

BOROUGH OF NORTHVALE

**Financial Statements With
Supplementary Information
December 31, 2023**

(With Independent Auditors' Report Thereon)

BOROUGH OF NORTHVALE

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Part I</u>	<u>Page</u>
	Independent Auditor's Report	1
	<u>FINANCIAL STATEMENTS</u>	
	<u>Current Fund</u>	
A	Comparative Balance Sheet - Regulatory Basis	6
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	8
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	11
	<u>Trust Funds</u>	
B	Comparative Balance Sheet - Regulatory Basis	21
	<u>General Capital Fund</u>	
C	Comparative Balance Sheet - Regulatory Basis	23
C-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	24
	<u>Public Assistance Fund</u>	
E	Comparative Balance Sheet - Regulatory Basis	25
	<u>Payroll and Agency Fund</u>	
F	Balance Sheet - Regulatory Basis	26
	<u>General Fixed Assets Account Group</u>	
G	Comparative Statement of General Fixed Assets - Regulatory Basis	27
	Notes to Financial Statements	28
	Supplementary Data	64

BOROUGH OF NORTHVALE

TABLE OF CONTENTS, continued

Part I, (continued)

<u>Exhibit</u>	<u>Current Fund</u>	<u>Page</u>
A-4	Schedule of Cash - Treasurer	67
A-5	Schedule of Change Fund	68
A-6	Schedule of Petty Cash Fund	68
A-7	Schedule of Taxes Receivable and Analysis of 2023 Property Tax Levy	69
A-8	Schedule of Tax Title Liens	70
A-9	Schedule of Property Acquired for Taxes at Assessed Valuation	70
A-10	Schedule of Revenue Accounts Receivable	71
A-11	Schedule of Interfunds Receivable/(Payable)	72
A-12	Schedule of Deferred Charges	73
A-13	Schedule of Deferred Charges - N.J.S. 40A:4-55 Special Emergencies	74
A-14	Schedule of Appropriation Reserves	75
A-15	Schedule of Reserve for Encumbrances	78
A-16	Schedule of Due from/(to) State of New Jersey - Senior Citizens' and Veterans' Deductions	79
A-17	Schedule of Local District School Taxes	80
A-18	Schedule of Regional High School Taxes	80
A-19	Schedule of County Taxes	81
A-20	Schedule of Prepaid Taxes	82
A-21	Schedule of Tax Overpayments Payable	82
A-22	Schedule of Due to State of New Jersey for Marriage Licenses/ Domestic Partnerships	83
A-23	Schedule of Due to State of New Jersey - DCA Fees	83
A-24	Schedule of Reserve for Various Reserves	84
A-25	Schedule of Emergency Notes Payable	85
A-26	Schedule of Grants Receivable	86
A-27	Schedule of Interfunds Receivable/(Payable)	87
A-28	Schedule of Deferred Charges - Federal and State Grant Funds	88
A-29	Schedule of Appropriated Reserves for State and Federal Grants	89
A-30	Schedule of Unappropriated Reserves for State and Federal Grants	91

BOROUGH OF NORTHVALE

TABLE OF CONTENTS, continued

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Trust Funds</u>	
B-1	Schedule of Cash - Treasurer	92
B-2	Schedule of Due to State of New Jersey	93
B-3	Schedule of Reserve for Expenditures	94
B-4	Schedule of Escrow Deposits	95
B-5	Schedule of Miscellaneous Reserves - Other Trust Funds	96
B-6	Schedule of Reserve for Unemployment Compensation	97
B-7	Schedule of Interfunds - Trust Funds	98
B-8	Schedule of Reserve for Expenditures - Open Space Trust Fund	99
B-9	Statement of Service Award Contributions Receivable - Emergency Services Volunteer Length of Service Award Program	99
B-10	Statement of Net Assets Available for Benefits - Emergency Services Volunteer Length of Service Award Program	100
	<u>General Capital Fund</u>	
C-2	Schedule of General Capital Cash - Treasurer	101
C-3	Analysis of General Capital Cash	102
C-4	Schedule of Deferred Charges to Future Taxation – Funded	103
C-5	Schedule of Deferred Charges to Future Taxation – Unfunded	104
C-6	Schedule of Interfunds Receivable/(Payable)	106
C-7	Schedule of Grants Receivable	107
C-8	Schedule of General Serial Bonds	108
C-9	Schedule of Bond Anticipation Notes	109
C-10	Schedule of Improvement Authorizations	110
C-11	Schedule of Capital Improvement Fund	111
C-12	Schedule of Bonds and Notes Authorized but not Issued	112

BOROUGH OF NORTHVALE

TABLE OF CONTENTS, continued

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Public Assistance Fund</u>	
E-1	Schedule of Cash - Treasurer	113
E-2	Schedule of Public Assistance Cash and Reconciliation	114
E-3	Schedule of Reserve for Public Assistance Expenditures	115

Part II

Independent Auditor's Report on Internal Control over Financial Reporting Based and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	116
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	118
Schedule of Expenditures of Federal Awards	122
Schedule of Expenditures of State Awards	123
Notes to the Schedules of Expenditures of Federal and State Awards	126
Schedule of Findings and Questioned Costs	127
General Comments	130
Comments & Recommendations	133
Status of Prior Years Audit Findings/Recommendations	135
Acknowledgment	135

BOROUGH OF NORTHVALE

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA

MATTHEW B. WIELKOTZ, CPA, PSA

DAVID BOTTGE, CPA, RMA, PSA

PAUL J. CUVA, CPA, RMA, PSA

KARI FERGUSON, CPA, RMA, CMFO, PSA

ROBERT C. McNINCH, CPA, CFE, PSA

KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE

POMPTON LAKES, NEW JERSEY 07442

PHONE: (973)-835-7900

FAX: (973)-835-6631

EMAIL: OFFICE@W-CPA.COM

WWW.W-CPA.COM

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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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.



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 \$1,525,963 and \$1,357,419 for 2023 and 2022, 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, 2023 and 2022, 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, 2023 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.

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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

Honorable Mayor and
Members of the Borough Council
Page 5.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024 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

October 23, 2024

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2023 and 2022

	<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Current Fund				
Cash	A-4	\$ 3,640,579	2,709,315	
Cash - Change Funds	A-5	200	200	
Cash - Petty Cash	A-6	200	200	
		<u>3,640,979</u>	<u>2,709,715</u>	
Receivables and Other Assets with Full Reserves:				
Delinquent Property Tax Receivable	A-7	325,244	249,848	
Tax Title Liens Receivable	A-8	84,654	80,615	
Foreclosed Property - Property Acquired for Taxes - Assessed Valuation	A-9	2,156,700	2,156,700	
Revenue Accounts Receivable	A-10	2,699	2,479	
Interfunds Receivable:				
General Capital Fund	A-11	-	1,457	
Animal License Trust Fund	A-11	5,848	9,586	
Other Trust Fund - Escrow	A-11	480	68,089	
Other Trust Fund - Police DEA	A-11	-	45,608	
Recreation Trust	A-11	-	1,673	
		<u>2,575,624</u>	<u>2,616,055</u>	
Deferred Charges:				
Emergency Authorizations	A-12	-	22,818	
Overexpenditure of Appropriation Reserves	A-12	3,815	3,815	
Special Emergency Authorizations (40A:4-55)	A-13	<u>263,747</u>	<u>359,663</u>	
		<u>267,562</u>	<u>386,296</u>	
		<u>6,484,166</u>	<u>5,712,066</u>	
Federal and State Grant Fund:				
Grants Receivable	A-26	173,221	52,648	
Due from Current Fund	A-27	493,985	680,261	
Overexpenditure of Appropriated Reserve	A-28	1,673	-	
		<u>668,879</u>	<u>732,909</u>	
		<u>\$ 7,153,045</u>	<u>6,444,975</u>	

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2023 and 2022

<u>Liabilities, Reserves & Fund Balance</u>		2023	2022
Current Fund			
Liabilities:			
Appropriation Reserves	A-3/A-14	666,173	306,429
Reserve for Encumbrances	A-15	16,817	28,554
Due to State of New Jersey - Senior Citizen and Veteran's Deductions	A-16	9,336	7,511
Local District School Taxes Payable	A-17	0	255,295
County Taxes Payable	A-19	26,936	-
Prepaid Taxes	A-20	81,726	58,336
Tax Overpayments Payable	A-21	7,883	-
Marriage License Fees Payable	A-22	50	-
DCA Fees Payable	A-23	5,754	6,294
Reserve for Various Reserves	A-24	363,270	526,911
Special Emergency Note Payable	A-25	210,868	289,184
Interfund Payable:			
General Capital	A-11	607,669	-
Payroll Account	A-11	-	-
Federal and State Grant Fund	A-11	493,985	680,261
		2,490,467	2,158,775
Reserve for Receivables		2,575,624	2,616,055
Fund Balance	A-1	1,418,074	937,236
		6,484,166	5,712,066
Federal and State Grant Fund			
Due to General Capital Fund	A-27	-	22,875
Appropriated Reserves	A-29	440,107	247,937
Unappropriated Reserves	A-30	228,772	462,097
		668,879	732,909
		\$ 7,153,045	6,444,975

See accompanying notes to financial statements.

BOROUGH OF NORTHALE

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

Current Fund

Year Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and other income realized:		
Fund Balance Utilized	\$ 320,000	200,000
Miscellaneous Revenue Anticipated	2,479,636	1,916,700
Receipts from Delinquent Taxes	249,848	233,302
Receipts from Current Taxes	27,003,096	26,124,358
Non-Budget Revenues	40,044	60,696
Other Credits to Income:		
Tax Overpayment and Premium Adjustments	-	1,072
Unexpended Balance of Appropriation Reserves	141,768	94,579
Statutory Excess-Animal Trust Fund	5,848	-
Interfunds Returned	<u>120,086</u>	<u>-</u>
Total Income	<u>30,360,327</u>	<u>28,630,707</u>
Expenditures - Budget Appropriations:		
Appropriations		
Salaries and Wages	3,385,015	3,416,200
Other Expenses	2,976,344	4,175,295
Deferred Charges and Statutory Expenditures	1,038,038	1,139,979
Operations Excluded from "CAPS"	2,158,753	-
Capital Improvements	60,000	107,000
Municipal Debt Service	823,433	673,227
Deferred Charges - Municipal - Excluded from "CAPS"	118,734	-
County Taxes	2,601,351	2,519,621
Amount Due County for Added and Omitted Taxes	26,936	8,099
Local District School Tax	10,444,325	10,303,327
Regional High School Tax	5,926,559	5,822,954
Refunds	-	281
Interfunds Advanced	-	18,000
Total Expenditures	<u>29,559,488</u>	<u>28,183,983</u>
Excess/(Deficit) in Revenues	<u>800,839</u>	<u>446,724</u>
Adjustments to Income before Surplus:		
Expenditures Included Above Which are by Statute Deferred		
Charges to Budget of Succeeding Year		
40A:4-53 Special Emergency	-	120,000
Emergency Authorizations	<u>-</u>	<u>22,818</u>
	<u>-</u>	<u>142,818</u>
Statutory Excess to Surplus	<u>800,839</u>	<u>589,542</u>
Fund Balance, January 1	<u>937,235</u>	<u>547,693</u>
	<u>1,738,074</u>	<u>1,137,235</u>
Decreased by Utilization as Anticipated Revenue	<u>320,000</u>	<u>200,000</u>
Fund Balance, December 31	<u>\$ 1,418,074</u>	<u>937,235</u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2023

