

BOROUGH OF GLEN ROCK, N.J.
REPORT OF AUDIT ON
FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2022

BOROUGH OF GLEN ROCK, N.J.

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	11
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	18
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	20
C-1	Statement of Changes in Fund Balance - Regulatory Basis	21
E	Statement of General Fixed Assets - Regulatory Basis	22
	Notes to Financial Statements	23
	Supplementary Financial Information	58

Exhibit**Page****CURRENT FUND**

A-4	Schedule of Cash - Collector - Treasurer - Current Fund	61
A-5	Schedule of Cash - Change Fund	62
A-6	Schedule of Cash - Petty Cash	62
A-7	Schedule of Amount Due from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 73, P.L. 1976	63
A-8	Schedule of Taxes Receivable and Analysis of Property Tax Levy	64
A-9	Schedule of Tax Title Liens	65
A-10	Schedule of Revenue Accounts Receivable	66
A-11	Schedule of Interfunds	67
A-12	Schedule of Deferred Charges N.J.S.A.40A:4-55 - Special Emergency	68
A-13	Schedule of Appropriation Reserves	69
A-14	Schedule of Encumbrances Payable	72
A-15	Schedule of Accounts Payable	72
A-16	Schedule of Prepaid Taxes	73
A-17	Schedule of Prepaid Revenue	74
A-18	Schedule of Local District School Tax	75
A-19	Schedule of County Taxes Payable	75
A-20	Schedule of Various Cash Liabilities and Reserves	76
A-21	Schedule of Grants Receivable - Federal and State Grant Fund	77
A-22	Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund	78
A-23	Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund	79

TRUST FUND

B-1	Schedule of Cash	80
B-2	Schedule of Interfunds - Trust Funds	81
B-3	Reserve for Dog Fund Expenditures	82
B-4	Schedule of Due (from)/to State Department of Health	83
B-5	Schedule of Various Reserves and Other Trust Funds	84
B-6	Schedule of Payroll Deductions Payable	85
B-7	Schedule of Net Payroll	86
B-8	Statement of Contributions Receivable	87
B-9	Statement of Net Assets Available for Benefits	88

Exhibit**Page****GENERAL CAPITAL FUND**

C-2	Schedule of General Capital Cash	89
C-3	Analysis of General Capital Cash	90
C-4	Schedule of Various Receivables	91
C-5	Schedule of Deferred Charges to Future Taxation - Funded	92
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	93
C-7	Schedule of General Serial Bonds Payable	94
C-8	Schedule of Bond Anticipation Notes Payable	95
C-9	Schedule of Improvement Authorizations	96
C-10	Schedule of Capital Improvement Fund	97
C-11	Schedule of Various Reserves	98
C-12	Schedule of Interfunds	99
C-13	Schedule of Bonds and Notes Authorized But Not Issued	100

PART II

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	101
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance as Required by the Uniform Guidance	103
Schedule of Expenditures of Federal Awards	107
Schedule of Expenditures of State Financial Assistance	109
Notes to the Schedules of Expenditures of Federal and State Awards	111
Schedule of Findings and Questioned Costs	112
Schedule of Prior Audit Findings	114
General Comments	115
Comments and Recommendations	117
Status of Prior Year Audit Findings/Appreciation	118

BOROUGH OF GLEN ROCK

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022



WIELKOTZ & COMPANY^{LLC}

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Glen Rock
Glen Rock, NJ 07452

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 Glen Rock, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Glen Rock, 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.



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 \$1,637,746.88 and \$1,951,698.06 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

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

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 Information

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Glen Rock'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.



Honorable Mayor and
Members of the Borough Council
Page 4.

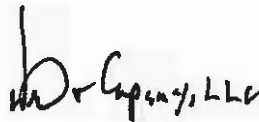
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2023 on our consideration of the Borough of Glen Rock'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 Glen Rock's internal control over financial reporting and compliance.



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



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

July 5, 2023



Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	5,918,469.66	5,610,495.76
Change Fund	A-5	453.00	453.00
		<u>5,918,922.66</u>	<u>5,610,948.76</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	323,613.97	347,269.26
Tax Title Liens	A-9	10,391.76	9,886.48
Revenue Accounts Receivable	A-10	3,202.94	4,790.20
Interfund Receivables:			
Other Trust - Escrow	A-11	222.84	222.84
General Capital Fund	A-11		90,791.00
		<u>337,431.51</u>	<u>452,959.78</u>
Deferred Charges:			
Special Emergency Authorizations	A-12	105,000.00	
		<u>6,361,354.17</u>	<u>6,063,908.54</u>
Federal and State Grant Fund:			
Cash	A-4	385,556.83	89,250.57
Grants Receivable	A-21	3,444.34	3,444.34
		<u>389,001.17</u>	<u>92,694.91</u>
		<u>6,750,355.34</u>	<u>6,156,603.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	624,220.63	451,921.72
Due to State of New Jersey: Ch. 73, P.L.			
Senior Citizens and Veterans Deduction	A-7	31,981.35	31,248.47
Interfunds Payable:			
Other Trust - Payroll Fund	A-11	17,061.35	6,159.99
Other Trust Fund - General Trust	A-11	1,955.00	
Other Trust - SUI Trust	A-11	506.61	
Encumbrances Payable	A-14	548,109.82	183,739.98
Accounts Payable	A-15		8,998.00
Prepaid Taxes	A-16	313,817.11	504,996.59
Prepaid Revenue	A-17	25,025.00	20,400.00
County Taxes Payable	A-19	36,094.76	22,834.86
Due to State of New Jersey - DCA	A-20		5,996.00
Due to State of New Jersey - Marriage	A-20		350.00
Reserve for:			
Municipal Relief Fund	A-20	51,985.06	
		<u>1,650,756.69</u>	<u>1,236,645.61</u>
Reserve for Receivables	Contra	337,431.51	452,959.78
Fund Balance	A-1	<u>4,373,165.97</u>	<u>4,374,303.15</u>
		<u>6,361,354.17</u>	<u>6,063,908.54</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	76,710.08	78,082.70
Unappropriated Reserves for Grants	A-23	312,291.09	14,612.21
		<u>389,001.17</u>	<u>92,694.91</u>
		<u>6,750,355.34</u>	<u>6,156,603.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	1,950,000.00	1,650,000.00
Miscellaneous Revenue Anticipated	A-2	3,652,294.55	3,535,416.15
Receipts from Delinquent Taxes	A-2	337,520.55	364,411.43
Receipts from Current Taxes	A-2	74,558,022.04	73,124,700.88
Non-Budget Revenue	A-2	507,485.79	283,174.73
Other Credits to Income:			
Interfunds Returned	A-11	91,013.84	28.95
Unexpended Balance of Appropriation Reserves	A-13	94,565.12	260,502.78
Canceled Accounts Payable			43,648.00
Canceled Local School Tax Payable			540,000.00
		<hr/>	<hr/>
Total Revenues and Other Income		81,190,901.89	79,801,882.92
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	8,217,079.00	8,081,614.00
Other Expenses	A-3	8,552,836.58	7,633,294.86
Capital Improvement Fund	A-3	280,000.00	280,000.00
Municipal Debt Service	A-3	2,007,505.50	1,876,050.05
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,952,183.00	2,134,508.00
Refund of Prior Year's Revenue	A-4	18,578.50	1,630.39
Interfund Advances	A-11	222.84	91,013.84
Local District School Tax	A-18	51,617,773.00	50,487,730.00
County Taxes including Added Taxes	A-19	6,700,860.65	7,001,618.10
		<hr/>	<hr/>
Total Expenditures		79,347,039.07	77,587,459.24

