees | 2,790 | 4,000 | 5,839 | 951 |
| Police DEA-Justice | 32,284 | 432,616 | 137,226 | 327,674 |
| Police DEA - Treasury | 58,536 | 1,463 | | 59,999 |
| Public Defender | 7,439 | 313 | | 7,752 |
| Affordable Housing | 507,357 | 120,143 | 3,000 | 624,500 |
| | <u>\$ 722,155</u> | <u>709,569</u> | <u>275,582</u> | <u>1,156,142</u> |
| Cash Receipts \$ | | 694,975 | | |
| Interest on Investments | | 14,594 | | |
| Cash Disbursements | | | 229,974 | |
| Interfunds | | | 45,608 | |
| | | <u>\$ 709,569</u> | <u>275,582</u> | |

BOROUGH OF NORTHVALE

**Schedule of Reserve for
Unemployment Compensation**

Unemployment Trust Fund

Year ended December 31, 2022

| | | | |
|----------------------------|----|--------------|-----------------------|
| Balance, December 31, 2021 | | \$ | 95,726 |
| Increased by: | | | |
| Employee Deductions | \$ | 5,129 | |
| Interest on Investments | | <u>1,480</u> | |
| | | | <u>6,609</u> |
| Balance, December 31, 2022 | | \$ | <u><u>102,335</u></u> |

BOROUGH OF NORTHVALE

Schedule of Interfunds

Trust Funds

Year ended December 31, 2022

| | Balance due from/(to) Dec. 31, 2021 | Increased | Decreased | Balance due from/(to) Dec. 31, 2022 |
|-----------------------------------|-------------------------------------------|-----------|-------------------|-------------------------------------------|
| Current Fund: | | | | |
| Animal Trust Fund | \$ (4,516) | | 5,070 | (9,586) |
| Other Trust Fund: | | | | |
| Affordable Housing Trust | | | | |
| Escrow Trust Fund | (50,089) | | 18,000 | (68,089) |
| Food Trust | | | | |
| Police DEA Trust | | | 45,608 | (45,608) |
| POAA Trust Fund | | | | |
| Recreation Trust | | | 1,654 | (1,654) |
| Recreation - Umpire Fees | | | 19 | (19) |
| General Capital Fund: | | | | |
| Community Development Block Grant | | | 56,158 | (56,158) |
| Other Trust Fund: | | | | |
| Escrow Trust Fund | (36,393) | | | (36,393) |
| Affordable Housing Trust Fund | 100,000 | | | 100,000 |
| | <u>\$ 9,002</u> | | <u>126,509</u> | <u>(117,507)</u> |
| Due to Trust Funds \$ | 100,000 | | | 100,000 |
| Due from Trust Funds | <u>(90,998)</u> | | <u>126,509</u> | <u>(217,507)</u> |
| | <u>\$ 9,002</u> | | <u>126,509</u> | <u>(117,507)</u> |
| Cash Disbursements \$ | | | | |
| Cash Receipts | | | 19,673 | |
| Statutory Excess | | | 5,070 | |
| CDBG Grants | | | 56,158 | |
| Deposit Error | | | 45,608 | |
| | | | <u>\$ 126,509</u> | |

Exhibit B-8

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Open Space Trust Fund

Year ended December 31, 2022

| | | |
|-----------------------------|----|-------------------|
| Balance, December 31, 2021 | \$ | 466 |
| Increased by: | | |
| Interest Earned on Deposits | | <u>7</u> |
| Balance, December 31, 2022 | \$ | <u><u>473</u></u> |

Exhibit B-9

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2022

| | | |
|-------------------------------------|----|----------------------|
| Balance, December 31, 2021 | \$ | 43,000 |
| Increased by: | | |
| Prior Year Additional Contributions | \$ | 1,204 |
| 2022 Service Award Contributions | | <u>46,616</u> |
| | | <u>47,820</u> |
| | | 90,820 |
| Decreased by: | | |
| Contributions Received | | <u>44,204</u> |
| Balance, December 31, 2022 | \$ | <u><u>46,616</u></u> |