	<u>Anticipated</u>	Special N.J.S.A. <u>40A: 4-87</u>	<u>Realized</u>	Excess or (deficit)
Fund Balance Anticipated	\$ 320,000	-	320,000	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	\$ 15,300	-	15,116	(184)
Other	15,600	-	14,955	(645)
Fees and Permits:				
Construction Code Official	260,000	-	160,188	(99,812)
Other	65,000	-	67,881	2,881
Fines - Municipal Court - Northvale	37,000	-	27,157	(9,843)
Interest and Costs on Taxes	76,000	-	77,065	1,065
Interest on Investments and Deposits	46,000	-	224,444	178,444
Energy Receipts Tax	565,185	-	565,185	(0)
Reserve for Municipal Relief Funds	29,280	-	-	(29,280)
Borough of Rockleigh - Police/Court Services	317,250	-	317,250	-
Borough of Rockleigh - Public Works Services	25,000	-	27,500	2,500
Public and Private Programs Offset by Appropriations:				
Clean Communities	10,308	-	10,308	-
Recycling Tonnage Grant	12,699	-	12,699	-
Body Armor Grant	2,260	-	2,260	-
FEMA Assistance to Firefighters	190,476	-	190,476	-
Drive Sober or Get Pulled Over	6,020	-	6,020	-
Body-worn Camera Grant	22,418	-	22,418	-
FEMA - Tropical Storm Isaias	5,972	-	5,972	-
Municipal Alliance Grant	3,383	-	3,383	-
Local Recreation Improvement Grant	-	70,000	70,000	-
CDBG Senior Center ADA Doors	-	66,125	66,125	-
Bergen County Open Space - Veterans Dog Park	-	22,597	22,597	-
Uniform Fire Safety Act	41,000	-	32,189	(8,811)
Cable TV Franchise Fees	58,000	-	56,446	(1,554)
Recycling Compost Program	60,000	-	-	(60,000)
Reserve for Sale of Property	207,000	-	207,000	-
American Rescue Plan - Revenue Loss	275,000	-	275,000	-
	2,346,152	158,722	2,479,636	(25,238)
Receipts from Delinquent Taxes	245,000	-	249,848	4,848
Subtotal - General Revenues	2,911,152	158,722	3,049,484	(20,390)
Municipal Budget - Local Tax for Municipal Purposes	7,713,440	-	7,983,060	269,620
Minimum Library Tax	359,267	-	359,267	-
Budget Totals	\$ 10,983,859	158,722	11,391,811	249,230
Non-Budget Revenues	-	-	40,044	40,044
	\$ 10,983,859	158,722	11,431,855	289,274

BOROUGH OF NORTHALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2023

	Anticipated	Special N.J.S.A. <u>40A: 4-87</u>	Realized	Excess or (deficit)
Analysis of Realized Revenues:				
Current Tax Collections			<u>27,003,096</u>	
Allocated to:				
Local District School			10,444,325	
Regional High School			5,926,559	
County (Including Added County Taxes)			<u>2,628,287</u>	
			<u>18,999,171</u>	
Balance for Support of Municipal Budget Appropriation			8,003,925	
Add Appropriation Reserve for Uncollected Taxes			<u>338,402</u>	
Amount for Support of Municipal Budget Appropriation			<u>\$ 8,342,327</u>	
Receipts from Delinquent Taxes - Delinquent Tax				
Delinquent Tax Collections			<u>\$ 249,848</u>	
Analysis of Non-Budget Revenues:				
Miscellaneous Revenue not Anticipated:				
Admin Fees - SC/VT Deductions & Homestead Rebates			\$ 520	
Payment in Lieu of Taxes			4,594	
Insurance Reimbursements			7,314	
Recycling			3,109	
Sewer Connection Fees			449	
Duplicate Tax Bills			4,533	
Miscellaneous			18,189	
Premium on Note Sale			<u>1,335</u>	
			<u>\$ 40,044</u>	

See accompanying notes to financial statements.

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

	Appropriation		Expended 2023		Unexpended Balance Cancelled
	Budget	Total for 2023 as Modified by <u>All Transfers</u>	Paid or Charged	Reserved	
General Appropriations					
General Government:					
Administrative and Executive:					
Salaries and Wages	\$ 74,000	74,000	73,790	210	-
Other Expenses	90,000	119,000	117,110	1,890	-
Mayor and Council:					
Salaries and Wages	32,500	32,500	32,097	403	-
Other Expenses	1,000	1,000	-	1,000	-
Financial Administration:					
Salaries and Wages	100,000	100,000	95,239	4,762	-
Other Expenses	40,000	40,000	21,477	18,523	-
Annual Audit	48,000	48,000	36,150	11,850	-
Collection of Taxes:					
Salaries and Wages	76,035	76,960	76,935	25	-
Other Expenses	10,000	8,500	7,355	1,145	-
Assessment of Taxes:					
Salaries and Wages	23,063	23,663	23,639	24	-
Other Expenses	10,000	7,500	1,423	6,078	-
Legal Services and Costs:					
Other Expenses	95,000	100,200	98,571	1,629	-

Borough of Northvale

Exhibit A-3

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>General Appropriations</u>	<u>Appropriation</u>		<u>Expenditure 2023</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Total for 2023 as Modified by All Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Engineering Services and Costs:					
Other Expenses	95,000	95,000	55,190	39,810	-
Planning Board:					
Salaries and Wages	5,000	5,000	5,000	0	-
Other Expenses	15,000	12,500	5,284	7,216	-
Code Compliance:					
Salaries and Wages	29,000	29,000	29,000	0	-
Other Expenses	1,000	1,500	1,307	193	-
Insurance:					
Liability Insurance	143,572	144,572	144,468	104	-
Other Insurance	12,000	12,000	7,360	4,640	-
Workers Compensation	141,673	141,673	141,673	-	-
Employee Health Benefits	528,320	528,320	431,880	96,440	-
Police:					
Salaries and Wages	1,815,000	1,796,000	1,573,388	147,612	75,000
Other Expenses:	95,000	95,000	76,765	18,235	-
Radio Services:					
Other Expenses	69,200	69,200	69,190	10	-
American Rescue Plan - Police Department:					
Salaries and Wages	275,000	275,000	275,000	-	-

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

General Appropriations	Appropriation		Expended 2023		Unexpended Balance Cancelled	
	Total for 2023		Paid or Charged	Reserved		
	Budget	All Transfers				
Fire:						
Other Expenses	52,000	52,000	51,468	532		
Rental of Fire House	34,500	34,500	34,500	-		
Ambulance:						
Other Expenses	30,000	30,000	27,629	2,371		
Fire Prevention Bureau:						
Salaries and Wages	44,252	59,002	58,819	183		
Other Expenses	2,000	4,000	3,493	507		
Road Repairs and Maintenance:						
Salaries and Wages	800,000	800,000	744,561	10,439	45,000	
Other Expenses	225,000	203,500	157,291	46,209	-	
Recycling:						
Salaries and Wages	7,900	8,190	8,190	-		
Other Expenses	10,000	10,000	4,262	5,738		
Sanitation:						
Garbage and Trash Removal:						
Collection	275,440	285,440	275,440	10,000		
Disposal	275,440	275,440	228,898	46,542		
Public Buildings and Grounds:						
Other Expenses	80,000	85,000	83,919	1,081		

Borough of Northvale

Statement of Expenditures Regulatory Basis

Current Fund

Year ended December 31, 2023

	Appropriation		Expenditure 2023		Unexpended Balance Cancelled
	Budget	Total for 2023 as Modified by All Transfers	Paid or Charged	Reserved	
General Appropriations					
Sewer Repairs and Maintenance:					
Other Expenses	27,200	27,200	18,519		8,681
Borough of Norwood	14,000	6,500	-		6,500
Parks and Playgrounds:					
Other Expenses	26,000	26,000	24,060		1,940
Board of Health:					
Salaries and Wages	13,100	13,100	9,360		3,740
Other Expenses	33,000	36,000	35,002		998
Animal Control:					
Other Expenses	8,000	8,000	6,170		1,830
Senior Center:					
Salaries and Wages	60,000	60,000	59,838		162
Other Expenses	20,000	20,000	19,000		1,000
Senior Bus Trips:					
Other Expenses	7,500	11,000	7,458		3,542
Celebration of Public Events:					
Other Expenses	10,000	7,000	3,357		3,643
Municipal Court:					
Salaries and Wages	62,000	62,000	60,034		1,966
Other Expenses	8,000	6,500	2,903		3,597

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

General Appropriations	Appropriation		Expended 2023		Unexpended Balance Cancelled
	Budget	Total for 2023 as Modified by All Transfers	Paid or Charged	Reserved	
Prosecutor:					-
Other Expenses	13,400	13,400	13,307	93	-
Public Defender:					-
Salaries and Wages	5,500	5,600	5,569	31	-
Uniform Construction Code Official:					-
Salaries and Wages	120,000	110,000	79,291	5,709	25,000
Other Expenses	12,000	12,000	7,957	4,043	-
UNCLASSIFIED:					-
Utilities:					-
Electricity	78,500	78,500	63,247	15,253	-
Street Lighting	79,500	79,500	62,866	16,634	-
Telephone	46,000	46,000	34,037	11,963	-
Water	21,000	21,000	17,650	3,350	-
Natural Gas	30,000	30,000	29,603	397	-
Vehicle Fuel	62,500	62,500	45,083	17,417	-
Fire Hydrant Services	80,400	80,400	80,357	43	-
Total Operations within "CAPS"	6,498,494	6,505,359	5,762,431	597,928	145,000
Contingent	1,000	1,000	-	1,000	-
Total Operations Including Contingent-within "CAPS"	6,499,494	6,506,359	5,762,431	598,928	145,000

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

General Appropriations	Appropriation		Expenditure 2023		Unexpended Balance Cancelled
	Budget	Total for 2023 as Modified by All Transfers	Paid or Charged	Reserved	
Detail:					
Salaries and Wages	3,542,350	3,530,015	3,209,749	175,266	145,000
Other Expenses	2,957,144	2,976,344	2,552,682	423,662	-
	<u>6,499,494</u>	<u>6,506,359</u>	<u>5,762,431</u>	<u>598,928</u>	<u>145,000</u>
Deferred Charges and Statutory Expenditures:					
STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	145,228				
Social Security System (O.A.S.I.)	272,000	266,635			6,928
Police and Firemen's Retirement System of NJ	625,675	625,675			2,021
Defined Contribution Retirement Program	500	500			500
Total Deferred and Statutory					
Expenditures - Municipal within "CAPS"	1,043,403	1,038,038	1,028,589	9,449	-
Total General Appropriations for	<u>7,542,897</u>	<u>7,544,397</u>	<u>6,791,019</u>	<u>608,378</u>	<u>145,000</u>
Municipal Purposes within "CAPS"					

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

General Appropriations	Appropriation		Expended 2023		Unexpended Balance Cancelled
	Budget	Total for 2023 as Modified by All Transfers	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Sewer:					
Bergen County Utilities Authority	675,000	673,500	671,829	1,671	-
Aid to Library (NJSA 40:54-35)					
Public Library	359,267	359,267	306,527	52,739.72	-
Contribution to:					
LOSAP	50,000	50,000	46,616	3,385	-
Workers Compensation	8,327	8,327	8,327	-	-
Police and Firemen's Retirement System of NJ	84,825	84,825	84,825	-	-
Garbage & Trash Removal	145,121	145,121	145,121	-	-
Employee Health Insurance	73,680	73,680	73,680	-	-
Total Other Operations - Excluded from "CAPS"	1,396,220	1,394,720	1,336,925	57,795	-
Shared Service Agreements					
Borough of Rockleigh Police and Court					
Other Expenses	317,250	317,250	317,250	-	-
Borough of Rockleigh Public Work					
Other Expenses	25,000	25,000	25,000	-	-
Total Shared Services Agreements	342,250	342,250	342,250	-	-

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>General Appropriations</u>	<u>Appropriation</u>			<u>Expended 2023</u>			<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Total for 2023 as Modified by All Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>			
Public and Private Programs Offset by Revenues:							
Clean Communities Grant	10,308	10,308			10,308		-
Recycling Tonnage Grant	12,699	12,699			12,699		-
Body Armor Grant	2,260	2,260			2,260		-
Drive Sober or Get Pulled Over	6,020	6,020			6,020		-
Body-worn Camera Grant	22,418	22,418			22,418		-
FEMA - Tropical Storm Isaias	5,972	5,972			5,972		-
Municipal Alliance Grant	3,383	3,383			3,383		-
FEMA - Assistance to Firefighters	190,476	190,476			190,476		-
Federal Sources	9,524	9,524			9,524		-
Local Match	-	-			70,000		-
Local Recreation Improvement Grant	-	-			66,125		-
CDBG Senior Center ADA Doors	-	-			22,597		-
Bergen County Open Space - Veterans Dog Park	-	-			421,783		-
Total Public and Private Offset by Revenues	263,061	421,783			421,783		-
Total Operations Excluded from "CAPS"	2,001,531	2,158,753			2,100,958		57,795
Capital Improvements - Excluded From "CAPS"	60,000	60,000			60,000		-
Capital Improvement Fund	60,000	60,000			60,000		-
Total Capital Improvements - Excluded from "CAPS"	60,000	60,000			60,000		-