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Excess (Deficit) Revenue Over Expenditures		1,843,862.82	2,214,423.68
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-12	<u>105,000.00</u>	<u> </u>
Statutory Excess to Fund Balance		1,948,862.82	2,214,423.68
Fund Balance, January 1,	A	<u>4,374,303.15</u>	<u>3,809,879.47</u>
		6,323,165.97	6,024,303.15
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>1,950,000.00</u>	<u>1,650,000.00</u>
Fund Balance, December 31,	A	<u><u>4,373,165.97</u></u>	<u><u>4,374,303.15</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Ref	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	1,950,000.00	1,950,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-10	14,000.00	14,870.00	870.00
Other	A-2	6,500.00	8,560.00	2,060.00
Fees and Permits	A-2	86,000.00	83,806.25	(2,193.75)
Fines and Costs: Municipal Court	A-10	34,400.00	31,064.33	(3,335.67)
Interest and Costs on Taxes	A-4	47,000.00	40,701.58	(6,298.42)
Parking Meters	A-10	16,900.00	64,095.51	47,195.51
Verizon Fios Franchise Fee	A-10	87,670.00	87,669.50	(0.50)
Residential Parking Fees	A-10	48,950.00	71,384.17	22,434.17
Cell Tower Revenue	A-10	240,000.00	253,989.56	13,989.56
Recycling Programs Sales	A-10	57,000.00	41,060.86	(15,939.14)
Sewer Rental Fee - Hawthorne	A-10	21,000.00	22,270.50	1,270.50
Cable T.V.	A-10	68,665.00	68,665.00	
Shack Program	A-10	9,600.00	27,374.00	17,774.00
Swimming Pool Badges	A-10	329,000.00	343,226.50	14,226.50
Pavilion Rental	A-10	1,500.00	1,425.00	(75.00)
Swimming Pool Concession Stand Rental	A-10	5,000.00	19,075.00	14,075.00
Rent of Municipal Property	A-10	18,000.00	19,152.66	1,152.66
Senior Transportation - Taxi Books	A-10	200.00	770.00	570.00
Energy Receipts Tax	A-10	996,572.00	996,572.00	
Uniform Construction Code Fees	A-10	565,000.00	620,499.00	55,499.00
Interlocal Agreements				
Municipal Court-Wyckoff/ Ridgewood	A-10	107,543.00	107,271.00	(272.00)
Public and Private Revenues:				
Recycling Tonnage Grant	A-21	12,094.00	12,094.00	
Body-Worn Camera Grant	A-21	39,130.00	39,130.00	
Clean Communities Program	A-21	21,569.28	21,569.28	
NJ CARES Act - Bergen County	A-21	6,700.41	6,700.41	
Body Armor Fund	A-21	1,911.80	1,911.80	
CDBG - Senior Programs	A-21	28,700.00	28,700.00	
Assistance to Firefighters Grant	A-21	293,409.09	293,409.09	
Distracted Driving Grant	A-21	6,000.00	6,000.00	
Other Special Items:				
Uniform Fire Safety Act	A-10	10,950.00	13,277.55	2,327.55
Fiscal Recovery Funds - ARP - Loss of Revenue	A-10	306,000.00	306,000.00	
Total Miscellaneous Revenues	A-1	3,486,964.58	3,652,294.55	165,329.97
Receipts from Delinquent Taxes	A-1/A-2	348,000.00	337,520.55	(10,479.45)
Subtotal General Revenues		5,784,964.58	5,939,815.10	154,850.52
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		15,306,352.00	16,426,098.39	1,119,746.39
Minimum Library Tax		916,956.00	916,956.00	
Total Amount to be Raised by Taxes for Support of Bud.	A-2/A-8	16,223,308.00	17,343,054.39	1,119,746.39
Budget Totals		22,008,272.58	23,282,869.49	1,274,596.91
Non-Budget Revenue	A-1/A-2		507,485.79	507,485.79
		22,008,272.58	23,790,355.28	1,782,082.70
Adopted Budget	A-3	21,693,294.21		
Appropriated by N.J.S. 40A:4-87	A-3	314,978.37		
		22,008,272.58		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2022