BOROUGH OF NORTHVALE

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2022

| | | |
|-------------------------------------|----------------|----------------------------|
| Balance, December 31, 2021 | | \$ 1,522,352 |
| Increased by: | | |
| Prior Year Additional Contributions | \$ 1,204 | |
| Borough Contributions | <u>46,616</u> | |
| | | <u>47,820</u> |
| | | 1,570,172 |
| Decreased by: | | |
| Benefit Payments | 6,421 | |
| Account Charges/Tax Withholdings | 2,250 | |
| Loss on Investments | <u>204,082</u> | |
| | | <u>212,753</u> |
| Balance, December 31, 2022 | | \$ <u><u>1,357,419</u></u> |

BOROUGH OF NORTHVALE**Schedule of General Capital Cash -
Treasurer****General Capital Fund****Year ended December 31, 2022**

| | | | |
|-----------------------------|----|------------------|-----------------------|
| Balance, December 31, 2021 | | \$ | 133,501 |
| Increased by Receipts: | | | |
| Interest Earned | \$ | 2,002 | |
| Interfunds | | 1,227,000 | |
| Capital Improvement Fund | | 107,000 | |
| Bond Anticipation Notes | | <u>1,586,450</u> | |
| | | | <u>2,922,452</u> |
| | | | 3,055,953 |
| Decreased by Disbursements: | | | |
| Interfunds | | 1,227,629 | |
| Improvement Authorizations | | <u>1,719,886</u> | |
| | | | <u>2,947,515</u> |
| Balance, December 31, 2022 | | \$ | <u><u>108,438</u></u> |

BOROUGH OF NORTHVALE**Analysis of General Capital Cash****General Capital Fund****December 31, 2022**

| | |
|---------------------------------|-------------|
| Fund Balance | \$ 869 |
| Capital Improvement Fund | 60,902 |
| Interfunds Receivable | (115,426) |
| Interfunds Payable | 101,457 |
| Grants/Contributions Receivable | (1,635,263) |

Improvement Authorizations:**Ordinance**

| <u>Number</u> | <u>Improvement Description</u> | |
|---------------|------------------------------------------------------------|-------------------|
| 901-2011 | Site Investigation/Remedial Inv. on Borough Owned Property | (55,000) |
| 903-2011 | Refurbishing of Hogan's Park | (88,980) |
| 942-2014 | Acq. of Property/Equipment/Machinery/Vehicles | (4,469) |
| 964-2016 | Various Capital Improvements | (43,346) |
| 973-2017 | Road Improvement Program | 76,123 |
| 978-2017 | Various Capital Improvements | 80,292 |
| 989-2018 | Road Improvement Program | 48,018 |
| 992-2018 | Various Capital Improvements | 23,991 |
| 996-2019 | Various Capital Improvements | 123 |
| 1009-2019 | Acquisition of Mason Dump Truck for DPW | 3,910 |
| 1012-2019 | New Radio Equipment for Fire Dept. | 4,141 |
| 1018-2020 | Tax Appeal Refunding | 25,560 |
| 1022-2020 | Various Capital Improvements | 117,570 |
| 1036-2021 | Various Capital Improvements | 270,621 |
| 1040-2021 | Road Improvement Program | 377,275 |
| 1041-2021 | Various Capital Improvements | 17,078 |
| 1052-2022 | Various Capital Improvements | 368,544 |
| 1053-2022 | Road Improvements - Clinton & Arrow | 157,640 |
| 1055-2022 | Various Capital Improvements | 123,852 |
| 1056-2022 | Various Capital Improvements | 192,956 |
| | | <u>\$ 108,438</u> |

BOROUGH OF NORTHVALE

**Schedule of Deferred Charges to
Future Taxation - Funded**

General Capital Fund

Year ended December 31, 2022

| | |
|-------------------------------|----------------------------|
| Balance, December 31, 2021 | \$ 4,945,000 |
| Decreased by: | |
| Paid via Budget Appropriation | <u>450,000</u> |
| Balance, December 31, 2022 | \$ <u><u>4,495,000</u></u> |