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>General Appropriations</u>	<u>Appropriation</u>			<u>Expended 2023</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Total for 2023 as Modified by All Transfers</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	475,000	475,000				-
Payment of Bond Anticipation Notes and Capital Notes	231,845	231,845	153,529			78,316
Interest on Bonds	105,450	105,450	92,238			13,213
Interest on Notes	110,000	110,000	102,667			7,333
Total Municipal Debt Service-Excluded from "CAPS"	<u>922,295</u>	<u>922,295</u>	<u>823,433</u>			<u>98,862</u>
Deferred Charges:						
Emergency Authorizations	22,818	22,818	22,818			-
Special Emergency Authorization- 5 years (N.J.S. 40A:4-55)	<u>95,916</u>	<u>95,916</u>	<u>95,916</u>			-
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>118,734</u>	<u>118,734</u>	<u>118,734</u>			-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,102,560</u>	<u>3,259,782</u>	<u>3,103,125</u>		<u>57,795</u>	<u>243,862</u>
Total General Appropriations - Excluded from "CAPS"	<u>3,102,560</u>	<u>3,259,782</u>	<u>3,103,125</u>		<u>57,795</u>	<u>243,862</u>
Subtotal General Appropriations	10,645,457	10,804,179	9,894,145		666,173	243,862

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

	Appropriation		Expenditure 2023		Unexpended Balance Cancelled
	Budget	Total for 2023 as Modified by <u>All Transfers</u>	Paid or Charged	Reserved	
General Appropriations					
Reserve for Uncollected Taxes		338,402	338,402	338,402	-
Total General Appropriations	\$ 10,983,859	<u>11,142,581</u>	<u>10,232,547</u>	<u>666,173</u>	<u>243,862</u>
Adopted Budget	\$ 10,983,859				
Added by N.J.S. 40A:4-87		<u>158,722</u>			
			\$ 11,142,581		
Reserve for Uncollected Taxes			\$ 338,402		
Transferred to Federal and State Grant Fund			\$ 421,783		
Interfunds			257,606		
Deferred Charges			118,734		
Reserve for Encumbrances			16,817		
Cash Disbursed			<u>9,079,204</u>		
			\$ 10,232,547		

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash	B-1	\$ <u>12,143</u>	<u>17,525</u>
		<u>12,143</u>	<u>17,525</u>
Other Trust Funds:			
Cash	B-1	<u>1,521,300</u>	<u>1,579,833</u>
Schedule of Interfunds	B-7	<u>100,000</u>	<u>10,000</u>
		<u>1,621,300</u>	<u>1,589,833</u>
Community Development Block Grant Fund:			
Cash	B-1	<u>76,658</u>	<u>56,158</u>
Unemployment Trust Fund:			
Cash	B-1	<u>107,265</u>	<u>102,335</u>
		<u>107,265</u>	<u>102,335</u>
Open Space Trust Fund:			
Cash	B-1	<u>496</u>	<u>473</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	<u>1,477,482</u>	<u>1,310,803</u>
Service Award Contributions Receivable	B-9	<u>48,481</u>	<u>46,616</u>
		<u>1,525,963</u>	<u>1,357,419</u>
		\$ <u>3,343,825</u>	<u>3,123,743</u>

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Trust Fund:			
Due to State of New Jersey	B-2	5	-
Reserve for Expenditures	B-3	6,290	7,939
Schedule of Interfunds	B-7	5,848	9,586
		<u>12,143</u>	<u>17,525</u>
Other Trust Funds:			
Schedule of Interfunds	B-7	480	151,763
Escrow Deposits	B-4	360,855	371,928
Miscellaneous Reserves	B-5	1,259,966	1,156,142
		<u>1,621,300</u>	<u>1,679,833</u>
Community Development Block Grant Fund:			
Schedule of Interfunds	B-7	<u>76,658</u>	<u>56,158</u>
		<u>76,658</u>	<u>56,158</u>
Unemployment Trust Fund:			
Reserve for Unemployment Insurance			
Compensation	B-6	<u>107,265</u>	<u>102,335</u>
Open Space Trust Fund:			
Reserve for Expenditures	B-8	<u>496</u>	<u>473</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-10	<u>1,525,963</u>	<u>1,357,419</u>
		<u>\$ 3,343,825</u>	<u>3,213,743</u>

See accompanying notes to financial statements.

Exhibit C**BOROUGH OF NORTHALE****Comparative Balance Sheet-Regulatory Basis****General Capital Fund****For the Years Ended December 31, 2023 and 2022**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 23,146	108,438
Deferred Charges to Future Taxation:			
Funded	C-4	4,020,000	4,495,000
Unfunded	C-5	4,692,690	3,448,899
Interfunds Receivable	C-6	684,327	115,426
Grants/Contributions Receivable	C-7	<u>1,562,775</u>	<u>1,635,263</u>
		\$ <u>10,982,938</u>	<u>9,803,026</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds Payable	C-8	4,020,000	4,495,000
Bond Anticipation Notes Payable	C-9	4,287,241	3,233,450
Improvement Authorizations:			
Funded	C-10	754,917	236,598
Unfunded	C-10	1,720,855	1,674,750
Interfunds Payable	C-6	100,000	101,457
Capital Improvement Fund	C-11	71,902	60,902
Fund Balance	C-1	<u>28,022</u>	<u>869</u>
		\$ <u>10,982,938</u>	<u>9,803,026</u>

There were Bonds and Notes Authorized but not Issued on December 31, 2023 and 2022 of \$405,449 and \$215,449 respectively per Exhibit C-12.

See accompanying notes to financial statements.

Exhibit C-1

BOROUGH OF NORTHVALE

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

General Capital Fund

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Fund Balance, January 1	\$ 870	870
Increased by:		
Cash Receipt - Premium on Sale of Notes	<u>27,152</u>	-
Fund Balance, December 31	<u>\$ 28,022</u>	<u>870</u>

See accompanying notes to financial statements.

Exhibit E

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Public Assistance Trust Fund

December 31, 2023 and 2022

	<u>Ref</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash - PATF I	E-1	\$ 116	116
Cash - PATF II	E-1	<u>306</u>	<u>306</u>
		\$ <u>422</u>	<u>422</u>
<u>Liabilities</u>			
Reserve for Expenditure - PATF I	E-3	\$ 116	116
Reserve for Expenditure - PATF II	E-3	<u>306</u>	<u>306</u>
		\$ <u>422</u>	<u>422</u>

See accompanying notes to financial statements.

Exhibit F

BOROUGH OF NORTHVALE

Balance Sheet-Regulatory Basis

Payroll and Agency Fund

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ 1,749	12,758
	<u>\$ 1,749</u>	<u>12,758</u>
<u>Liabilities</u>		
Reserve for Payroll Withholdings	\$ 1,749	12,758
	<u>\$ 1,749</u>	<u>12,758</u>

See accompanying notes to financial statements.

Exhibit G

BOROUGH OF NORTHVALE

Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</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>7,186,491</u>
	<u><u>\$ 17,237,091</u></u>	<u><u>17,237,091</u></u>
Investment in Fixed Assets	<u><u>\$ 17,237,091</u></u>	<u><u>17,237,091</u></u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

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 NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(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 NORTHLVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023 AND 2022
(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, 2023 AND 2022
(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 2023, the Mayor and Council approved \$158,722 additional revenues and appropriations in accordance with N.J.S.A. 40A:4-87, 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 NORTHLVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 NORTHLAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023 AND 2022
(continued)

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

Impact of Recently Issued Accounting Principles

The following GASB statements became effective for the fiscal year ended December 31, 2023:

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Borough's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

**BOROUGH OF NORTHLAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(continued)

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

Impact of Recently Issued Accounting Principles (continued)

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, Certain Risk Disclosures. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

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.

[THIS AREA INTENTIONALLY LEFT BLANK]

**BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023, \$-0- of the Borough's bank balance of \$5,704,113 was exposed to custodial credit risk and as of December 31, 2022, \$-0- of the Borough's bank balance of \$5,163,621 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, 2023 AND 2022
(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, 2023 and 2022 amounted to \$1,477,482 and \$1,310,803, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
LVIP SsgA S&P 500 Index	\$785,341	\$627,553
Fixed Income	316,835	307,697
All Others	<u>375,306</u>	<u>375,553</u>
Total	<u>\$1,477,482</u>	<u>\$1,310,803</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2023 and 2022 consisted of the following:

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amounts Due</u>
	<u>Dec. 31, 2022</u>	<u></u>	<u></u>	<u>Dec. 31, 2023</u>	<u>Within</u>
	<u>Dec. 31, 2022</u>	<u></u>	<u></u>	<u>Dec. 31, 2023</u>	<u>One Year</u>
Bonds Payable - General Obligation					
Debt	\$4,495,000	\$ -	\$475,000	\$4,020,000	\$500,000
Other Liabilities - Compensated Absences Payable	<u>736,598</u>	<u>-</u>	<u>-</u>	<u>736,598</u>	<u>-</u>
	<u>\$5,231,598</u>	<u>\$0</u>	<u>\$475,000</u>	<u>\$4,756,598</u>	<u>\$500,000</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amounts Due</u>
	<u>Dec. 31, 2021</u>	<u></u>	<u></u>	<u>Dec. 31, 2022</u>	<u>Within</u>
	<u>Dec. 31, 2021</u>	<u></u>	<u></u>	<u>Dec. 31, 2022</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>847,476</u>	<u>21,533</u>	<u>132,411</u>	<u>736,598</u>	<u>-</u>
	<u>\$5,792,476</u>	<u>\$21,533</u>	<u>\$582,411</u>	<u>\$5,231,598</u>	<u>\$475,000</u>

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$8,307,241	\$7,728,450	\$6,707,000
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>405,449</u>	<u>215,449</u>	<u>215,449</u>
Total Bonds, Notes and Loans Issued and Authorized not Issued	<u>\$8,712,690</u>	<u>\$7,943,899</u>	<u>\$6,922,449</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 0.808% for 2023.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School debt	\$11,041,697	\$11,041,697	\$0
General debt	<u>8,712,690</u>	<u>0</u>	<u>8,712,690</u>
	<u>\$19,754,387</u>	<u>\$11,041,697</u>	<u>\$8,712,690</u>

Net debt of \$8,712,690 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,077,677,156 equals 0.808%.

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 0.742% 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>	0	<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%

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

	<u>2023</u>	<u>2022</u>
3 1/2% of equalized valuation basis (municipal)	\$37,718,700	\$37,449,679
Net debt	<u>8,712,690</u>	<u>7,943,899</u>
Remaining Borrowing Power	<u>\$29,006,010</u>	<u>\$29,505,780</u>

The Borough's long-term debt consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</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>\$4,020,000</u>	<u>\$4,495,000</u>

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate bonded and loan debt service requirements during the next five years and thereafter:

<u>Year</u>	<u>Total Service</u>	<u>General Serial Bonds</u>	
		<u>Principal</u>	<u>Interest</u>
2024	582,738	500,000	82,738
2025	597,738	525,000	72,738
2026	612,238	550,000	62,238
2027	626,238	575,000	51,238
2028	649,738	610,000	39,738
2029-2030	<u>1,300,163</u>	<u>1,260,000</u>	<u>40,163</u>
	<u>\$4,368,853</u>	<u>\$4,020,000</u>	<u>\$348,853</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, 2023, the Borough had authorized but not issued debt of \$405,449.