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	74,558,022.04
Allocated to School and County Taxes	A-8	<u>58,318,633.65</u>
Balance for Support of Municipal Budget Appropriations		16,239,388.39
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>1,103,666.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>17,343,054.39</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	<u>337,520.55</u>
	A-2	<u>337,520.55</u>
Licenses - Other:		
Clerk	A-10	1,150.00
Board of Health/ Registrar	A-10	<u>7,410.00</u>
	A-2	<u>8,560.00</u>
Fees and Permits - Other:		
Planning/ Zoning	A-10	16,250.00
Construction Code	A-10	7,170.00
Police	A-10	37,135.25
Fire Prevention	A-10	22,541.00
Board of Health / Registrar	A-10	<u>710.00</u>
	A-2	<u>83,806.25</u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Miscellaneous Sales		724.53
Bounced Check Fees		200.00
Spectrum Donation		7,836.17
Sewer Charges		4,298.86
Senior Citizens & Vets Admin Fee		919.66
Sale of Assets		23,445.00
Miscellaneous Fees		7,302.48
Tax Miscellaneous		2,614.50
Off Duty Police ~		119,855.00
Interest on Investments		130,923.18
P.I.L.O.T		3,932.28
P.I.L.O.T - Admin Fee		78.65
Kindergarten Swim		6,050.00
DMV Inspections		2,350.00
Property Owner Lists		410.00
LOSAP Forfeitures		1,457.71
Miscellaneous Refunds & Reimbursements		4,232.34
FEMA		<u>190,855.43</u>
	A-2, A-4	<u>507,485.79</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Administration						
Salaries and Wages		97,160.00	115,521.00	105,484.64	10,036.36	
Mayor and Council						
Salaries and Wages		22,507.00	22,507.00	22,507.00		
Municipal Clerk						
Salaries and Wages		187,912.00	169,551.00	169,003.83	547.17	
Other Expenses		214,300.00	210,800.00	209,052.17	1,747.83	
Elections						
Salaries and Wages		2,408.00	2,408.00	2,029.14	378.86	
Other Expenses		13,000.00	14,500.00	14,432.80	67.20	
Financial Administration						
Salaries and Wages		186,693.00	186,693.00	186,693.00		
Other Expenses		35,000.00	35,600.00	35,557.70	42.30	
Audit Services		44,500.00	46,500.00	46,450.00	50.00	
Revenue Administration (Tax Collection)						
Salaries and Wages		92,225.00	92,225.00	91,207.97	1,017.03	
Other Expenses		12,800.00	20,300.00	19,194.11	1,105.89	
Tax Assessment Administration						
Salaries and Wages		43,882.00	43,882.00	43,882.00		
Other Expenses		4,350.00	4,350.00	3,840.90	509.10	
Preparation of Tax Map						
Liquidation of Tax Title Liens						
Other Expenses		100.00	100.00	65,000.00		
Legal Services (Legal Department)						
Other Expenses		92,000.00	110,000.00	108,374.68	1,625.32	
Engineering Services and Costs						
Other Expenses		55,000.00	55,000.00	54,439.00	561.00	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Planning Board						
Salaries and Wages		47,175.00	47,175.00	47,175.00		
Other Expenses		24,900.00	24,900.00	17,097.59	7,802.41	
Zoning Board						
Salaries and Wages		44,770.00	44,770.00	44,770.00		
Other Expenses		11,000.00	11,000.00	8,539.75	2,460.25	
Preparation of Master Plan			40,000.00		40,000.00	
Insurance:						
General Liability		672,435.00	672,435.00	649,598.21	22,836.79	
Employee Group Insurance		1,835,000.00	1,812,400.00	1,808,870.14	3,529.86	
Health Benefit Waiver		13,100.00	15,600.00	15,531.92	68.08	
Unemployment Insurance		5,000.00	5,000.00	5,000.00		
Police						
Salaries and Wages		3,375,959.00	3,375,959.00	3,368,348.66	7,610.34	
Other Expenses		234,595.00	234,595.00	221,704.06	12,890.94	
ARP - Police Salaries & Wages		306,000.00	306,000.00	306,000.00		
Office of Emergency Management						
Salaries and Wages		13,447.00	13,447.00	13,445.64	1.36	
Other Expenses		33,900.00	20,900.00	18,959.87	1,940.13	
Fire Department						
Other Expenses		73,400.00	86,400.00	71,261.99	15,138.01	
Other Expenses - Clothing Allowance		36,000.00	36,000.00	35,310.76	689.24	
Aid to Volunteer Ambulance Companies						
Other Expenses		129,700.00	129,700.00	104,700.00	25,000.00	
Fire Prevention						
Salaries and Wages		55,466.00	54,401.00	53,442.28	958.72	
Other Expenses		4,500.00	4,500.00	2,131.28	2,368.72	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Ref.	Budget	Budget	Paid or	Reserved	Unexpended Balance Cancelled
			After Modification	Charged		
<u>General Appropriations</u>						
Municipal Prosecutor						
Other Expenses		13,000.00	14,065.00	14,065.00		
Streets and Road Maintenance						
Salaries and Wages		1,691,949.00	1,623,849.00	1,588,462.77	35,386.23	
Other Expenses		565,550.00	566,550.00	514,997.11	51,552.89	
Solid Waste Collection						
Salaries and Wages		924,440.00	851,423.00	840,641.07	10,781.93	
Other Expenses		50,500.00	58,500.00	56,155.04	2,344.96	
Recycling						
Salaries and Wages		400,050.00	400,050.00	298,475.95	101,574.05	
Other Expenses		223,406.00	223,406.00	194,670.22	28,735.78	
Building and Grounds						
Other Expenses		132,700.00	152,700.00	147,495.45	5,204.55	
Public Health Services (Board of Health)						
Salaries and Wages		1,630.00	1,647.00	1,647.00		
Other Expenses		66,172.00	66,172.00	61,461.63	4,710.37	
Recreation Commission RS 40:12-1						
Salaries and Wages		70,500.00	73,100.00	73,088.37	11.63	
Other Expenses		39,650.00	37,050.00	28,241.70	8,808.30	
Recreation Services and Programs - Senior Citizens						
Other Expenses		22,750.00	22,750.00	6,240.88	16,509.12	
Recreation Services and Programs - Shuttle Bus Program						
Salaries and Wages		38,500.00	38,500.00	36,337.34	2,162.66	
Other Expenses		1,500.00	3,000.00	2,749.24	250.76	
Swimming Pool						
Salaries and Wages		176,000.00	176,000.00	148,366.35	27,633.65	
Other Expenses		125,000.00	125,000.00	81,637.74	43,362.26	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Landfill/Solid Waste Disposal Costs		318,000.00	318,000.00	315,000.00	3,000.00	
Other Expenses						
Municipal Court						
Salaries and Wages		127,826.00	127,826.00	126,178.72	1,647.28	
Other Expenses		8,700.00	8,700.00	2,399.29	6,300.71	
Construction Code Official						
Salaries and Wages		333,602.00	342,602.00	341,900.32	701.68	
Other Expenses		19,800.00	19,800.00	18,390.02	1,409.98	
Fire Hydrant Service						
Other Expenses		31,000.00	31,000.00	30,569.22	430.78	
Electricity						
Other Expenses		235,000.00	235,000.00	230,446.37	4,553.63	
Street Lighting						
Other Expenses		140,000.00	215,000.00	210,536.21	4,463.79	
Telephone (Excluding Equipment Acquisition)						
Other Expenses		80,000.00	83,500.00	83,259.45	240.55	
Water						
Other Expenses		50,000.00	50,000.00	49,514.77	485.23	
Natural Gas						
Other Expenses		50,000.00	50,000.00	44,263.31	5,736.69	
Fuel Oil						
Other Expenses		140,000.00	140,000.00	137,798.49	2,201.51	
Contingent		4,000.00	4,000.00	3,253.37	746.63	
Total Operations within "CAPS"		<u>14,101,409.00</u>	<u>14,189,309.00</u>	<u>13,657,278.49</u>	<u>532,030.51</u>	
Detail:						
Salaries and Wages	A-1	8,240,101.00	8,109,536.00	7,909,087.05	200,448.95	
Other Expenses	A-1	5,861,308.00	6,079,773.00	5,748,191.44	331,581.56	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Appropriations						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		571,949.00	571,949.00	571,949.00		
Police and Firemen's Retirement System		887,134.00	887,134.00	887,134.00		
Social Security System (O.A.S.I.)		475,000.00	469,790.00	459,258.56	10,531.44	
Defined Contribution Retirement Plan		16,000.00	23,310.00	23,303.30	6.70	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,950,083.00	1,952,183.00	1,941,644.86	10,538.14	
Total General Appropriations for Municipal Purposes within "CAPS"		16,051,492.00	16,141,492.00	15,598,923.35	542,568.65	
Operations - Excluded from "CAPS"						
Municipal Library						
Other Expense		916,956.00	931,956.00	928,523.85	3,432.15	
Reserve for Tax Appeals		5,000.00	5,000.00		5,000.00	
LOSAP						
Other Expenses		55,000.00	55,000.00		55,000.00	
Recycling Tax						
Other Expenses		13,500.00	13,500.00	13,000.00	500.00	
Police Dispatch		419,609.00	419,609.00	419,609.00		
Other Expenses						
Sewerage Processing and Disposal						
Other Expenses		638,484.00	638,484.00	638,483.12	0.88	
Shared Municipal Court						
Salaries and Wages		107,543.00	107,543.00	89,824.05	17,718.95	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Appropriations						
Public and Private Programs Offset by Revenues						
Body Armor Grant		1,911.80	1,911.80	1,911.80		
Recycling Tonnage		12,094.00	12,094.00	12,094.00		
Clean Communities Program		21,569.28	21,569.28	21,569.28		
Body Worn Camera Grant		39,130.00	39,130.00	39,130.00		
CDBG - Senior Programs		28,700.00	28,700.00	28,700.00		
Assistance to Firefighters Grant		293,409.09	293,409.09	293,409.09		
Distracted Driving Grant		6,000.00	6,000.00	6,000.00		
NJ CARES Act		6,700.41	6,700.41	6,700.41		
Total Operations - Excluded from "CAPS"		<u>2,565,606.58</u>	<u>2,580,606.58</u>	<u>2,498,954.60</u>	<u>81,651.98</u>	
Detail:						
Salaries & Wages	A-1	107,543.00	107,543.00	89,824.05	17,718.95	
Other Expenses	A-1	<u>2,458,063.58</u>	<u>2,473,063.58</u>	<u>2,409,130.55</u>	<u>63,933.03</u>	
Capital Improvements:						
Capital Improvement Fund		<u>280,000.00</u>	<u>280,000.00</u>	<u>280,000.00</u>		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>280,000.00</u>	<u>280,000.00</u>	<u>280,000.00</u>		
Municipal Debt Service:						
Payment of Bond Principal		1,585,000.00	1,585,000.00	1,585,000.00		
Payment of Bond Anticipation Notes		119,800.00	119,800.00	119,800.00		
Interest on Bonds		275,065.00	275,065.00	275,062.50		2.50
Interest on Notes		<u>27,643.00</u>	<u>27,643.00</u>	<u>27,643.00</u>		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>2,007,508.00</u>	<u>2,007,508.00</u>	<u>2,007,505.50</u>		<u>2.50</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>4,853,114.58</u>	<u>4,868,114.58</u>	<u>4,786,460.10</u>	<u>81,651.98</u>	<u>2.50</u>