BOROUGH OF NORTHVILLE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2022

| Ordinance Number | Improvement Description | Analysis of Balance | | | | | Unexpended Improvement Authorization |
|------------------------------------------------------|------------------------------------------------------------|------------------------|--------------------|-----------------|------------------------|-------------------------|--------------------------------------|
| | | Balance, Dec. 31, 2021 | 2022 Authorization | Reduced in 2022 | Balance, Dec. 31, 2022 | Bond Anticipation Notes | |
| 901-2011 | Site Investigation/Remedial Inv. on Borough Owned Property | 55,000 | | | 55,000 | 55,000 | |
| 903-2011 | Refurbishing of Hogan's Park | 88,980 | | | 88,980 | 88,980 | |
| 942-2014 | Acq of Property/Equip/Machinery/Vehicles | 4,469 | | | 4,469 | 4,469 | |
| 964-2016 | Various Capital Improvements | 66,000 | | | 66,000 | 43,346 | 22,654 |
| 1012-2019 | New Radio Equipment for Fire Dept. | 80,000 | | | 80,000 | | |
| 1018-2020 | Tax Appeals | 235,000 | | 115,000 | 120,000 | | |
| 1022-2020 | Various Capital Improvements | 551,000 | | | 551,000 | 550,000 | 1,000 |
| 1036-2021 | Various Capital Improvements | 618,000 | | | 618,000 | 618,000 | |
| 1040-2021 | Road Improvement Program | 213,000 | | | 213,000 | 213,000 | |
| 1041-2021 | Various Capital Improvements | 66,000 | | | 66,000 | 66,000 | |
| 1052-2022 | Various Capital Improvements | | 1,037,450 | | 1,037,450 | 1,037,450 | |
| 1053-2022 | Road Improvements - Clinton & Arrow | | 271,000 | | 271,000 | 271,000 | |
| 1055-2022 | Various Capital Improvements | | 84,000 | | 84,000 | 84,000 | |
| 1056-2022 | Various Capital Improvements | | 194,000 | | 194,000 | 194,000 | |
| | | \$ 1,977,449 | 1,586,450 | 115,000 | 3,448,899 | 3,233,450 | 23,654 |
| Improvement Authorizations - Unfunded | | | | | | | 1,674,750 |
| Less: Unexpended Proceeds of Bond Anticipation Notes | | | | | | | |
| Ord. 1018-2020 | | | | | | | 25,560 |
| Ord. 1022-2020 | | | | | | | 117,570 |
| Ord. 1036-2021 | | | | | | | 270,621 |
| Ord. 1040-2021 | | | | | | | 377,275 |
| Ord. 1041-2021 | | | | | | | 17,078 |
| Ord. 1052-2022 | | | | | | | 368,544 |
| Ord. 1053-2022 | | | | | | | 157,640 |
| Ord. 1055-2022 | | | | | | | 123,852 |
| Ord. 1056-2022 | | | | | | | 192,956 |
| | | | | | | | 1,651,096 |
| | | | | | | | \$ 23,654 |

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

General Capital Fund

Year ended December 31, 2022

| | Balance, Dec. 31, <u>2021</u> | <u>Increased</u> | <u>Decreased</u> | Balance, Dec. 31, <u>2022</u> |
|-----------------------------------------|-------------------------------------|---------------------|------------------|-------------------------------------|
| Current Fund | \$ (84) | 1,227,629 | 1,229,002 | (1,457) |
| Escrow Trust Fund | 36,393 | | | 36,393 |
| Federal and State Grant Fund | 22,875 | | | 22,875 |
| Affordable Housing Trust Fund | (100,000) | | | (100,000) |
| Community Development Block Grant Trust | | <u>56,158</u> | | <u>56,158</u> |
| | <u>\$ (40,816)</u> | <u>1,283,787</u> | <u>1,229,002</u> | <u>13,969</u> |
| Due to General Capital Fund | \$ 59,268 | 56,158 | | 115,426 |
| Due from General Capital Fund | <u>(100,084)</u> | <u>1,227,629</u> | <u>1,229,002</u> | <u>(101,457)</u> |
| | <u>\$ (40,816)</u> | <u>1,283,787</u> | <u>1,229,002</u> | <u>13,969</u> |
| Cash Disbursements | \$ 1,227,629 | | | |
| CDBG Grants | 56,158 | | | |
| Interest Earned | | | 2,002 | |
| Cash Receipts | | | <u>1,227,000</u> | |
| | | <u>\$ 1,283,787</u> | <u>1,229,002</u> | |

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

General Capital Fund

Year ended December 31, 2022

| | |
|-------------------------------|----------------------------|
| Balance, December 31, 2021 | \$ 1,195,771 |
| Increased by: | |
| Grant and Contribution Awards | <u>495,650</u> |
| | 1,691,421 |
| Decreased by: | |
| Due from CDBG Trust | <u>56,158</u> |
| Balance, December 31, 2022 | \$ <u><u>1,635,263</u></u> |