NOTE 4. BOND ANTICIPATION NOTES

On December 31, 2023 and 2022, the Borough had \$4,287,241 and \$3,233,450, respectively, outstanding General Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2023 and 2022:

<u>2023</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				
BNY Capital Markets	<u>-</u>	<u>4,287,241</u>		<u>4,287,241</u>
	<u>\$3,233,450</u>	<u>\$4,287,241</u>	<u>\$3,233,450</u>	<u>\$4,287,241</u>
<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>-</u>	<u>1,762,000</u>	<u>-</u>
	<u>\$1,762,000</u>	<u>\$3,233,450</u>	<u>\$1,762,000</u>	<u>\$3,233,450</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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, 2023 AND 2022
(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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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:

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

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(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>
2023	\$145,228	\$708,479
2022	168,181	604,517
2021	174,292	590,472

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, 2023 AND 2022
(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, 2023, the Borough had a liability of \$1,797,359 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2023, the Borough's proportion was 0.0124089501 percent, which was an increase of 0.0008924973 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Borough recognized pension expense of \$145,228. At December 31, 2023, 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	\$17,185	\$7,347
Changes of assumptions	3,948	108,928
Net difference between projected and actual earnings on pension plan investments	8,277	-
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>125,474</u>	<u>480,266</u>
Total	<u>\$154,884</u>	<u>\$596,541</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023) 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:

2024	\$(94,894)
2025	(52,966)
2026	74,017
2027	(13,246)
2028	225

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 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Borough's Proportion	1.2408950100%	0.011516453%

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 5. PENSION PLANS, (continued)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Mortality Rates

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

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023) 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, 2023 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments 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, 2023, 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:

	<u>June 30, 2023</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
Borough's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$2,359,505	\$1,797,359	\$1,346,949

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 NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 5. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2023, the Borough had a liability of \$5,753,322 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2023, the Borough's proportion was 0.05207200 percent, which was a decrease of 0.00240320 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Borough recognized pension expense of \$708,479. At December 31, 2023, 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	\$246,346	\$274,382
Changes of assumptions	12,418	388,487
Net difference between projected and actual earnings on pension plan investments	293,006	-
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>334,709</u>	<u>319,884</u>
 Total	 <u>\$886,479</u>	 <u>\$982,753</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023) 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:	
2024	\$(223,899)
2025	(214,871)
2026	345,705
2027	(29,733)
2028	10,613
Thereafter	1,085

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 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	11,048,782,843	11,446,356,176
Borough's Proportion	0.0520720000%	0.0544752000%

**BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(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, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through all Future Years	3.25-16.25% (based on years of service)
--------------------------	---

Thereafter	Not Applicable
------------	----------------

Investment Rate of Return	7.00%
---------------------------	-------

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

Mortality Rates

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023) 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, 2023 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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, 2023 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, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
Borough's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
	\$9,493,334	\$5,753,322	\$4,581,726

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,060,116 and \$1,109,723, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$120,586 and \$128,033, respectively, which is less than the actual contributions the State made on behalf of the Borough of \$121,236 and \$138,155, 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, 2023 AND 2022
(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, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$5,139,365 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(931,867).

NOTE 7. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2024 and 2023 which has been appropriated as revenue in the 2024 budget is \$555,000 and \$320,000 in 2023.

BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(continued)

NOTE 8. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2023 and 2022:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Land	\$7,931,100	\$ -	\$ -	\$7,931,100
Building and Building Improvements	2,119,500	-	-	2,119,500
Machinery and Equipment	7,186,491	-	-	7,186,491
	<u>\$17,237,091</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,237,091</u>

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land	\$7,931,100	\$ -	\$ -	\$7,931,100
Building and Building Improvements	2,119,500	-	-	2,119,500
Machinery and Equipment	7,132,873	53,618	-	7,186,491
	<u>\$17,183,473</u>	<u>\$53,618</u>	<u>\$0</u>	<u>\$17,237,091</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, 2023. 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.

[THIS AREA INTENTIONALLY LEFT BLANK]

**BOROUGH OF NORTHALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(continued)

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2023 consist of the following:

\$607,669	Due to the General Capital Fund from the Current Fund for interest earnings.
5,848	Due to the Current Fund from the Animal License Trust Fund for the current and prior year statutory excess calculation.
480	Due to the Current Fund from the Escrow Trust Fund to fund the General Escrow account.
493,985	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.
<u>76,658</u>	Due to the General Capital Fund from the Community Development Block Grant Trust for Bergen County Grants received from CDBG.
<u>\$1,284.640</u>	

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

[THIS AREA INTENTIONALLY LEFT BLANK]

**BOROUGH OF NORTHLAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(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, 2023 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 2023 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 NORTHLAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**
(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, 2023</u>	<u>Balance</u> <u>Dec 31, 2022</u>
Prepaid Taxes	<u>\$81,726</u>	<u>\$58,336</u>
Cash Liability for Taxes Collected in Advance	<u>\$81,726</u>	<u>\$58,336</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>2024</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Succeeding</u> <u>Year Budget</u>
Current Fund:			
Special Emergency Appropriations	\$263,747	\$95,916	\$167,831
Overexpenditure of Appropriation Reserves	<u>3,815</u>	<u>—</u>	<u>3,815</u>
Total Current Fund	<u><u>\$267,562</u></u>	<u><u>\$95,916</u></u>	<u><u>\$171,646</u></u>
Federal and State Grant Fund:			
Overexpenditure of Appropriation Reserve	\$1,673	—	\$1,673
	<u><u>\$269,325</u></u>	<u><u>\$95,916</u></u>	<u><u>\$173,319</u></u>

NOTE 15. LITIGATION

Borough legal counsel has advised us that there are no material pending or threatened litigation, claims, or assessments but that there may be claims that are being handled by the Joint Insurance Fund.

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. As of December 31, 2023 \$472,000 has been anticipated in the current fund to offset revenue loss.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 October 23, 2024, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF NORTHALE

Supplementary Data

Year ended December 31, 2023

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax rate	<u>3.093</u>	<u>3.020</u>	<u>3.026</u>
Apportionment of Tax Rate:			
Municipal	0.881	0.838	0.843
Municipal - Library	0.041	0.039	0.037
County	0.298	0.290	0.284
District School	1.195	1.184	1.175
Regional School	0.678	0.669	0.687
Assessed Valuation:			
2023	\$ 874,615,703		
2022	869,805,900		
2021	865,370,900		

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.

<u>Year</u>	<u>Tax levy</u>	<u>Cash collections</u>	<u>Percentage of collection</u>
2023	\$ 27,345,669	\$ 27,003,095	98.75%
2022	26,379,921	26,124,358	99.03%
2021	26,269,380	26,014,092	99.03%

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2023

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>	Amount of tax title liens	Amount of delinquent taxes	Total delinquent	Percentage of tax levy
2023	\$ 84,654	\$ 325,244	\$ 409,898	1.50%
2022	80,615	249,848	330,463	1.25%
2021	76,671	248,802	325,473	1.24%

Property Acquired by Tax Title Lien Liquidation

No properties were acquired in 2023 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>
2023	\$ 2,156,700
2022	2,156,700
2021	2,156,700

Comparative Schedule of Fund Balances

		Balance, <u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2023	\$ 1,405,536	\$ 555,000
	2022	937,236	320,000
	2021	547,694	200,000
	2020	198,209	109,000
	2019	272,199	223,000

BOROUGH OF NORTHALE

Supplementary Data

Year ended December 31, 2023

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>
Joseph McGuire	Mayor		
Kara McMorrow	Council President		
Thomas Agiro	Councilman		
John Hogan	Councilman		
Martin Mattessich	Councilman		
Domenico Menafra	Councilman		
Roy Sokoloski	Councilman		
Joseph Luppino	Chief Financial Officer/Treasurer		
Frances Weston	Borough Clerk		
Suzanne Burroughs	Tax Collector	\$ 1,000,000	(A)
Robert Brescia	Tax Assessor		
Richard Hess	Construction Code		
Roger A. Hauser	Municipal Court Judge	\$ 1,000,000	(A)
Clare Cabbibo	Court Administrator	\$ 1,000,000	(A)
Howard Ostrow	Chief of Police		
Neglia Group	Borough Engineer		
Robert Ferraro	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 Cash - Treasurer

Current Fund

Year ended December 31, 2023

	Current Fund
Balance, December 31, 2022	\$ 2,709,314
Increased by Receipts:	
Miscellaneous Revenue Not Anticipated	\$ 40,044
Taxes Receivable	27,170,432
Revenue Accounts Receivable	1,584,897
Interfunds	1,575,631
State of New Jersey - Veterans and Senior Citizens	26,000
Prepaid Taxes	81,726
Tax Overpayments	17,742
Marriage License/Domestic Partnership Fees	150
DCA fees	8,144
Various Reserves	75,711
Special Emergency Notes	<u>210,868</u>
	<u>30,791,346</u>
	33,500,660
Decreased by Disbursements:	
Budget Appropriations	9,079,204
Appropriation Reserves	193,215
County Taxes	2,601,351
Local District School Taxes	10,699,619
Regional High School Taxes	5,926,559
Tax Overpayments	9,859
Interfunds	1,019,954
Marriage License/Domestic Partnership Fees	100
DCA Fees	8,684
Various Reserves	32,352
Special Emergency Notes	<u>289,184</u>
	<u>29,860,081</u>
Balance, December 31, 2023	\$ <u>3,640,579</u>

Exhibit A-5

BOROUGH OF NORTHVALE

Schedule of Change Fund

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ <u>200</u>
Balance, December 31, 2023	\$ <u>200</u>
Analysis of balance:	
Tax Collector	50
Municipal Court	<u>150</u>
	\$ <u>200</u>

Exhibit A-6

Schedule of Petty Cash Fund

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ <u>200</u>
Balance, December 31, 2023	\$ <u>200</u>
Analysis of balance:	
Borough Clerk	\$ 100
Senior Center	<u>100</u>
	\$ <u>200</u>

BOROUGH OF NORTHVALE

Schedule of Taxes Receivable and
Analysis of 2023 Property Tax Levy

Current Fund

Year ended December 31, 2023

<u>Year</u>	<u>Balance, Dec. 31, 2022</u>	<u>Total 2023 Levy</u>	<u>Added</u>	<u>Collections</u>	<u>Veterans and Senior Citizens</u>	<u>Transferred to Tax Title Liens</u>	<u>Remitted, abated or cancelled</u>	<u>Balance, Dec. 31, 2023</u>
2022	\$ 249,848	-	-	-	249,848	-	-	-
2023	-	27,066,060	279,609	58,336	26,920,584	24,175	4,039	13,290
	\$ 249,848	<u>27,066,060</u>	<u>279,609</u>	<u>58,336</u>	<u>27,170,432</u>	<u>24,175</u>	<u>4,039</u>	<u>13,290</u>
								<u>325,244</u>
								\$ <u>325,244</u>

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 27,066,060
Added Taxes (54.4-63.12 et seq.)	\$ 279,609
	\$ <u>27,345,669</u>

Tax Levy:

Regional High School Tax	5,926,559
Local District School Tax	10,444,325
County Tax	2,601,351
Amount Due County/Added Taxes	26,936
Local Tax/Municipal Purposes	8,072,707
Additional Tax Levied	<u>273,791</u>
	\$ <u>27,345,669</u>

Exhibit A-8

BOROUGH OF NORTHVALE

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 80,615
Increased by:	
Transfers from 2023 Taxes Receivable	<u>4,039</u>
Balance, December 31, 2023	\$ <u>84,654</u>

Exhibit A-9

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

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ <u>2,156,700</u>
Balance, December 31, 2023	\$ <u>2,156,700</u>

BOROUGH OF NORTHVALE

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Accrued	Received	Balance, Dec. 31, <u>2023</u>
Licenses:				
Alcoholic Beverages	\$ -	15,116	15,116	-
Other	-	14,955	14,955	-
Fees and Permits:				
Construction Code Official	-	160,188	160,188	-
Other	-	67,881	67,881	-
Fines and Costs - Municipal Court - Northvale	2,479	27,377	27,157	2,699
Interest and Costs on Taxes	-	77,065	77,065	-
Interest on Investments and Deposits	-	224,444	224,444	-
Energy Receipts Tax	-	565,185	565,185	-
Borough of Rockleigh-Police/Court Services	-	317,250	317,250	-
Borough of Rockleigh-Public Works Services	-	27,500	27,500	-
Uniform Fire Safety Act	-	32,189	32,189	-
American Rescue Plan - Revenue Loss	-	275,000	275,000	-
Cable TV Franchise Fees	-	56,446	56,446	-
Reserve for Sale of Property	-	207,000	207,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,479	2,067,597	2,067,377	2,699
		Interfunds	\$ 275,480	
		Reserve for Various Reserves	207,000	
		Cash Receipts	<hr/> 1,584,897	
			\$ 2,067,377	

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
Due from/(to):				
General Capital Fund	\$ 1,457	733,793	1,342,918	(607,669)
Animal License Trust Fund	9,586	5,848	9,586	5,848
Other Trust Fund				
Escrow Trust Fund	68,089	15,480	83,089	480
Police DEA Trust Fund	45,608	-	45,608	-
Recreation Trust	1,673	17,000	18,673	-
Federal and State Grant Fund	<u>(680,261)</u>	<u>529,161</u>	<u>342,886</u>	<u>(493,985)</u>
	<u>\$ (553,846)</u>	<u>1,301,282</u>	<u>1,842,761</u>	<u>(1,095,326)</u>
Due to Current Fund	\$ 126,414			6,328
Due from Current Fund	<u>(680,261)</u>			<u>(1,101,654)</u>
	<u>\$ (553,846)</u>			<u>(1,095,326)</u>
Cash Disbursements				
Cash Receipts	\$ 1,019,954	-	-	-
Revenue Accounts Receivable	275,000	-	1,575,631	-
Budget Appropriations	-	-	257,606	-
Matching Funds for Grants	-	-	9,524	-
Interest of Investments	480	-	-	-
Statutory Excess	<u>5,848</u>			<u>-</u>
	<u>\$ 1,301,282</u>		<u>1,842,761</u>	