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Subtotal General Appropriations		20,904,606.58	21,009,606.58	20,385,383.45	624,220.63	2.50
Reserve for Uncollected Taxes		<u>1,103,666.00</u>	<u>1,103,666.00</u>	<u>1,103,666.00</u>		
Total General Appropriations		<u>22,008,272.58</u>	<u>22,113,272.58</u>	<u>21,489,049.45</u>	<u>624,220.63</u>	<u>2.50</u>
					A	
Adopted Budget	A-2		21,693,294.21			
Appropriated by N.J.S. 40A:4-87	A-2		314,978.37			
Appropriated by (N.J.S. 40A:4-53)	A-13		<u>105,000.00</u>			
			<u>22,113,272.58</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			1,103,666.00		
Cash Disbursed	A-4			19,427,759.05		
Encumbrances Payable	A-14			548,109.82		
Reserve for Federal and State Grants	A-22			<u>409,514.58</u>		
				<u>21,489,049.45</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Animal Control Trust:			
Cash - Treasurer	B-1	11,396.90	14,375.80
Due from State Department of Health	B-4		76.80
		<u>11,396.90</u>	<u>14,452.60</u>
Other Trust Funds:			
Cash - Treasurer	B-1	1,438,032.64	1,300,086.81
Interfund - Current Fund	B-2	<u>19,522.96</u>	<u>6,159.99</u>
		<u>1,457,555.60</u>	<u>1,306,246.80</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	1,637,746.88	1,896,526.62
Contributions Receivable	B-8		55,171.44
		<u>1,637,746.88</u>	<u>1,951,698.06</u>
		<u>3,106,699.38</u>	<u>3,272,397.46</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal Control Trust:			
Reserve for Dog Fund Expenditures	B-3	<u>11,396.90</u>	<u>14,452.60</u>
		<u>11,396.90</u>	<u>14,452.60</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	222.84	222.84
Interfund - General Capital Fund	B-2	62,500.00	
Various Reserves	B-5	1,330,209.21	1,213,976.59
Payroll Deductions Payable	B-6	<u>64,623.55</u>	<u>92,047.37</u>
		<u>1,457,555.60</u>	<u>1,306,246.80</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-9	<u>1,637,746.88</u>	<u>1,951,698.06</u>
		<u>1,637,746.88</u>	<u>1,951,698.06</u>
		<u>3,106,699.38</u>	<u>3,272,397.46</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Cash	C-2/C-3	946,323.20	5,561,626.80
Various Receivables	C-4	1,588,465.44	1,289,466.44
Deferred Charges to Future Taxation:			
Funded	C-5	8,810,000.00	10,395,000.00
Unfunded	C-6	12,380,970.00	10,014,970.00
Interfund - Other Trust Fund	C-12	62,500.00	
		<u>23,788,258.64</u>	<u>27,261,063.24</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-7	8,810,000.00	10,395,000.00
Bond Anticipation Notes	C-8	9,892,000.00	9,900,000.00
Improvement Authorizations:			
Funded	C-9	637,005.42	902,059.14
Unfunded	C-9	4,158,215.38	5,848,046.02
Capital Improvement Fund	C-10	127,365.00	23,616.00
Reserve for:			
Municipal Improvements	C-11	93,524.00	93,524.00
Apron Assessments	C-11	1,083.00	1,083.00
Debt Service	C-11	6,943.75	6,943.75
Interfund - Current Fund	C-12		90,791.00
Fund Balance	C-1	62,122.09	0.33
		<u>23,788,258.64</u>	<u>27,261,063.24</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2022 and 2021 of \$2,488,970.00 and \$114,970.00 respectively per Exhibit C-13.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Balance - January 1,	C	0.33	90,791.33
Increased by:			
Premium on Sale of Notes	C-2	<u>62,121.76</u>	<u> </u>
		62,122.09	90,791.33
Decreased by:			
Anticipated as Revenue		<u> </u>	<u>90,791.00</u>
Balance - December 31,	C/C-3	<u><u>62,122.09</u></u>	<u><u>0.33</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Exhibit E

Borough of Glen Rock, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2022

With Comparative Figures for 2021

	<u>2022</u>	<u>2021</u>
<u>General Fixed Assets:</u>		
Land	4,960,300.00	4,960,300.00
Buildings and Building Improvements	3,512,260.00	3,449,502.00
Machinery and Equipment	<u>9,146,738.00</u>	<u>8,602,177.00</u>
	<u>17,619,298.00</u>	<u>17,011,979.00</u>
 Investment in Fixed Assets	 <u>17,619,298.00</u>	 <u>17,011,979.00</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of Glen Rock 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 Glen Rock (the "Borough") 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 Free Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

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

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

The Borough has the following funds and account groups:

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.

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.

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

Emergency Services Volunteer Length of Service Award Program - 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.

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 August 9, 2011, the Borough transferred the financial and operational responsibility for the administration of general public assistance to the Bergen County Board of Social Services.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Glen Rock. 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. 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 fiscal year 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

Basis of Accounting, (continued)

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 for the current fund. 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

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022, the Borough Council increased the original budget by \$419,978.37, \$314,978.37 in additional aid allotted the Borough and \$105,000 in Special Emergency Appropriations. In addition, several budget transfers were approved by the governing body.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

Basis of Accounting, (continued)

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.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. The Borough does not compensate for accumulated unused vacation and sick days. 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

Basis of Accounting, (continued)

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 cost 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 - The Borough of Glen Rock has developed a fixed assets accounting and reporting system as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

Basis of Accounting, (continued)

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 has not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

Impact of Recently Issued Accounting Principles

There were no recently issued accounting pronouncements that were adopted by 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.