Analysis of BalanceDepartment of Transportation

| | | |
|-----------------------------------------------|----------------|-----------|
| School Safety Program | \$ 1,984 | |
| Improvements to Veteran's Drive | 259 | |
| Improvements to Veteran's Drive, Phase II | 11,412 | |
| Improvements to White Avenue | 39,300 | |
| Livingston Street Sidewalks Phase I & II | 4,812 | |
| Livingston Street Streetscape | 132,990 | |
| Various Capital Improvements | 383,627 | |
| Livingston Street & Paris Avenue Improvements | 397,000 | |
| Resurfacing Clinton Ave & Arrow Street | 229,000 | |
| Resurfacing Veterans Drive (Phase I) | <u>216,000</u> | |
| | | 1,416,384 |

Bergen County Open Space Trust Fund:

| | | |
|----------------------------------------------------|---------------|--------|
| Imps. to Veteran's Park | 3,544 | |
| Improvement to Recreation Fields-Schools | 1,752 | |
| Construction of Gazebo at Hogan's Park | 20,180 | |
| Walkways for Gazebo at Hogan's Park | 20,000 | |
| Construction of Butterfly Garden at Veteran's Park | 20,125 | |
| Various Imps. To Veterans Park | <u>22,650</u> | |
| | | 88,251 |

Bergen County Direct Contributions:

| | | |
|----------------------------------------------------|--------------|----------------------------|
| Improvements to Tappan Road | 83,136 | |
| Reconstruction of Livingston Street | 40,000 | |
| Construction of Pavilion at Senior Center | 5,492 | |
| Installation of ADA Compliant Front Door at Boro F | <u>2,000</u> | |
| | | <u>130,628</u> |
| | | \$ <u><u>1,635,263</u></u> |

BOROUGH OF NORTHVALE

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2022

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Maturity of Bonds</u> | | <u>Interest Rate</u> | <u>Balance, Dec. 31, 2021</u> | <u>Decreased</u> | <u>Balance, Dec. 31, 2022</u> |
|----------------------|----------------------|-----------------------|--------------------------|-----------------------------|----------------------|-------------------------------|------------------|-------------------------------|
| | | | <u>Outstanding Date</u> | <u>Dec. 31, 2022 Amount</u> | | | | |
| General Improvements | November 1, 2019 | 5,685,000 | Nov. 1 2023 | 475,000 | 2.000% | 4,945,000 | 450,000 | 4,495,000 |
| | | | Nov. 1, 2024 | 500,000 | 2.000% | | | |
| | | | Nov. 1 2025 | 525,000 | 2.000% | | | |
| | | | Nov. 1, 2026 | 550,000 | 2.000% | | | |
| | | | Nov. 1 2027 | 575,000 | 2.000% | | | |
| | | | Nov. 1, 2028 | 610,000 | 2.125% | | | |
| | | | Nov. 1, 2029 | 630,000 | 2.125% | | | |
| | | | Nov. 1, 2030 | 630,000 | 2.125% | | | |
| | | | | | | <u>\$ 4,945,000</u> | <u>450,000</u> | <u>4,495,000</u> |