BOROUGH OF NORTHVALE

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Decreased by: Budget <u>Appropriation</u>	Balance, Dec. 31, <u>2023</u>
Current Fund:			
Emergency Authorizations:			
Legal Services	\$ 22,818	22,818	-
Overexpenditure of :			
Appropriation Reserves	<u>3,815</u>	<u>-</u>	<u>3,815</u>
Total Deferred Charges	<u>\$ 26,633</u>	<u>22,818</u>	<u>\$ 3,815</u>

BOROUGH OF NORTHVALE

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

Current Fund

Year ended December 31, 2023

<u>Purpose</u>	<u>Date Authorized</u>	<u>Net Amount Authorized</u>	<u>1/5th of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2022</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2023</u>
Accumulated Absence Payout	Dec. 3, 2019	120,000	24,000	48,000	24,000	24,000
COVID-19	Dec. 9, 2020	88,000	17,600	70,400	17,600	52,800
Tax Maps	May 12, 2021	35,000	7,000	28,000	7,000	21,000
Accumulated Absence Payout	Oct. 20, 2021	116,579	23,316	93,263	23,316	69,947
Accumulated Absence Payout	Aug. 10, 2022	120,000	24,000	120,000	24,000	96,000
						\$ 359,663
						\$ 95,916
						\$ 263,747

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, 2022	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS"				
General Government:				
Administrative and Executive	\$ 5,020	20	-	20
Mayor and Council	30	30	-	30
Financial Administration	444	444	-	444
Collection of Taxes	38	38	-	38
Assessment of Taxes	37	37	-	37
Planning Board	25	25	-	25
Municipal Court	68	68	-	68
Public Defender	66	66	-	66
Police	22,610	610	-	610
Fire Prevention Bureau	100	100	-	100
Prosecutor	93	93	-	93
Road Repairs and Maintenance	26,204	8,204	-	8,204
Recycling	95	95	-	95
Board of Health	299	299	-	299
Senior Center	25	25	-	25
Uniform Construction Code Official	12,561	561	-	561
Code Compliance	45	45	-	45
Total Salaries and Wages Within "CAPS"	67,760	10,760	-	10,760
Other Expenses Within "CAPS"				
General Government:				
Administrative and Executive	19,777	12,305	2,515	9,790
Mayor and Council	705	705	-	705
Financial Administration	1,100	3,100	2,720	380
Annual Audit	5,350	5,350	-	5,350
Collection of Taxes	3,301	3,301	126	3,175
Assessment of Taxes	5,343	2,844	10	2,834
Legal Services and Costs	19,432	16,434	4,308	12,126
Engineering	44,048	44,048	25,307	18,741
Municipal Land Use:				
Planning Board	9,659	7,159	27	7,132
Municipal Court	3,596	3,596	16	3,580
Public Safety:				
Police:				
Other Expenses	5,436	10,245	7,093	3,152
Interboro Radio	10	10	-	10
First Aid Organization	19,940	6,940	-	6,940
Fire:				
Other Expenses	903	10,284	9,541	743
Rental of Fire House	10	10	-	10
Fire Hydrant Service	37	37	-	37

BOROUGH OF NORTHALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, 2022	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS"				
Fire Prevention Bureau	3,712	3,712	-	3,712
Insurance:				
Workers Compensation	118	118	-	118
Other Insurance	1,408	1,408	-	1,408
Liability Insurance	1,874	1,874	-	1,874
Group Insurance for Employees	12,466	12,466	-	12,466
Public Works:				
Road Repairs and Maintenance	17,887	60,212	60,123	89
Garbage and Trash Removal:				
Collection	2	22,192	22,185	7
Disposal	52	22,252	22,185	67
Recycling	3,874	3,874	-	3,874
Public Buildings and Grounds	289	12,958	12,099	859
Sewer Repairs and Maintenance:				
Other Expenses	112	112	20	92
Borough of Norwood	14,000	2,000	-	2,000
Health and Welfare:				
Board of Health	2,066	2,165	10	2,155
Animal Control	1,150	1,150	550	600
Recreation and Education:				
Senior Center	4,217	4,217	984	3,233
Senior Bus Trip	98	98	-	98
Celebration of Public Events	126	126	-	126
Parks and Playgrounds	4,468	4,468	-	4,468
Uniform Construction Code	2,524	2,524	-	2,524
Code Compliance	577	577	-	577
Utilities:				
Electricity	1,928	5,453	5,450	4
Street Lighting	39	6,364	6,351	13
Telephone	3,382	3,382	405	2,977
Water	3,715	3,715	116	3,599
Natural Gas	5,298	5,298	-	5,298
Vehicle Fuel	155	6,655	4,720	1,935
Contingent	700	700	-	700
Contributions to:				
Social Security System (O.A.S.I.)	6,689	689	-	689
Defined Contribution Retirement Program	500	500	-	500
Total Other Expenses Within "CAPS"	232,073	317,628	186,861	130,766

BOROUGH OF NORTHALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, 2022	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS"				
Other Expenses Excluded from "CAPS"				
Aid to Library (NJSA 40:54-35)				
Public Library	6,354	6,354	6,354	-
Sewer:				
Bergen County Utilities Authority	146	146	-	146
Contributions to:				
LOSAP	96	96	-	96
Total Other Expenses Excluded from "CAPS"	<u>6,596</u>	<u>6,596</u>	<u>6,354</u>	<u>242</u>
Total	<u>\$ 306,429</u>	<u>334,984</u>	<u>193,215</u>	<u>141,768</u>
	Encumbrances	\$ 28,554		
	Appropriation Reserves	<u>306,429</u>		
		<u>334,984</u>		

Exhibit A-15

BOROUGH OF NORTHVALE

Schedule of Reserve for Encumbrances

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$ 28,554
Increased by:	
2023 Encumbrances	<u>16,817</u>
	45,371
Decreased by:	
Transferred to Appropriation Reserves	<u>28,554</u>
Balance - December 31, 2023	\$ <u>16,817</u>

BOROUGH OF NORTHVALE

**Schedule of Due from/(to) State of New Jersey -
Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$	(7,511)
Increased by:		
Senior Citizen Deductions per Tax Duplicate	\$	4,000
Veteran Deductions per Tax Duplicate		21,500
Deductions Allowed by Tax Collector		<u>500</u>
		<u>26,000</u>
		18,489
Decreased by:		
Deductions Disallowed by Tax Collector - Current Year		1,825
Cash Receipts		<u>26,000</u>
		<u>27,825</u>
Balance, December 31, 2023	\$	(9,336)

Exhibit A-17

BOROUGH OF NORTHVALE

Schedule of Local District School Taxes

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	255,295
Increased by:	
2023 Levy	\$ <u>10,444,325</u>
Decreased by:	
Payments	<u>10,699,619</u>
Balance, December 31, 2023	\$ <u>0</u>

Exhibit A-18

Schedule of Regional High School Taxes

Current Fund

Year ended December 31, 2023

Increased by:	
2023 Levy	\$ <u>5,926,559</u>
Decreased by:	
Payments	\$ <u>5,926,559</u>

BOROUGH OF NORTHVALE

Schedule of County Taxes

Current Fund

Year ended December 31, 2023

Increased by:

2023 Levy	\$ 2,492,277
2023 Open Space Preservation	109,074
2023 Added Taxes	<u>26,936</u>

2,628,287

Decreased by:

Payments	<u>2,601,351</u>
Balance, December 31, 2022	\$ <u>26,936</u>

Exhibit A-20

BOROUGH OF NORTHVALE

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 58,336
Increased by:	
2024 Taxes Received in 2023	<u>81,726</u>
	140,062
Decreased by:	
Applied to 2023	<u>58,336</u>
Balance, December 31, 2023	\$ <u>81,726</u>

Exhibit A-21

Schedule of Tax Overpayments Payable

Current Fund

Year ended December 31, 2023

Increased by:	
Overpayments Received	17,742
Decreased by:	
Overpayments Refunded	\$ <u>9,859</u>
Balance, December 31, 2023	\$ <u>7,883</u>

Exhibit A-22

BOROUGH OF NORTHVALE

**Schedule of Due to State of New Jersey
for Marriage Licenses/Domestic Partnerships**

Current Fund

Year ended December 31, 2023

Increased by:

Cash Receipts	150
---------------	-----

Decreased by:

Cash Disbursements	\$ 100
--------------------	--------

Balance, December 31, 2023	<u>50</u>
----------------------------	-----------

Exhibit A-23

Schedule of Due to State of New Jersey - DCA Fees

Current Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 6,294
----------------------------	----------

Increased by:

Receipts	\$ 8,144
----------	----------

14,438

Decreased by:

Disbursements	<u>8,684</u>
---------------	--------------

Balance, December 31, 2023	\$ <u>5,754</u>
----------------------------	-----------------

BOROUGH OF NORTHVALE

Schedule of Reserve for Various Reserves

Current Fund

Year ended December 31, 2023

Reserve for:	Balance, Dec. 31, 2022	Cash Receipts	Cash Disbursements	Balance, Dec. 31, 2023
Tax Sale Premiums	\$ 7,000	-	-	7,000
McGuire Senior Center	116,491	17,164	32,352	101,302
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	380,596	-	207,000	173,596
Municipal Relief Funds	-	58,548	-	58,548
	<u>\$ 526,911</u>	<u>75,711</u>	<u>239,352</u>	<u>363,270</u>
	Cash \$ 75,711		32,352	
	Anticipated Revenue -		207,000	
	<u>\$ 75,711</u>		<u>239,352</u>	

BOROUGH OF NORTHVALE

Schedule of Emergency Notes Payable

Current Fund

Year ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2023</u>
Accumulated Absence Payout	Dec. 23, 2019	9/23/2022	3.010%	\$ 48,000	24,000	48,000	24,000
Tax Maps	Sept. 23, 2021	9/23/2023	3.010%	28,000	21,000	28,000	21,000
Accumulated Absence Payout	Dec. 17, 2021	9/23/2022	3.010%	93,184	69,868	93,184	69,868
Accumulated Absence Payout	Sept. 23, 2022	9/23/2023	3.010%	120,000	96,000	120,000	96,000
				\$ 289,184	210,868	289,184	210,868

BOROUGH OF NORTHALE

Schedule of Grants Receivable

State and Federal Grants

Year ended December 31, 2023

	Balance, Dec. 31, 2022	2023 Budget Revenue	Decreased by Cash Receipts	Decreased by Transfer from Unappropriated	Balance, Dec. 31, 2023
Purpose:					
Municipal Alliance FY - 2016	\$ 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
Municipal Alliance FY - 2022	-	3,383	-	3,383	-
Bergen County CARES Act	38,594	-	38,149	-	445
Clean Communities - 2022	-	10,308	-	10,308	-
Recycling Tonnage - 2022	-	12,699	-	12,699	-
Body Armor Replacement - 2022	-	2,260	-	2,260	-
Drive Sober or Get Pulled Over	-	6,020	-	6,020	-
Body-worn Camera Grant	-	22,418	-	22,418	-
FEMA - Tropical Storm Isaias	-	5,972	-	5,972	-
FEMA - Assistance to Firefighters	-	190,476	190,476	-	-
Local Recreation Improvements Grant	-	70,000	-	-	70,000
CDBG - Senior Center ADA Doors	-	66,125	-	-	66,125
Bergen County Open Space - Veterans Dog Park	-	22,597	-	-	22,597
	<u>\$ 52,648</u>	<u>412,259</u>	<u>228,625</u>	<u>63,061</u>	<u>173,221</u>

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

Federal and State Grant Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
Due from/(to):				
General Capital Fund	(22,875)	22,875	-	-
Current Fund	<u>680,261</u>	<u>342,886</u>	<u>529,162</u>	<u>493,985</u>
	<u>\$ 657,386</u>	<u>365,761</u>	<u>529,162</u>	<u>493,985</u>
Due to Federal and State Grant Fund	680,261			493,985
Due from Federal and State Grant Fund	<u>(22,875)</u>			<u>-</u>
	<u>\$ 657,386</u>			<u>493,985</u>
Grants Receivable	\$ 228,625			-
Appropriated Reserves	-		229,613	
Overexpended Appropriation Reserve	-		1,673	
Unappropriated Reserves	104,737		275,000	
Cash Receipt	-		22,875	
Cash Disbursement	22,875		-	
Budget Match	<u>9,524</u>			<u>-</u>
	<u>\$ 365,761</u>		<u>529,162</u>	