NOTE2. 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 Statute 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022, \$0- of the Borough's bank balance of \$9,638,877.93 was exposed to custodial credit risk.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

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

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 Statute 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statute 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 14, 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. 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 Variable Annuity Life Insurance Company, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$1,637,746.88 and \$1,896,526.62, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Fixed Income	\$352,998.84	\$334,711.01
Growth Funds	288,739.98	375,774.40
Index Funds	757,820.13	920,644.99
Value Funds	148,316.26	167,323.76
All Others	89,871.67	98,072.46
Total	<u>\$1,637,746.88</u>	<u>\$1,896,526.62</u>

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 3. MUNICIPAL DEBT

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

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences	\$650,181.07	\$89,790.98	\$93,510.24	\$646,461.81	\$
Bonds Payable - General Obligation Debt	10,395,000.00	<u> </u>	<u>1,585,000.00</u>	<u>8,810,000.00</u>	<u>1,585,000.00</u>
	<u>\$11,045,181.07</u>	<u>\$89,790.98</u>	<u>\$1,678,510.24</u>	<u>\$9,456,461.81</u>	<u>\$1,585,000.00</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>ISSUED</u>			
General - Bonds, Loans and Notes	\$18,702,000.00	\$20,295,000.00	\$15,120,500.00
Less: Funds Temporarily Held to Pay Bonds and Notes:			
General	<u>6,943.75</u>	<u>6,943.75</u>	<u>6,943.75</u>
Net Debt Issued	18,695,056.25	20,288,056.25	15,113,556.25
<u>AUTHORIZED BUT NOT ISSUED</u>			
General - Bonds and Notes	<u>2,488,970.00</u>	<u>114,970.00</u>	<u>1,494,470.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$21,184,026.25</u>	<u>\$20,403,026.25</u>	<u>\$16,608,026.25</u>

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a net debt of .755%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$39,870,320.00	\$39,870,320.00	\$0.00
General Debt	<u>21,190,970.00</u>	<u>6,943.75</u>	<u>21,184,026.25</u>
	<u>\$61,061,290.00</u>	<u>\$39,877,263.75</u>	<u>\$21,184,026.25</u>

Net Debt \$21,184,026.25 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,804,447,018.00 = .755%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

3-1/2% of equalized valuation basis (municipal)	\$98,155,645.63
Less net debt	<u>21,184,026.25</u>
Remaining Borrowing Power	<u>\$76,971,619.38</u>

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

Paid by Current Fund:

	<u>Amount Outstanding</u>
\$9,550,000.00 General Improvement Bonds - issued January 15, 2014, due through January 15, 2024 with an interest rate of 1.50%-3.00%	\$2,250,000.00
\$8,370,000.00 General Improvement Bonds - issued July 15, 2018, due through July 15, 2030 with an interest rate of 2.50%-3.00%	<u>6,560,000.00</u>
Total Serial Bonds	<u>\$8,810,000.00</u>

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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.

In addition to the above, the Borough had authorized but not issued debt, as follows:

General Capital	<u>\$2,488,970.00</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

Calendar	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$1,585,000.00	\$232,625.00	\$1,817,625.00
2024	1,925,000.00	187,375.00	2,112,375.00
2025	800,000.00	150,500.00	950,500.00
2026	900,000.00	130,500.00	1,030,500.00
2027	900,000.00	108,000.00	1,008,000.00
2028-2030	<u>2,700,000.00</u>	<u>162,000.00</u>	<u>2,862,000.00</u>
	<u>\$8,810,000.00</u>	<u>\$971,000.00</u>	<u>\$9,781,000.00</u>

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 4. BOND ANTICIPATION NOTES, (continued)

On December 31, 2022, the Borough had \$9,892,000.00 in outstanding general capital bond anticipation notes maturing on July 20, 2023 at an interest rate of 4.75%.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Amboy Bank	\$9,900,000.00	\$	\$9,900,000.00	\$
TD Bank	<u> </u>	<u>9,892,000.00</u>	<u> </u>	<u>9,892,000.00</u>
	<u>\$9,900,000.00</u>	<u>\$9,892,000.00</u>	<u>\$9,900,000.00</u>	<u>\$9,892,000.00</u>

NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the Borough had Special Emergencies of \$105,000.00 on the Current Fund Balance Sheet.

	<u>Balance Dec. 31, 2022</u>	<u>Amount in 2023 Budget</u>	<u>Balance to Succeeding Years</u>
Special Emergency Authorization	\$105,000.00	\$21,000.00	\$84,000.00

NOTE 6. LOCAL SCHOOL TAXES

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2022.

NOTE 7. 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).

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

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

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

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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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.

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. 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>	<u>DCRP</u>
2022	\$571,949.00	\$887,134.00	\$23,303.30
2021	565,485.00	841,323.00	17,472.75
2020	499,295.00	819,281.40	15,811.19

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

Contribution Requirements, (continued)

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.

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

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, 2021, the Borough had a liability of \$5,785,586.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .0488379366 percent, which was a decrease of .0028540261 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the Borough recognized pension expense of \$571,949.00. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$91,246	\$41,418
Changes of assumptions	30,131	2,059,706
Net difference between projected and actual earnings on pension plan investments		1,524,075
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>121,756</u>	<u>594,574</u>
Total	<u>\$243,133</u>	<u>\$4,219,773</u>

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

Year ended June 30:	
2022	\$(1,356,146)
2023	(974,711)
2024	(664,587)
2025	(499,572)
2026	194

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 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

Additional Information

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	.0488379366%	.0516919627%

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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.

Long-Term Rate of Return

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$7,878,795	\$5,785,586	\$4,009,201

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 GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2021, the Borough had a liability of \$5,563,617 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .0761185040 percent, which was an increase of .0008101483 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the Borough recognized pension expense of \$887,134. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$63,474	\$666,464
Changes of assumptions	29,605	1,667,391
Net difference between projected and actual earnings on pension plan investments		2,370,838
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,084,147</u>	<u>149,561</u>
Total	<u>\$1,177,226</u>	<u>\$4,854,254</u>

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

Year ended June 30:

2022	\$(1,476,354)
2023	(1,108,215)
2024	(950,926)
2025	(937,729)
2026	(118,282)
Thereafter	(20,108)

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

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

Changes in Proportion

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

Additional Information

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

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,520	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	.0761185040%	.0753083557%

Actuarial Assumptions

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

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

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

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

Mortality Rates

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

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

Long-Term Rate of Return

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

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE7. PENSION PLANS, (continued)

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

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

Long-Term Rate of Return, (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

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

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

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

	<u>June 30, 2021</u>		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$10,824,227	\$5,563,617	\$4,051,993

Special Funding Situation - PFRS

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

At December 31, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,564,766 and \$1,510,181, respectively. For the years ended December 31, 2021 and 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$174,269 and \$171,149, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$135,930 and \$116,208, 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.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 7. PENSION PLANS, (continued)

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

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

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.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 7, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

Total OPEB Liability

The following Other Post Employment Benefit information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current Other Post Employment Benefit information is available.