BOROUGH OF NORTHVALE

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2022

| Ordinance Number | Improvement Description | Date of Original Issue | Date of Issue | Date of Maturity | Interest Rate | Balance, Dec. 31, 2021 | Increased | Decreased | Balance, Dec. 31, 2022 |
|------------------|------------------------------------|------------------------|---------------|------------------|---------------|------------------------|-----------|-----------|------------------------|
| 1012-19 | New Radio Equipment for Fire Dept. | 12/18/2020 | 12/16/2022 | 9/15/2023 | 3.89% | 80,000 | 80,000 | 80,000 | 80,000 |
| 1018-20 | Tax Appeal Refunding | 12/18/2020 | 12/16/2022 | 9/15/2023 | 3.89% | 235,000 | 120,000 | 235,000 | 120,000 |
| 1022-18 | Various Capital Improvements | 12/18/2020 | 12/16/2022 | 9/15/2023 | 3.89% | 550,000 | 550,000 | 550,000 | 550,000 |
| 1036-21 | Various Capital Improvements | 12/17/2021 | 12/16/2022 | 9/15/2023 | 3.89% | 618,000 | 618,000 | 618,000 | 618,000 |
| 1040-21 | Road Improvement Program | 12/17/2021 | 12/16/2022 | 9/15/2023 | 3.89% | 213,000 | 213,000 | 213,000 | 213,000 |
| 1041-21 | Various Capital Improvements | 12/17/2021 | 12/16/2022 | 9/15/2023 | 3.89% | 66,000 | 66,000 | 66,000 | 66,000 |
| 1052-22 | Various Capital Improvements | 12/16/2022 | 12/16/2022 | 9/15/2023 | 3.89% | | 1,037,450 | | 1,037,450 |
| 1053-22 | Road Improvement Program | 12/16/2022 | 12/16/2022 | 9/15/2023 | 3.89% | | 271,000 | | 271,000 |
| 1055-22 | Various Capital Improvements | 12/16/2022 | 12/16/2022 | 9/15/2023 | 3.89% | | 84,000 | | 84,000 |
| 1056-22 | Various Capital Improvements | 12/16/2022 | 12/16/2022 | 9/15/2023 | 3.89% | | 194,000 | | 194,000 |
| | | | | | | \$ 1,762,000 | 3,233,450 | 1,762,000 | 3,233,450 |
| | | | | | | | | | |
| | | | | | | Cash \$ | 1,586,450 | | |
| | | | | | | Renewed | 1,647,000 | 1,647,000 | |
| | | | | | | Budget Appropriation | | 115,000 | |
| | | | | | | \$ | 3,233,450 | 1,762,000 | |

BOROUGH OF NORTHVALE

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2022

| Ordinance Number | Description | Ordinance Date | Amount | Balance, Dec. 31, 2021 | | Paid or Charged | Balance, Dec. 31, 2022 | |
|---------------------|-----------------------------------------|--------------------|-----------|---------------------------|-----------|-----------------------|---------------------------|--------------|
| | | | | Funded | Unfunded | | Funded | Unfunded |
| 964-2016 | Various Capital Improvements | November 9, 2016 | 385,000 | | 22,654 | | | 22,654 |
| 973-2017 | Road Improvement Program | April 12, 2017 | 492,000 | 76,123 | | | 76,123 | |
| 978-2017 | Various Capital Improvements | September 13, 2017 | 375,000 | 80,292 | | | 80,292 | |
| 989-2018 | Road Improvement Program | April 11, 2018 | 430,000 | 48,018 | | | 48,018 | |
| 992-2018 | Various Capital Improvements | August 1, 2018 | 450,000 | 33,647 | | | 23,991 | |
| 996-2019 | Various Capital Improvements | May 14, 2019 | 731,000 | 29,348 | | 9,656 | 123 | |
| 1009-2019 | Acquisition of Mason Dump Truck for DPW | September 11, 2019 | 65,000 | 3,910 | | 29,225 | 3,910 | |
| 1012-2019 | New Radio Equipment for Fire Dept. | December 3, 2019 | 84,000 | 4,141 | | | 4,141 | |
| 1018-2020 | Tax Appeal Refunding | June 10, 2020 | 350,000 | | 25,550 | | | 25,560 |
| 1022-2020 | Various Capital Improvements | August 12, 2020 | 600,000 | | 177,205 | 58,635 | | 118,570 |
| 1036-2021 | Various Capital Improvements | June 9, 2021 | 670,000 | | 309,419 | 38,798 | | 270,621 |
| 1040-2021 | Road Improvement Program | September 14, 2021 | 610,000 | | 610,000 | 232,725 | | 377,275 |
| 1041-2021 | Various Capital Improvements | September 14, 2021 | 105,000 | | 65,917 | 48,839 | | 17,078 |
| 1052-2022 | Various Capital Improvements | March 24, 2022 | 1,118,000 | | | 749,456 | 1,118,000 | 368,544 |
| 1053-2022 | Road Improvements - Clinton & Arrow | March 24, 2022 | 500,000 | | | 342,360 | 500,000 | 157,640 |
| 1055-2022 | Various Capital Improvements | July 13, 2022 | 300,000 | | | 176,148 | 300,000 | 123,852 |
| 1056-2022 | Various Capital Improvements | July 28, 2022 | 227,000 | | | 34,044 | 227,000 | 192,956 |
| | | | | \$ 275,479 | 1,210,755 | 1,719,886 | 236,598 | \$ 1,674,750 |

Grants Receivable \$ 495,650
 Capital Improvement Fund 62,900
 Deferred Charges to Future Taxation-Unfunded 1,586,450