BOROUGH OF NORTHVALE

Schedule of Deferred Charges

Federal and State Grant Funds

Year ended December 31, 2023

	<u>Added in</u>	<u>Balance,</u>
	<u>2023</u>	<u>Dec. 31,</u>
		<u>2023</u>
Federal & State Grant Fund:		
Overexpenditure of :		
Appropriated Grant Reserves	<u>1,673</u>	<u>1,673</u>
Total Deferred Charges	\$ <u>1,673</u>	\$ <u>1,673</u>

BOROUGH OF NORTHVALE

Schedule of Appropriated Reserves for

State and Federal Grants

Year ended December 31, 2023

		Balance, Dec. 31, 2022	Transferred from 2023 <u>Budget</u>	Balance, Dec. 31, 2023
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 - 2022	-	2,260	-	2,260
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
Body-worn Cameras	-	22,418	-	22,418
Clean Communities - 2022	-	10,308	-	10,308
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
Drive Sober or Get Pulled Over	-	6,020	-	6,020
FEMA Fire Department COVID-19 Grant	2,260	-	-	2,260
FEMA - Assistance to Firefighters				
Federal Funds	-	190,476	190,476	-
Local Match	-	9,524	9,524	-
FEMA - Tropical Storm Isaia	-	5,972	-	5,972
Municipal Alliance - FY2022	-	3,383	-	3,383
Municipal Alliance - FY2021	6,252	-	1,320	4,932
Municipal Alliance - FY2020	2,317	-	2,317	-
Northvale Drug Alliance-Golf Outing	1,142	-	-	1,142

BOROUGH OF NORTHVALE

Schedule of Appropriated Reserves for

State and Federal Grants

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Transferred from 2023 <u>Budget</u>	Expended	Balance, Dec. 31, <u>2023</u>
Northvale Junior Police - 2022	375	-	-	375
Northvale Junior Police - 2018	4,130	-	1,099	3,031
Local Recreation Improvement Grant	-	70,000	-	70,000
CDBG - Senior Center ADA Doors	-	66,125	16,310	49,815
Bergen County Open Space - Veterans Dog Park	-	22,597	2,468	20,130
Recycling Tonnage - 2022	-	12,699	-	12,699
Recycling Tonnage - 2021	14,571	-	-	14,571
Recycling Tonnage - 2020	7,993	-	-	7,993
Recycling Tonnage - 2019	1,645	-	-	1,645
Recycling Tonnage - 2017	29,072	-	-	29,072
Recycling Tonnage - 2016	27,528	-	6,100	21,428
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
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 247,937	421,783	229,613	440,107

BOROUGH OF NORTHVALE

Schedule of Unappropriated Reserves for

State and Federal Grants

Year ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, 2022	Transferred to 2023 <u>Budget</u>	Cash <u>Received</u>	Transferred to Current <u>Fund</u>	Balance, Dec. 31, 2023
Municipal Alliance	\$ 3,383	3,383	2,677	-	2,677
Recycling Tonnage Grant	12,699	12,699	14,216	-	14,216
American Recovery Plan Grant	318,702	-	-	275,000	43,702
FEMA COVID-19 Assistance Grant	46,978	-	-	-	46,978
FEMA Hurricane ISAIAS Grant	29,861	-	-	-	29,861
Highway Traffic Safety Grant	3,495	-	-	-	3,495
FEMA Hurricane Grant	5,972	5,972	-	-	-
Clean Communities Grant	10,308	10,308	11,562	-	11,562
Body Armor Grant	2,260	2,260	1,396	-	1,396
Driver Sober Get Pulled Over	6,020	6,020	-	-	-
Body Worn Cameras	22,418	22,418	-	-	-
COVID ARP SLFRF - Firefighter Assistance	-	-	28,000	-	28,000
Stormwater Assistance	-	-	15,000	-	15,000
Junior Police Academy	-	-	1,072	-	1,072
Lead Grant Assistance	-	-	3,400	-	3,400
CSX Military/First Responder Grant	-	-	10,000	-	10,000
Monsanto PCB Settlement	-	-	17,414	-	17,414
	<hr/> <u>\$ 462,097</u>	<hr/> <u>63,061</u>	<hr/> <u>104,737</u>	<hr/> <u>275,000</u>	<hr/> <u>228,772</u>

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2023

	Animal Trust Fund	Other Funds	Unemployment Trust	Community Development Trust	Open Space Trust	Emergency Services LOSAP Trust
Balance, December 31, 2022	\$ 17,525	1,579,833	102,335	56,158	473	1,310,803
Increase by Receipts:						
License Fees	3,207	-	-	-	-	-
Due to State of New Jersey	397	-	-	-	-	-
Escrow Deposits	-	71,214	-	-	-	-
Various Reserves	-	540,970	-	-	-	-
Employee Deductions	-	4,930	-	-	-	-
Interfunds	-	32,480	-	20,500	-	-
Interest on Investments	991	-	-	-	23	219,213
	<u>4,595</u>	<u>644,663</u>	<u>4,930</u>	<u>20,500</u>	<u>23</u>	<u>265,829</u>
	<u>22,121</u>	<u>2,224,496</u>	<u>107,265</u>	<u>76,658</u>	<u>496</u>	<u>1,576,632</u>
Decrease by Payments:						
Due to State of New Jersey	392	-	-	-	-	-
Escrow Expenditures	-	82,287	-	-	-	-
Interfunds	9,586	183,764	-	-	-	-
Various Reserves	-	437,146	-	-	-	-
Benefit Payments	-	-	-	-	-	-
Loss on Investments	-	-	-	-	-	-
Account Charges/Tax Withholdings	-	-	-	-	-	-
	<u>9,978</u>	<u>703,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance December 31, 2023	\$ 12,143	1,521,300	107,265	76,658	496	1,477,482

Exhibit B-2

BOROUGH OF NORTHVALE

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

Animal Trust Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$	-
Increased by:		
State Fees Collected	\$	<u>397</u>
		<u>397</u>
Decreased by:		
Paid to State of New Jersey	\$	<u>392</u>
Balance, December 31, 2023	\$	<u>5</u>

Exhibit B-3

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Animal Trust Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$	7,939
----------------------------	----	-------

Increased by:

Dog License Fees Collected	\$	2,840
Cat License Fees Collected		277
Late Fees		90
Interest on Investments	<u>991</u>	
		<u>4,199</u>

12,138

Decreased by:

Statutory Excess	<u>5,848</u>
------------------	--------------

Balance, December 31, 2023	\$	<u>6,290</u>
----------------------------	----	--------------

License Fees Collected

<u>Year</u>	<u>Amount</u>
2022	3,061
2021	<u>3,229</u>
	\$ <u>6,290</u>

BOROUGH OF NORTHVALE

Schedule of Escrow Deposits

Other Trust Funds

Year ended December 31, 2023

Balance, December 31, 2022	\$ 371,928
Increased by:	
Escrow Deposits	<u>71,214</u>
	443,142
Decreased by:	
Escrow Disbursements/Refunds	<u>82,287</u>
Balance, December 31, 2023	\$ <u>360,855</u>

BOROUGH OF NORTHVALE

Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended December 31, 2023

	Balance			Balance
	<u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2023</u>
Reserve for:				
Parking Offenses Adjudication Act	\$ 2,596	70	-	2,666
Archives Commission	413	-	-	413
McGuire Food Program	6,770	330	330	6,770
Recreation	111,889	120,995	93,959	138,925
Recreation - Summer Recreation	13,597	34,350	17,047	30,900
Recreation - Umpire Fees	951	3,200	4,151	-
Police DEA-Justice	327,674	320,023	321,659	326,038
Police DEA - Treasury	59,999	-	-	59,999
Public Defender	7,752	-	-	7,752
Affordable Housing	<u>624,500</u>	<u>62,002</u>	<u>-</u>	<u>686,502</u>
	<u>\$ 1,156,142</u>	<u>540,970</u>	<u>437,146</u>	<u>1,259,966</u>
Cash Receipts	\$ 540,970		-	
Cash Disbursements	<u>-</u>		<u>437,146</u>	
	<u>\$ 540,970</u>		<u>437,146</u>	

BOROUGH OF NORTHVALE

**Schedule of Reserve for
Unemployment Compensation**

Unemployment Trust Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 102,335
----------------------------	------------

Increased by:

Employee Deductions	<u>4,930</u>
---------------------	--------------

Balance, December 31, 2023	\$ <u>107,265</u>
----------------------------	-------------------

BOROUGH OF NORTHVALE

Schedule of Interfunds

Trust Funds

Year ended December 31, 2023

		Balance due from/(to) <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance due from/(to) <u>Dec. 31, 2023</u>
Current Fund:					
Animal Trust Fund	\$ (9,586)	9,586	5,848		(5,848)
Other Trust Fund:					
Escrow Trust Fund	(68,089)	83,089	15,480		(480)
Police DEA Trust	(45,608)	45,608	-		-
Recreation Trust	(1,654)	-	15,000		(16,654)
Recreation - Umpire Fees	(19)	-	2,000		(2,019)
Summer Recreation Trust	-	18,673	-		18,673
General Capital Fund:					
Community Development Block Grant	(56,158)	-	20,500		(76,658)
Other Trust Fund:					
Escrow Trust Fund	(36,393)	36,393	-		-
Affordable Housing Trust Fund	<u>100,000</u>	<u>-</u>	<u>-</u>		<u>100,000</u>
	<u>\$ (117,508)</u>	<u>193,350</u>	<u>58,828</u>		<u>17,014</u>
Due to Trust Funds	\$ 100,000				100,000
Due from Trust Funds	<u>(217,508)</u>				<u>(82,986)</u>
	<u>\$ (117,508)</u>				<u>17,014</u>
Cash Receipts	\$ -	32,480			
Cash Disbursements	183,763	-			
Statutory Excess	9,586	5,848			
CDBG Grants	<u>-</u>	<u>20,500</u>			
	<u>\$ 193,350</u>	<u>58,828</u>			

Exhibit B-8

BOROUGH OF NORTHVALE

Schedule of Reserve for Expenditures

Open Space Trust Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 473
Increased by:	
Interest Earned on Deposits	<u>23</u>
Balance, December 31, 2023	\$ <u>496</u>

Exhibit B-9

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2023

Balance, December 31, 2022	\$ 46,616
Increased by:	
2023 Service Award Contributions	<u>48,481</u>
	95,097
Decreased by:	
Contributions Received	<u>46,616</u>
Balance, December 31, 2023	\$ <u>48,481</u>

BOROUGH OF NORTHVALE

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2023

Balance, December 31, 2022	\$ 1,357,419
Increased by:	
Investment Appreciation	\$ 219,213
Borough Contributions	<u>48,481</u>
	<u>267,694</u>
	1,625,113
Decreased by:	
Benefit Payments	92,912
Account Charges/Tax Withholdings	2,425
Adjustment to Prior Year Fair Value	<u>3,813</u>
	<u>99,150</u>
Balance, December 31, 2023	\$ <u>1,525,963</u>

BOROUGH OF NORTHVALE

**Schedule of General Capital Cash -
Treasurer**

General Capital Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 108,438
----------------------------	------------

Increased by Receipts:

Premium on Note Sale	\$ 27,152
Interfunds	59,268
Capital Improvement Fund	60,000
Bond Anticipation Notes	<u>1,207,320</u>
	<u>1,353,740</u>
	1,462,178

Decreased by Disbursements:

Interfunds	1,457
Improvement Authorizations	<u>1,437,575</u>
	<u>1,439,033</u>

Balance, December 31, 2023	\$ <u>23,146</u>
----------------------------	------------------

BOROUGH OF NORTHVALE

Analysis of General Capital Cash

General Capital Fund

December 31, 2023

Fund Balance	\$ 28,022
Capital Improvement Fund	71,902
Interfunds Receivable	(684,327)
Interfunds Payable	100,000
Grants/Contributions Receivable	(1,562,775)

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	17,700
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.	3,919
1018-2020	Tax Appeal Refunding	25,560
1022-2020	Various Capital Improvements	113,703
1036-2021	Various Capital Improvements	43,826
1040-2021	Road Improvement Program	241,640
1041-2021	Various Capital Improvements	16,856
1052-2022	Various Capital Improvements	19,851
1053-2022	Road Improvements - Clinton & Arrow	137,388
1055-2022	Various Capital Improvements	97,550
1056-2022	Various Capital Improvements	68,668
1063-2023	Resurfacing of Veterans Drive - Phase II and Legrand Avenue	536,153
1064-2023	Various Public Improvements	417,275
1074-2023	Acquisition of New and Additional Equipment, Info. Technology, and Telecommunications Equipment	(16,435)
1075-2023	Livingston Street Stretsacpe Improvments	<u>330,000</u>
		\$ <u>23,146</u>