At December 31, 2021, the Borough had a liability of \$22,851,802 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2021 the Borough's proportion was .126956 percent.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

For the year ended December 31, 2022, the Borough recognized OPEB expense of \$595,713. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$512,767	\$4,780,934
Changes of assumptions	3,287,300	4,039,324
Net difference between projected and actual earnings on OPEB plan investments	10,926	
Changes in proportion	<u>1,293,895</u>	<u>2,489,521</u>
Total	<u>\$5,104,888</u>	<u>\$11,309,779</u>

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

Year ended June 30:

2022	\$(1,364,464)
2023	(1,366,259)
2024	(1,367,899)
2025	(976,821)
2026	(164,210)
Thereafter	230,388

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate	2.50%
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Salary increases*:

Public Employees' Retirement System (PERS)

Initial fiscal year applied

Rate through 2026	2.00% to 6.00%
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Rate thereafter	3.00% to 7.00%
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Police and Firemen's Retirement System (PFRS)

Rate for all future years	3.25% to 15.25%
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Mortality:

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* Salary increases are based on years of service within the respective plan.

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

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Discount Rate

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

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease <u>1.16%</u>	At Current Discount Rate <u>2.16%</u>	1% Increase <u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$26,892,188	\$22,851,802	\$19,649,710

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2020		
	% Decrease <u></u>	Healthcare Cost Trend Rate <u></u>	% Increase <u></u>
Borough's proportionate share of Net OPEB liability	\$19,066,099	\$22,851,802	\$27,791,676

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 9. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2022 and 2021 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2023 and 2022 were as follows:

	Anticipated <u>2023</u>	Anticipated <u>2022</u>
Current Fund	<u>\$2,650,000</u>	<u>\$1,950,000.00</u>

NOTE 10. FIXED ASSETS

The balance as of December 31, 2022 and December 31, 2021 are as follows:

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
Land	\$4,960,300.00	\$	\$	\$4,960,300.00
Building and Building Improvements	3,449,502.00	62,758.00		3,512,260.00
Machinery and Equipment	<u>8,602,177.00</u>	<u>773,511.00</u>		<u>9,146,738.00</u>
	<u>\$17,011,979.00</u>	<u>\$836,269.00</u>	<u>\$0.00</u>	<u>\$17,619,298.00</u>

NOTE 11. ACCRUED SICK AND VACATION BENEFITS

The Chief Financial Officer has advised our office that the accrued sick and vacation benefits policies of the Borough of Glen Rock are as follows:

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$646,461.81 and \$650,181.07 at December 31, 2022 and 2021, respectively. These amounts, which are considered material to the financial statements, are not reported either as an expenditure or liability.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 12. DUE TO/FROM OTHER FUNDS

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

\$2,238.77	Due to Other Trust Fund from Current Fund for Other Trust Fund receipts deposited in Current Fund.
17,061.35	Due to Payroll Trust Fund from Current Fund for Current Fund expenditures paid by Payroll Fund.
<u>62,500.00</u>	Due to General Capital Fund from Other Trust Fund Improvement for Authorization financing source.
<u>\$81,800.12</u>	

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

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 Dec 31, 2022</u>	<u>Balance Dec 31, 2021</u>
Prepaid Taxes	<u>\$313,817.11</u>	<u>\$504,996.59</u>
Cash Liability for Taxes Collected in Advance	<u>\$313,817.11</u>	<u>\$504,996.59</u>

NOTE 14. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Borough of Glen Rock Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on July 25, 2001 pursuant to 457(e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Glen Rock approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Glen Rock Volunteer Fire Department and the Volunteer Ambulance Corps. Inc., come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 14. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED, (continued)

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Glen Rock has contributed \$1,532.54 and \$1,520.38, for 2022 and 2021, respectively, for each eligible Glen Rock Volunteer Fire Department and Volunteer Corps. Inc. member into the Plan. The total Borough contributions were not known at time of audit and \$55,171.44 for 2022 and 2021, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administer of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Service. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Funds.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 15. 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 2022 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 Glen Rock is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Glen Rock is a member of the Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund. These funds are both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a. Workers' Compensation and Employer's Liability
- b. Liability Other Than Motor Vehicles
- c. Property Damage Other Than Motor Vehicles
- d. Motor Vehicle

The Municipal Excess Liability Joint Insurance Fund also offers Public Officials' Liability Coverage.

Members of the Bergen County Municipal Joint Insurance Fund are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Bergen County Municipal Joint Insurance Fund from a commercial carrier.

As a member of these Funds, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

These Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

BOROUGH OF GLEN ROCK, N.J.
Notes to Financial Statements
Years Ended December 31, 2022 and 2021
(continued)

NOTE 15. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance

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

<u>Year ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	\$5,000.00	\$506.61	\$12,451.85	\$12,020.50	\$61,627.20
2021	25,000.00	9.82	10,745.38	12,528.94	55,689.24
2020	5,000.00	19.42	7,858.40	16,607.69	32,462.98

NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Borough Counsel that the Borough is not involved in any litigation that would materially affect the financial statements.

NOTE 17. 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 amount of federal aid available to the Borough of Glen Rock is \$1,225,354.77 which will be available for use until December 31, 2024.

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 5, 2023, the date which the financial statements were available to be issued, and, no items were noted for disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>3.081</u>	<u>3.043</u>	<u>3.049</u>
Apportionment of Tax Rate:			
Municipal (includes Library Tax)	.670	.656	.639
County	.276	.291	.281
Local School	2.135	2.096	2.129
Assessed Valuations:			
2022	\$2,418,336,300.00		
2021		\$2,408,386,755.00	
2020			\$2,393,170,555.00

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2022	\$74,911,598.25	\$74,558,022.04	99.53%
2021	73,525,995.31	73,124,700.88	99.45
2020	73,239,070.54	72,860,443.27	99.48

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$10,391.76	\$323,613.97	\$334,005.73	.45%
2021	9,886.48	347,269.26	357,155.74	.49
2020	9,387.43	364,411.43	373,798.86	.51

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance</u>	Utilized in Budget of <u>Succeeding Year</u>
2022	\$4,373,165.97	\$2,650,000.00
2021	4,374,303.15	1,950,000.00
2020	3,809,879.47	1,650,000.00
2019	3,947,508.03	1,650,000.00
2018	3,856,135.39	1,500,000.00
2017	3,110,152.89	1,100,000.00

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>
Kristine Morieko	Mayor	
Mary Barchetto	Council President	
Amy Martin	Council Member	
Rob Dill	Council Member	
Teresa Gilbreath	Council Member	
Jill Orlich	Council Member	
Jon Cole	Council Member	
Lenora Benjamin	Borough Administrator/Chief Financial Officer	
Jacqueline Scalia	Borough Clerk	
Partica Miller	Tax Collector	
William Yirce	Tax Assessor	
Dean Ackermann	Police Chief	
Anthony Suarez	Attorney	
David Pfund	Magistrate	
Kimberly McWilliams	Court Administrator	

* Covered through the Municipal Excess Liability Joint Insurance Fund.