\$ 2,145,000

BOROUGH OF NORTHVALE
Schedule of Capital Improvement Fund
General Capital Fund
Year ended December 31, 2022

| | |
|----------------------------|-------------------------|
| Balance, December 31, 2021 | \$ 16,802 |
| Increased by: | |
| Budget Appropriation | <u>107,000</u> |
| Decreased by: | |
| Appropriated to Finance | |
| Improvement Authorizations | <u>62,900</u> |
| Balance, December 31, 2022 | <u><u>\$ 60,902</u></u> |

BOROUGH OF NORTHVALE

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2022

| <u>Ordinance number</u> | <u>Description</u> | Balance, Dec. 31, <u>2021</u> | Balance, Dec. 31, <u>2022</u> |
|-----------------------------|---------------------------------------------------------------|-------------------------------------|-------------------------------------|
| 901-2011 | Site Investigation/Remedial Inv. On Borough Owned Property | \$ 55,000 | 55,000 |
| 903-2011 | Refurbishing of Hogan's Park | 88,980 | 88,980 |
| 942-2014 | Acquisition of Property/Equipment/Machinery/Vehicle: | 4,469 | 4,469 |
| 964-2016 | Various Capital Improvements | 66,000 | 66,000 |
| 1022-2020 | Various Capital Improvements | <u>1,000</u> | <u>1,000</u> |
| | | \$ <u>215,449</u> | <u>215,449</u> |

BOROUGH OF NORTHVALE

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2022

| | <u>Total</u> | <u>P.A.T.F. Account #1</u> | <u>P.A.T.F. Account #2</u> |
|-----------------------------|----------------------|--------------------------------|--------------------------------|
| Balance - December 31, 2021 | \$ <u>416</u> | <u>114</u> | <u>302</u> |
| Increased by: | | | |
| Interest Earned | <u>6</u> | <u>2</u> | <u>4</u> |
| Balance - December 31, 2022 | \$ <u><u>422</u></u> | <u><u>116</u></u> | <u><u>306</u></u> |

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2022

| | |
|-----------------------------|----------------------|
| Balance - December 31, 2021 | \$ <u>416</u> |
| Increased by: | |
| Interest Earned | <u>6</u> |
| Balance - December 31, 2022 | \$ <u><u>422</u></u> |

| <u>Reconciliation - December 31, 2022</u> | <u>PATF I</u> <u>Account</u> | <u>PATF II</u> <u>Account</u> | <u>Total</u> |
|-------------------------------------------|---------------------------------|----------------------------------|-------------------|
| Balance on Deposit per Bank Statement: | | | |
| Checking | \$ <u><u>116</u></u> | <u><u>306</u></u> | <u><u>422</u></u> |

BOROUGH OF NORTHVALE

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Fund

Year Ended December 31, 2022

| | <u>Total</u> | <u>P.A.T.F. Account #1</u> | <u>P.A.T.F. Account #2</u> |
|-----------------------------|----------------------|--------------------------------|--------------------------------|
| Balance - December 31, 2021 | \$ <u>416</u> | <u>114</u> | <u>302</u> |
| Increased by: | | | |
| Interest Earned | <u>6</u> | <u>2</u> | <u>4</u> |
| Balance - December 31, 2022 | \$ <u><u>422</u></u> | <u><u>116</u></u> | <u><u>306</u></u> |

BOROUGH OF NORTHVALE

PART II

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
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PAUL J. CUVA, CPA, RMA, PSA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Northvale in the County of Bergen as of and for the year ended December 31, 2022 and the related notes to the financial statements, and have issued our report thereon dated September 13, 2023, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Northvale's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Northvale's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Northvale'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies,



in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Northvale in the accompany comments and recommendations section of this report.


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough of Northvale's financial statements-regulatory basis are free of 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 determination of financial statement amounts. 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Northvale in the accompanying comments and recommendations section of this report.

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 Northvale'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 Northvale's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

September 13, 2023



BOROUGH OF NORTHVALE

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

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

BOROUGH OF NORTHVALE

GENERAL COMMENTS

(continued)

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2015 the bid threshold was increased to \$40,000 and to \$44,000 on July 1, 2020 with a qualified purchasing agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. 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 by public advertising for the following items:

Veterans Drive Roadway Project

Clinton Avenue Roadway Project

2022 Riverside Cooperative Emergency Water/ Storm and Sanitary Sewer Repairs

Municipal Solid Waste/ Recycling Collection and Disposal

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" 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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory 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.