BOROUGH OF NORTHVALE

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

General Capital Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 4,495,000
Decreased by:	
Paid via Budget Appropriation	<u>475,000</u>
Balance, December 31, 2023	\$ <u>4,020,000</u>

BOROUGH OF NORTHLAKE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2023

Ordinance Number	Improvement Description	Balance, Dec. 31, 2022	2023 Authori- zation	Reduced in 2023	Balance, Dec. 31, 2023	Analysis of Balance		Unexpended Improve- ment Authori- zation
						Bond Anticipa- tion Notes	Expendi- tures	
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
1012-2019	New Radio Equipment for Fire Dept.	80,000	-	4,211	75,789	-	-	22,654
1018-2020	Tax Appeals	120,000	-	120,000	-	-	-	-
1022-2020	Various Capital Improvements	551,900	-	29,318	521,682	520,682	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	-	-
1053-2023	Resurfacing of Veterans Drive (Phase II) & Legrand Avenue	-	341,320	-	341,320	341,320	-	-
1064-2023	Various Public Improvements	-	866,000	-	866,000	866,000	-	-
1074-2023	Acquisition of New and Additional Equipment, Info. Technology, and Telecommunications Equipment	-	100,000	-	100,000	-	-	16,435
1075-2023	Livingston Street Streetscape Improvements	-	90,000	-	90,000	-	-	90,000
		\$ 3,448,899	<u>1,397,320</u>	<u>153,529</u>	<u>4,692,690</u>	<u>4,287,241</u>	<u>209,230</u>	<u>196,219</u>

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2023

Improvement Description	Ordinance Number	Balance, Dec. 31, 2022	2023 Authori- zation	Reduced in 2023	Balance, Dec. 31, 2023	Analysis of Balance		
						Bond Anticipa- tion Notes	Expendi- tures	Unexpended Improve- ment Authori- zation
Improvement Authorizations - Unfunded						1,720,355		
Less: Unexpended Proceeds of Bond Anticipation Notes								
		Ord. 1018-2020			25,560			
		Ord. 1022-2020			114,703			
		Ord. 1036-2021			43,826			
		Ord. 1040-2021			241,640			
		Ord. 1041-2021			16,856			
		Ord. 1052-2022			19,851			
		Ord. 1053-2022			137,388			
		Ord. 1055-2022			97,550			
		Ord. 1056-2022			68,668			
		Ord. 1063-2023			341,320			
		Ord. 1064-2023			417,275			
						1,524,636		
						\$ 196,219		

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

General Capital Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
Current Fund	\$ (1,457)	609,126	-	607,669
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>20,500</u>	<u>-</u>	<u>76,658</u>
	<u><u>\$ 13,969</u></u>	<u><u>629,626</u></u>	<u><u>59,268</u></u>	<u><u>584,327</u></u>
Due to General Capital Fund	\$ 115,426			684,327
Due from General Capital Fund	<u>(101,457)</u>			<u>(100,000)</u>
	<u><u>\$ 13,969</u></u>			<u><u>584,327</u></u>
Cash Receipts	-	59,268		
Cash Disbursements	\$ 1,457	-		
CDBG Grants	20,500	-		
NJDOT Grants	<u>607,668</u>	<u>-</u>		
	<u><u>\$ 629,626</u></u>	<u><u>59,268</u></u>		

Exhibit C-7

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

General Capital Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 1,635,263
Increased by:	
Grant and Contribution Awards	<u>555,680</u>
	2,190,944
Decreased by:	
Due from Current Fund	607,668
Due from CDBG Trust	<u>20,500</u>
	<u>628,168</u>
Balance, December 31, 2023	<u>\$ 1,562,775</u>

Analysis of Balance

Department 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	99,250
Resurfacing Clinton Ave & Arrow Street	57,250
Resurfacing Veterans Drive (Phase I)	77,832
Resurfacing of Veterans Drive (Phase II)	225,680
Livingston St. Streetscape Imps.	<u>330,000</u>
	1,364,396

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>2,150</u>

67,751

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 H	<u>2,000</u>

130,628

\$ 1,562,775

BOROUGH OF NORTHALE

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2023

<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, 2022</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2023</u>
			<u>Date</u>	<u>Outstanding Dec. 31, 2023 Amount</u>				
General Improvements	November 1, 2019	5,685,000	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%			
						4,495,000	475,000	4,020,000
						\$ 4,495,000	475,000	4,020,000

BOROUGH OF NORTHVALE

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2023

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2022	Increased	Decreased	Balance, Dec. 31, 2023
							Interest Rate	Balance, Dec. 31, 2022	Interest Rate
1012-19	New Radio Equipment for Fire Dept.	12/18/2020	9/15/2023	9/13/2024	5.00%	80,000	75,789	80,000	75,789
1018-20	Tax Appeal Refunding	12/18/2020	9/15/2023	9/13/2024	5.00%	120,000	-	120,000	-
1022-18	Various Capital Improvements	12/18/2020	9/15/2023	9/13/2024	5.00%	550,000	520,682	550,000	520,682
1036-21	Various Capital Improvements	12/11/2021	9/15/2023	9/13/2024	5.00%	618,000	618,000	618,000	618,000
1040-21	Road Improvement Program	12/11/2021	9/15/2023	9/13/2024	5.00%	213,000	213,000	213,000	213,000
1041-21	Various Capital Improvements	12/17/2021	9/15/2023	9/13/2024	5.00%	66,000	66,000	66,000	66,000
1052-22	Various Capital Improvements	12/16/2022	9/15/2023	9/13/2024	5.00%	1,037,450	1,037,450	1,037,450	1,037,450
1053-22	Road Improvement Program	12/16/2022	9/15/2023	9/13/2024	5.00%	271,000	271,000	271,000	271,000
1055-22	Various Capital Improvements	12/16/2022	9/15/2023	9/13/2024	5.00%	84,000	84,000	84,000	84,000
1056-22	Various Capital Improvements	12/16/2022	9/15/2023	9/13/2024	5.00%	194,000	194,000	194,000	194,000
1063-23	Resurfacing of Veterans Drive (Phase II) & Legrand Avenue	9/15/2023	9/15/2023	9/13/2024	5.00%	-	341,320	-	341,320
1064-23	Various Public Improvements	9/15/2023	9/15/2023	9/13/2024	5.00%	-	866,000	-	866,000
						\$ 3,233,450	4,287,241	3,233,450	4,287,241
						Cash \$ 1,207,320	-	-	-
						Renewed 3,079,921	3,079,921	3,079,921	3,079,921
						Budget Appropriation	-	153,529	153,529
						\$ 4,287,241	3,233,450		

BOROUGH OF NORTHVALE

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31 2023

BOROUGH OF NORTHVALE

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2023

Balance, December 31, 2022	\$ 60,902
Increased by:	
Budget Appropriation	<u>60,000</u>
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	<u>49,000</u>
Balance, December 31, 2023	\$ <u>71,902</u>

BOROUGH OF NORTHVALE

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2023

Ordinance number	Description	Balance, Dec. 31, 2022	Increases	Decreased	Balance, Dec. 31, 2023
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	1,000	-	-	1,000
1063-2023	Resurfacing of Veterans Drive (Phase II) & Legrand Avenue	-	341,320	341,320	-
1064-2023	Various Public Improvements	-	866,000	866,000	-
1074-2023	Acquisition of New and Additional Equipment, Info. Technology, and Telecommunications Equipment	-	100,000	-	100,000
1075-2023	Livingston Street Streetscape Improvements	-	90,000	-	90,000
		\$ 215,449	<u>1,397,320</u>	<u>1,207,320</u>	<u>405,449</u>
			Bond Sale \$	<u>1,207,320</u>	
					\$ <u>1,207,320</u>

BOROUGH OF NORTHVALE

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2023

	<u>Total</u>	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>
Balance - December 31, 2022	\$ <u>422</u>	<u>116</u>	<u>306</u>
Increased by:			
Interest Earned	<u>21</u>	<u>6</u>	<u>15</u>
	443	122	321
Decreased by:			
Interest to Current	<u>21</u>	<u>6</u>	<u>15</u>
Balance - December 31, 2023	\$ <u>422</u>	<u>116</u>	<u>306</u>

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>422</u>
Increased by:	
Interest Earned	<u>21</u>
	<u>443</u>
Decreased by:	
Interest to Current	<u>21</u>
Balance - December 31, 2023	\$ <u>422</u>

<u>Reconciliation - December 31, 2023</u>	<u>PATF I Account</u>	<u>PATF II Account</u>	<u>Total</u>
Balance on Deposit per Bank Statement:			
Checking	\$ 122	321	443
Less: Outstanding Checks	<u>6</u>	<u>15</u>	<u>21</u>
Balance- December 31, 2008	\$ <u>116</u>	<u>306</u>	<u>422</u>

BOROUGH OF NORTHVALE**Schedule of Reserve for Public Assistance Expenditures****Public Assistance Fund****Year Ended December 31, 2023**

	<u>Total</u>	P.A.T.F. <u>Account #1</u>	P.A.T.F. <u>Account #2</u>
Balance - December 31, 2022	\$ <u>422</u>	<u>116</u>	<u>306</u>
Increased by:			
Interest Earned	<u>21</u>	<u>6</u>	<u>15</u>
	443	122	321
Dereased by:			
Interest to Current	<u>21</u>	<u>6</u>	<u>15</u>
Balance - December 31, 2023	\$ <u>422</u>	<u>116</u>	<u>306</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, 2023



STEVEN D. WIELKOTZ, CPA, RMA, PSA

MATTHEW B. WIELKOTZ, CPA, PSA

PAUL J. CUVA, CPA, RMA, PSA

JAMES J. CERULLO, CPA, RMA, PSA

KARI FERGUSON, CPA, RMA, CMFO, PSA

ROBERT C. McNINCH, CPA, CFE, PSA

KEVIN REEVES, CPA, PSA

401 WANAKE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

**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, 2023 and the related notes to the financial statements, and have issued our report thereon dated October 23, 2024, 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

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

October 23, 2024



WIELKOTZ & COMPANY^o

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. McNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973) 835-7900
FAX: (973) 835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Borough of Northvale's (the "Borough") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Borough's major federal programs for the year ended December 31, 2023. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



Honorable Mayor and
Members of the Borough Council
Borough of Northvale
Page 2.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
Page 3.

- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
Page 4.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413



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

October 23, 2024

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards
Year ended December 31, 2023

State Funding Department	State Program	State Grant No.	Grant Period	Grant Award Amount	Balance 12/31/2021	Cash Received	Grant Expenditures	Balance 12/31/2022	MEMO	
									Cumulative Expenditures	
Federal and State Grant Fund:										
Administration of the Courts										
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2021	454	454					454 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2018	146	146					146 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2016	181	181					181 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2015	295	295					295 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2014	236	236					236 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2012	108	108					108 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2011	647	647					647 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2010	1,508	1,508					1,508 *	
Alcohol Education and Rehabilitation	9735-760-098-Y900-01-X100	2009	928	259					259 *	669
				3,834				3,834 *		669
Division of Motor Vehicles										
Drunk Driving Enforcement Fund	640-10-078-6400	2015	4,333	4,333					4,333 *	
Drunk Driving Enforcement Fund	640-10-078-6400	2013	1,140	377					377 *	763
Drunk Driving Enforcement Fund	640-10-078-6400	2012	2,335	2,335					2,335 *	
Drunk Driving Enforcement Fund	640-10-078-6400	2011	3,391	3,391					3,391 *	
Drunk Driving Enforcement Fund	640-10-078-6400	2010	3,853	3,433					3,433 *	420
Drunk Driving Enforcement Fund	640-10-078-6400	2009	2,856	2,856					2,856 *	
Drunk Driving Enforcement Fund	640-10-078-6400	2008	4,708	4,708					4,708 *	
Drunk Driving Enforcement Fund	640-10-078-6400	2007	5,049	3,072					3,072 *	1,977
				24,505				24,505 *		3,160
Department of Environmental Protection										
Clean Communities	4900-765-042-4900-004	2023	11,562	-					11,562 *	
Clean Communities	4900-765-042-4900-004	2022	10,308	10,308					10,308 *	
Clean Communities	4900-765-042-4900-004	2021	10,040	10,040					10,040 *	
Clean Communities	4900-765-042-4900-004	2020	9,435	9,435					9,435 *	
Clean Communities	4900-765-042-4900-004	2019	10,464	10,464					10,464 *	
Clean Communities	4900-765-042-4900-004	2018	9,375	9,375					9,375 *	
Clean Communities	4900-765-042-4900-004	2017	9,800	9,800					9,800 *	
Clean Communities	4900-765-042-4900-004	2016	11,536	11,536					11,536 *	
Clean Communities	4900-765-042-4900-004	2015	19,988	19,988					19,988 *	
Clean Communities	4900-765-042-4900-004	2014	8,367	1,513					1,513 *	6,854
				82,539				94,121 *		6,854
Recycling Tonnage Grant	4900-752-042-4900-001	2023	14,216	-					14,216 *	
Recycling Tonnage Grant	4900-752-042-4900-001	2022	12,699	12,699					12,699 *	
Recycling Tonnage Grant	4900-752-042-4900-001	2021	14,571	14,571					14,571 *	
Recycling Tonnage Grant	4900-752-042-4900-001	2020	14,093	7,993					7,993 *	6,100
Recycling Tonnage Grant	4900-752-042-4900-001	2019	11,462	1,645					1,645 *	9,817
Recycling Tonnage Grant	4900-752-042-4900-001	2017	33,209	29,072					29,072 *	4,137
Recycling Tonnage Grant	4900-752-042-4900-001	2016	33,209	27,528					27,528 *	21,599
				93,508				14,216		41,653 *