Borough of Glen Rock, N.J.
Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal & State Grant Fund</u>
Balance - December 31, 2021	A	5,610,495.76	89,250.57
Increased by Receipts:			
Interest and Costs on Taxes	A-2	40,701.58	
Miscellaneous Revenue Not Anticipated	A-2	507,485.79	
Petty Cash	A-6	100.00	
Due From State - Senior Citizen and Veteran Deductions	A-7	45,982.88	
Taxes Receivable	A-8	74,345,296.00	
Revenue Accounts Receivable	A-10	3,181,678.39	
Interfunds	A-11	108,332.95	
Prepaid Taxes	A-16	313,817.11	
Prepaid Revenue	A-17	25,025.00	
Various Cash Liabilities and Reserves	A-20	107,078.89	
Federal and State Grants Receivable	A-21		394,901.84
Unappropriated Reserves for Grants	A-23		312,291.09
		<u>78,675,498.59</u>	<u>707,192.93</u>
		84,285,994.35	796,443.50
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	18,578.50	
Current Year Budget Appropriations	A-3	19,427,759.05	
Petty Cash	A-6	100.00	
Interfunds	A-11	4,178.98	
Appropriation Reserves	A-13	537,600.92	
Accounts Payable	A-15	12,493.66	
Local District School Taxes	A-18	51,617,773.00	
County Taxes Payable	A-19	6,687,600.75	
Various Cash Liabilities and Reserves	A-20	61,439.83	
Appropriated Reserves for Grants	A-22		410,886.67
		<u>78,367,524.69</u>	<u>410,886.67</u>
Balance - December 31, 2022	A	<u>5,918,469.66</u>	<u>385,556.83</u>

Exhibit A-5**Borough of Glen Rock, N.J.****Schedule of Cash - Change Fund****Current Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	A	<u>453.00</u>
Balance - December 31, 2022	A	<u>453.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		153.00
Construction Code		100.00
Borough Clerk		100.00
Municipal Court		<u>100.00</u>
		<u>453.00</u>

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

	<u>Ref.</u>	
Increased by:		
Disbursed	A-4	<u>100.00</u>
Decreased by:		
Returned to Treasurer	A-4	<u>100.00</u>

Borough of Glen Rock, N.J.

**Schedule of Amount Due To State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	31,248.47
Increased by:		
Senior Citizens' and Veterans' Deductions		
Disallowed by Tax Collector		1,000.00
Decreased by:		
Senior Citizens' and Veterans' Deductions		
Per Tax Billings		45,500.00
Senior Citizens' and Veterans' Deductions		
Allowed by Tax Collector		<u>750.00</u>
	A-8	<u>45,250.00</u>
		14,001.53
Increased by:		
Cash Receipts	A-4	<u>45,982.88</u>
Balance - December 31, 2022	A	<u><u>31,981.35</u></u>

Borough of Glen Rock, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	Levy	Added Taxes	Collected 2021	Collected 2022	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2022
prior	347,269.26				337,520.55			9,748.71	
2022		74,508,943.01	402,655.24	504,996.59	74,007,775.45	45,250.00	505.28	29,456.96	323,613.97
	347,269.26	74,508,943.01	402,655.24	504,996.59	74,345,296.00	45,250.00	505.28	39,205.67	323,613.97
	A			A-2/A-16	A-2/A-4	A-2/A-7	A-9		A
Analysis of Tax Levy									
Tax yield:				Ref.					
General Purpose Tax				74,508,943.01					
Added Tax (R.S. 54:4-63.1 et seq.)				402,655.24					
Tax Levy:				74,911,598.25					
Local District School Tax				51,617,773.00					
County Tax				6,664,765.89					
Added County Taxes				36,094.76					
				6,700,860.65					
Local Tax for Municipal Purposes				58,318,633.65					
Additional Taxes				16,223,308.00					
				369,656.60					
				16,592,964.60					
				74,911,598.25					

Borough of Glen Rock, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	9,886.48
Increased by:		
Transfers from Taxes Receivable	A-8	<u>505.28</u>
Balance - December 31, 2022	A	<u><u>10,391.76</u></u>

Borough of Glen Rock, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2022

	Ref.	Balance Dec. 31, 2021	Accrued	Collected	Prepayment Applied	Balance Dec. 31, 2022
Clerk:						
Licenses:						
Alcoholic beverages	A-2		14,870.00	14,870.00		
Other	A-2		1,150.00	1,150.00		
Planning/ Zoning						
Fees and Permits	A-2		16,250.00	16,250.00		
Police						
Fees and Permits	A-2		37,135.25	28,235.25	8,900.00	
Fire Prevention						
Fees and Permits	A-2		22,541.00	22,541.00		
Board of Health / Registrar:						
Other Licenses	A-2		7,410.00	7,410.00		
Fees and Permits	A-2		710.00	710.00		
Municipal Court :						
Fines and Costs	A-2	3,240.20	31,027.07	31,064.33		3,202.94
Parking Meters	A-2		64,095.51	64,095.51		
Verizon Fios Franchise Fee	A-2		87,669.50	87,669.50		
Residential Parking Fees	A-2	1,550.00	69,834.17	59,884.17	11,500.00	
Cellular Tower Lease	A-2		253,989.56	253,989.56		
Recycling Program Sales	A-2		41,060.86	41,060.86		
Sewer Rental Fee - Hawthorne	A-2		22,270.50	22,270.50		
Cable T.V.	A-2		68,665.00	68,665.00		
Snack Program	A-2		27,374.00	27,374.00		
Swimming Pool Badges	A-2		343,226.50	343,226.50		
Rental of Municipal Property	A-2		19,152.66	19,152.66		
Pavilion Rental	A-2		1,425.00	1,425.00		
Senior Transportation - Taxi Books	A-2		770.00	770.00		
Swimming Pool Concession Stand Rental	A-2		19,075.00	19,075.00		
Energy Receipts Taxes	A-2		996,572.00	996,572.00		
Uniform Construction Code:						
Construction Fees	A-2		620,499.00	620,499.00		
Fees and Permits	A-2		7,170.00	7,170.00		
Interlocal Agreements						
Municipal Court-Wyckoff/ Ridgewood	A-2		107,271.00	107,271.00		
Fiscal Recovery - ARP - Loss of Revenue	A-2		306,000.00	306,000.00		
Uniform Fire Safety Act	A-2		13,277.55	13,277.55		
		<u>4,790.20</u>	<u>3,200,491.13</u>	<u>3,181,678.39</u>	<u>20,400.00</u>	<u>3,202.94</u>
		A		A-4	A-17	A

Borough of Glen Rock, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2022

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance			Due From/(To) Balance	
		<u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2022</u>	
Other Trust Fund - General	A		5,921.44	3,966.44	(1,955.00)	
Other Trust - Escrow	A	222.84			222.84	
Other Trust - SUI Trust			506.61		(506.61)	
Other Trust - Payroll Fund	A	(6,159.99)	10,901.36		(17,061.35)	
General Capital Fund	A	90,791.00		90,791.00		
Animal Control Trust Fund	A		212.54	212.54		
		<u>84,853.85</u>	<u>17,541.95</u>	<u>94,969.98</u>	<u>(19,300.12)</u>	
<u>Analysis</u>						
Due to Current Fund	A/A-1	91,013.84			222.84	
Due From Current Fund	A	<u>(6,159.99)</u>			<u>(19,522.96)</u>	
		<u>84,853.85</u>			<u>(19,300.12)</u>	
Disbursed	A-4			4,178.98		
Received	A-4		<u>17,541.95</u>	<u>90,791.00</u>		
			<u>17,541.95</u>	<u>94,969.98</u>		

Borough of Glen Rock, N.J.