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 4, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Public Law No. 435, which changes the rate of interest charged for delinquent taxes, has been enacted;

BE IT RESOLVED by the Mayor and Council of the Borough of Northvale that the rate of interest on delinquent taxes and Borough charges shall be at 8% per annum on the first \$1,500 of the delinquency, and 18% per annum on any amount in excess of \$1,500 for the year 1998, except that the rate will be one thousandth of one percent per annum on the taxes for any current quarter if the taxes are paid during the first ten days following February 1st, May 1st, August 1st, and November 1st; and

BOROUGH OF NORTHVALE

GENERAL COMMENTS (continued)

BE IT FURTHER RESOLVED that if the office of the Tax Collector is closed on the tenth day of February, May, August, or November, then the rate of one thousandth of one percent per annum above described shall be extended to include the first business day thereafter.

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

Delinquent Taxes and Tax Title Liens

There was a tax sale held on December 16, 2022.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2022 | 8 |
| 2021 | 8 |
| 2020 | 8 |

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

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices.

The result of the test, which was made for the year ending December 31, 2022, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

**BOROUGH OF NORTHVALE
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2022**

COMMENTS

FINANCE

1. *There are various outstanding grant contributions/receivables in the General Capital Fund.
2. *There were instances of over-expenditures at year resulting in deferred charges.
3. *Informal quotes were not obtained for purchases which exceed 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1.
4. *Not all prior year end interfunds were liquidated prior to the close of the current fiscal year. (*Capital & Escrow Trust, Capital & Federal/State Grant Fund, Capital & Affordable Housing, Current & Animal, Current & Capital, Current & Federal/State Grant Fund, Current & Escrow Trust*)
5. *General Ledgers were not provided by the client for the following funds:
 - a. Recreation Trust
 - b. Summer Recreation Trust
6. *There were multiple instances in which expenditures did not include approval of purchase order and appropriate authorization signature.
7. Multiple wire payments were not recorded in the Edmunds Accounting Software throughout the year.
8. Multiple bank reconciliations were not complete or insufficient.
9. Awarding resolutions for professional service contracts did not contain a certification of availability of funds and did not indicate the exact line item appropriation(s) according to N.J.A.C. 5:30-5.4(a)(2).
10. Approved transfers were not made to the Appropriated Reserves Budget.
11. Backup for several expenditures was not provided or insufficient.
12. 1099's were not issued for 2022.
13. There are General Capital Fund Improvement Authorizations greater than five years old that have unfunded balances creating cash deficits.

PAYROLL

14. Several employee's health benefits are not being properly calculated.

COURT

15. Interest accrued in the General and Bail Accounts are not being remitted to the Borough in a timely manner.

**BOROUGH OF NORTHVALE
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2022**

RECOMMENDATIONS

FINANCE

1. *Old and outstanding grant contributions/receivables should be investigated and cancelled if deemed uncollectible.
2. *That more care be taken to ensure expenditures are not made in excess of appropriations.
3. *All purchases in excess of 15% of the bid threshold should have informal quotes obtained as required by Local Public Contracts Law.
4. *All prior year interfunds should be liquidated in a timely manner.
5. *The client should provide all general ledgers at the time of the audit.
6. *All purchase orders should include approval or purchase order and appropriate authorization signatures.
7. All wire payments must be recorded in the Accounting System Software.
8. Bank reconciliations should be complete and provide sufficient backup at the time of review.
9. The awarding resolutions for professional service contracts should contain all necessary language as required by N.J.S.A. 5:30-5.4(a)(2).
10. All transfers approved by the Council should be reflected in the budget.
11. Sufficient backup should be provided at the time of audit for all expenditures.
12. 1099's should be filed for all eligible vendors as soon as possible to minimize failure to file penalties.
13. General Capital Improvement Authorizations greater than five years old should be funded through a budget appropriation on the issuance of debt in order to fund cash deficits created by ordinance expenditures.

PAYROLL

14. More care should be taken to ensure employees' health benefit deductions are properly calculated.

COURT

15. All interest earnings should be remitted to the Borough in a timely manner.

Status of Prior Years Audit Findings/Recommendation

A review was performed on all prior years' recommendations and corrective action was taken on all except those with an "**".

Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

September 13, 2023