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2023

State Funding Department	State Grant No.	Grant Period	Grant Award Amount	Balance 12/31/2021	Cash Received	Grant Expenditures	Balance 12/31/2022	MEMO	
								Cumulative Expenditures	
Division of Criminal Justice	1020-718-066-1020-001-YCJIS	2023	1,396	-	-	-	1,396	*	-
	1020-718-066-1020-001-YCJIS	2022	2,260	2,260	-	-	2,260	*	-
	1020-718-066-1020-001-YCJIS	2021	1,359	1,359	-	-	1,359	*	-
	1020-718-066-1020-001-YCJIS	2020	1,675	1,675	-	-	1,675	*	-
	1020-718-066-1020-001-YCJIS	2019	1,865	1,865	-	-	1,865	*	-
	1020-718-066-1020-001-YCJIS	2017	1,705	474	-	-	474	*	1,231
				7,633	1,396	-	9,029		1,231
Body-Worn Cameras	100-066-1020-495	2022	22,418	22,418	-	-	22,418	*	-
Bergen County Pass Through Grant	FY22	3,383	3,383	2,677	-	-	6,060	*	(2,677)
	FY21	6,252	5,686	-	-	-	4,366	*	2,452
	FY20	9,520	(7,093)	-	-	2,317	(9,520)	*	7,203
	FY19	9,520	(171)	-	-	-	(171)	*	9,520
	FY17	9,520	(3,223)	-	-	-	(3,223)	*	9,520
	FY16	9,520	(574)	-	-	-	(574)	*	9,520
			(2,102)	2,677	-	3,637	(3,062)	*	35,538
Bergen County CARES Act	FY20	110,057	(3,000)	38,149	-	-	35,149	*	74,463
Stormwater Assistance	042-4850-100-099	2023	15,000	-	15,000	-	15,000	*	9,520
Lead Grant Assistance Program	022-8020-100-304	2023	3,400	-	3,400	-	3,400	*	9,520
Local Recreation Grant		2023	70,000	-	-	-	-	*	-
			229,355	86,400	9,737	306,018	*	182,608	*
								*	*
Total Federal and State Grant Fund									
General Capital Fund								*	*
Department of Transportation								*	*
Transportation Trust Fund									
Livingston Street Streetscape Improvements - Ord. 1075		2023	330,000	-	-	-	225,680	(225,680)	225,680
Resurfacing of Veterans Drive (Phase II) - Ord. 1063		2023	225,580	-	-	-	26,302	(43,532)	181,700
Veteran's Drive, Phase I Resurfacing - Ord. 1055		2022	216,000	(155,398)	138,168	-	-	(57,250)	229,000
Clinton Avenue and Arroy Street Resurfacing - Ord. 1053		2021	229,000	(229,000)	171,750	-	164,275	(99,250)	397,000
Livingston Street and Paris Avenue Imps. - Ord. 1040		2019/2020	397,000	(232,725)	297,750	-	-	(383,627)	333,627
Livingston Street Section 5 & 6 - Ord. 996		2017/2018	383,627	(383,627)	-	-	-	(132,990)	204,500
Livingston Street Streetscape - Ord. 972		2015/2016	304,500	(132,990)	-	-	-	(4,812)	150,000
Livingston Street Streetscape Phase I & II - Ord. 923		2013	150,000	(4,812)	-	-	-	(39,300)	160,700
White Avenue - Ord. 879		2010	200,000	(39,300)	-	-	-	(11,412)	70,900
Veteran's Drive, Phase II - Ord. 781		1999	76,000	(11,412)	-	-	-	(259)	15,000
Veteran's Drive, Phase I - Ord. 775		1999	150,000	(259)	-	-	-	-	*
Hill Terrace School Warning Lights, Curbs, Sidewalks - Ord. 729		1998	40,000	(1,984)	-	-	-	(1,984)	40,000
			(1,191,507)	607,668	416,257	(1,000,096)	*	2,157,207	*
				607,668	416,257	(1,000,096)	*	2,157,207	*
Total General Capital Fund									

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31 1033

State Funding Department		State Program		State Grant No.		Grant Award Amount	Balance 12/31/2021	Cash Received	Grant Expenditures	Balance 12/31/2022	MEMO Expenditures	Cumulative Expenditures
Other Financial Assistance:		Total State Financial Assistance				\$ (962,152)	\$ 694,068		425,994	(694,077) *	\$ 2,339,815	*
Federal and State Grant Fund:												
Local	Bergen County Open Space - Veterans Dog Park	2023	22,597	-	-				2,468	(2,468) *	2,468	
	Senior Center ADA Doors	2023	66,125	-	-				16,310	(16,310) *	16,310	
	CSX Military/First Responders Grant	2023	10,000	-	10,000				10,000	*	16,310	
	Monsanto PCD Settlement	2023	17,414	-	17,414				17,414	*	16,310	
	Northvale Drug Alliance (Golf Outing) - Local	2015	4,132	1,142	-				1,142	*	2,490	
	Northvale Junior Police - Local	2023	1,072	-	1,072				1,072	*		
	Northvale Junior Police - Local	2021	375	375	-				375	*		
	Northvale Junior Police - Local	2018	3,528	4,130	-				1,099	3,031 *	3,126	
	Various			2,074	-				2,074	*		
	Various			575	-				575	*		
	Various			1,685	-				1,685	*		
	Mary McDougal			9,981	28,486		19,877		18,591	*	57,014	
	<i>Total Federal and State Grant Fund</i>			9,981	28,486		19,877		18,591	*	57,014	
General Capital Fund:	Ord. 1052	2022	28,000	(2,000)	-				(2,000) *	28,000		
County of Bergen	Ord. 1041	2021	35,650	(5,492)	-				(5,492) *	35,650		
	Ord. 861	2008	750,000	(40,000)	-				(40,000) *	537,384		
	Ord. 761	2001	514,550	(83,136)	-				(83,136) *	479,471		
				(130,628)	-				(130,628) *	1,080,505		
County of Bergen	Ord. 1056-22	2022	22,650	(22,650)	20,500	-			(2,150) *	22,650		
	Ord. 1036-21	2021	20,125	(20,125)	-				(20,125) *	20,125		
	Ord. 1022-20	2020	20,000	(20,000)	-				(20,000) *	20,000		
	03-200-56-130-9110	2014	40,000	(20,180)	-				(20,180) *	40,000		
	Ord. 911-12	2012	85,002	(1,752)	-				(1,752) *	85,002		
	Ord. 871-09	2009	63,352	(3,544)	-				(3,544) *	63,352		
				(88,251)	20,500	-			(67,751) *	251,129		
				(218,879)	20,500	-			(198,379) *	1,331,634		
				\$ (208,898)	48,986		19,877		(179,789) *	1,388,648		
				\$ (1,171,050)	743,054		445,871		(873,866) *	3,728,463		

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

BOROUGH OF NORTHVALE
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Other Trust Fund	\$312,156	\$ -	\$312,156
Grant Fund	465,476	9,737	475,213
General Capital Fund	- <hr/>	416,257	416,257
	<u>\$777,632</u>	<u>\$425,994</u>	<u>\$1,203,626</u>

NOTE 4. DE MINIMIS DIRECT COST RATE

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

BOROUGH OF NORTHALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: GAAP - Adverse;
Regulatory - Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?	<u>yes</u>	<u><input checked="" type="checkbox"/> X</u> no
2. Were significant deficiencies identified that are not considered to be material weaknesses?	<u>yes</u>	<u><input checked="" type="checkbox"/> X</u> no

Noncompliance material to general-purpose financial statements noted? yes X no

Federal Awards Section

Dollar threshold used to determine type A programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

Type of auditors' report on compliance for major programs Unmodified

Internal Control over compliance:

1. Material weakness(es) identified?	<u>yes</u>	<u><input checked="" type="checkbox"/> X</u> no
2. Were significant deficiencies identified that were not considered to be material weaknesses?	<u>yes</u>	<u><input checked="" type="checkbox"/> X</u> no

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
16.922	(A) <u>Equitable Sharing Program (Justice)</u>

Note: (A) - Tested as Major Type A Program.

State Awards Section

Not Applicable

**BOROUGH OF NORTHVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section II - Schedule of Financial Statement Findings

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

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by 2 ACFR 200.516(a) the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

BOROUGH OF NORTHVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

FINDING 2023-01

STATEMENT OF CONDITION

The ESAC was not submitted within two months of the end of the fiscal year and reported expenditures did not agree to the expenditures to the related trust fund.

CRITERIA

In accordance with the Department of Justice's *Guide to Equitable Sharing*, the Equitable Sharing Agreement and Certification Form must be submitted annually in the eShare portal within two months of the end of their fiscal year. Reported figures should agree to the underlying financial records.

EFFECT

The Borough will be considered non-compliant until all paperwork is received and approved. This could affect future funding.

CAUSE

Figures were not available and submitted to the Department in advance of the deadline.

RECOMMENDATION

That the ESAC report be filed timely and in agreement with the underlying financial records.

Schedule of Prior Year Findings

None

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 of 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 3, 2023 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 29, 2023.

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>
2023	8
2022	8
2021	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, 2023, 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, 2023

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 & Affordable Housing & Current & Recreation Trusts*)
5. *In some instances, purchases were made before proper approvals were noted.
6. Multiple bank reconciliations were not complete or insufficient.
7. 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).
8. *In several instances, 1099s were not issued to vendors who should have received them.
9. The Current Fund has long outstanding checks (greater than 180 days) as reconciling items.
10. Health benefit bills are not being paid in a timely manner.
11. An updated listing of fixed assets was not available for audit.

PAYROLL

1. Several employee's health benefits are not being properly calculated.
2. Support for compensated absences was not available for audit.

COURT

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

ANIMAL CONTROL

1. Several dog tags were not accounted for in the monthly reports to the State Department of Health.

DEPARTMENTS

1. Several construction department receipts were not deposited within 48 hours of collection.
2. In several cases, the cash receipts subledgers did not agree with the receipts posted to Edmunds.

BOROUGH OF NORTHVALE
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2023

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. *All purchase orders should include approval of purchase order and appropriate authorization signatures.
6. Bank reconciliations should be complete and provide sufficient backup at the time of review.
7. 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).
8. *That 1099s be issued to all vendors exceeding the threshold.
9. That all stale dated outstanding checks be reviewed and voided as appropriate.
10. That health benefit bills be paid in a timely manner.
11. That a listing of fixed assets be updated annually and available for audit.

PAYROLL

1. More care should be taken to ensure employees' health benefit deductions are properly calculated.
2. That support for compensated absence balances be maintained and available for audit.

COURT

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

ANIMAL CONTROL

1. That all dog tags be accounted for in the monthly reports to the State.

DEPARTMENTS

1. That all receipts be deposited within 48 hours of collections.
2. That departmental receipt subledgers be totaled monthly and agreed to the general ledger.

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 “*”.

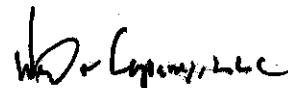
Acknowledgment

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

October 23, 2024