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

Current Fund

Year Ended December 31, 2022

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of net</u> <u>amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2021</u>	<u>Amount</u> <u>Authorized</u> <u>in 2022</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2022</u>
06/29/22	Preparation of Tax Map	65,000.00	13,000.00		65,000.00	65,000.00
06/29/22	Preparation of Master Plan	40,000.00	8,000.00		40,000.00	40,000.00
					105,000.00	105,000.00
					A-1	A

Borough of Glen Rock, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
General Administration				
Salaries and Wages	0.12	0.12		0.12
Municipal Clerk				
Salaries and Wages	349.91	349.91		349.91
Other Expenses	2,288.46	38,860.28	38,614.37	245.91
Financial Administration				
Other Expenses	1,496.17	146.17		146.17
Audit Services	150.00	150.00		150.00
Elections				
Salaries and Wages	287.64	287.64		287.64
Other Expenses	4.32	4.32		4.32
Legal Services (Legal Department)				
Other Expenses	7,858.96	8,766.46	8,028.00	738.46
Revenue Administration (Tax Collection)				
Salaries and Wages	1,778.18	778.18	635.14	143.04
Other Expenses	253.58	257.58		257.58
Tax Assessment Administration				
Other Expenses	470.00	470.00		470.00
Liquidation of Tax Title Liens				
Other Expenses	100.00	100.00		100.00
Engineering Services and Costs				
Other Expenses	298.90	688.90		688.90
Planning Board				
Other Expenses	5,515.58	3,615.58	3,542.50	73.08
Zoning Board				
Salaries and Wages	23.35	23.35		23.35
Other Expenses	133.51	133.51		133.51
Insurance:				
Other Insurance	148,281.02	144,350.02	144,282.00	68.02
Employee Group Insurance	148.15	148.15		148.15
Health Benefit Waiver	1,003.14	3.14		3.14
Police				
Salaries and Wages	5,836.56	20,186.56	20,164.93	21.63
Other Expenses	19,276.51	79,479.66	77,242.54	2,237.12
Office of Emergency Management				
Other Expenses	82.52	182.52		182.52
Fire Department				
Other Expenses	3,404.77	20,979.56	18,319.95	2,659.61
Other Expenses - Clothing Allowance	750.36	750.36		750.36
Aid to Volunteer Ambulance Companies				
Other Expenses	26,497.50	26,497.50	26,160.50	337.00
Fire Prevention				
Salaries and Wages	860.86	860.86	315.00	545.86
Other Expenses	3,221.48	3,221.48	1,535.00	1,686.48

Borough of Glen Rock, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Municipal Prosecutor				
Other Expenses	4.00	4.00		4.00
Streets and Road Maintenance				
Salaries and Wages	1,935.28	1,935.28	1,918.50	16.78
Other Expenses	24,110.98	64,331.11	55,473.68	8,857.43
Solid Waste Collection				
Salaries and Wages	1,537.05	1,537.05	579.13	957.92
Other Expenses	9,080.79	13,051.25	9,048.33	4,002.92
Recycling				
Salaries and Wages	486.35	2,147.35	2,147.12	0.23
Other Expenses	14,299.60	18,487.32	13,110.89	5,376.43
Building and Grounds				
Other Expenses	19,183.37	26,321.00	18,078.53	8,242.47
Public Health Services (Board of Health)				
Salaries and Wages	0.75	0.75		0.75
Other Expenses	6,345.40	6,345.40	201.36	6,144.04
Environmental Commission				
Other Expenses	2,277.45	2,277.45		2,277.45
Recreation Commission RS 40:12-1				
Salaries and Wages	3,119.48	3,119.48		3,119.48
Other Expenses	966.68	1,006.68	680.00	326.68
Recreation Services and Programs - Shuttle Bus Program				
Salaries and Wages	582.72	582.72	366.30	216.42
Other Expenses	390.44	390.44		390.44
Swimming Pool				
Salaries and Wages	175.46	175.46		175.46
Other Expenses	82.51	522.51	440.00	82.51
Landfill/Solid Waste Disposal Costs				
Other Expenses	29,790.58	25,890.58	25,778.07	112.51
Municipal Court				
Salaries and Wages	5,720.67	5,720.67	152.52	5,568.15
Other Expenses	8,016.45	8,222.06	28.89	8,193.17
Construction Code Official				
Salaries and Wages	65.47	65.47		65.47
Other Expenses	847.06	988.40	294.89	693.51
Fire Hydrant Service				
Other Expenses	147.12	147.12		147.12
Electricity				
Other Expenses	470.89	470.89		470.89
Street Lighting				
Other Expenses	804.44	804.44		804.44
Telephone (Excluding Equipment Acquisition)				
Other Expenses	4,777.33	42.66		42.66

Borough of Glen Rock, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Water				
Other Expenses	971.57	971.57		971.57
Natural Gas				
Other Expenses	747.24	747.24		747.24
Fuel Oil				
Other Expenses	1,680.40	14,927.71	14,925.33	2.38
Contingent	1,229.43	1,229.43	1,135.00	94.43
Social Security System (O.A.S.I.)	81.52	81.52		81.52
Defined Contribution Retirement Plan	27.25	27.25		27.25
Municipal Library				
Other Expense	4,121.07	4,121.07	1,727.52	2,393.55
Reserve for Tax Appeals	5,000.00	5,000.00		5,000.00
LOSAP				
Other Expenses	55,000.00	55,172.00	55,171.44	0.56
Recycling Tax				
Other Expenses	1,696.05	1,696.05	999.15	696.90
Police Dispatch				
Other Expenses	0.08	0.08		0.08
Shared Municipal Court				
Salaries and Wages	15,777.24	15,808.43		15,808.43
Total Reserves	<u>451,921.72</u>	<u>635,661.70</u>	<u>541,096.58</u>	<u>94,565.12</u>
	A			A-1

	<u>Ref.</u>	
Appropriation Reserves	above	451,921.72
Transfer from Reserve for Encumbrances	A-14	<u>183,739.98</u>
		<u>635,661.70</u>

	<u>Ref.</u>	
Cash Disbursed	A-4	537,600.92
Accounts Payable	A-17	<u>3,495.66</u>
		<u>541,096.58</u>

Borough of Glen Rock, N.J.
Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	183,739.98
Increased by:		
Transfer from Current Appropriations	A-3	<u>548,109.82</u>
		731,849.80
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>183,739.98</u>
Balance - December 31, 2022	A	<u><u>548,109.82</u></u>

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	8,998.00
Increased by:		
Transfer from Appropriation Reserves	A-13	<u>3,495.66</u>
		12,493.66
Decreased by:		
Disbursements	A-4	<u>12,493.66</u>
Balance - December 31, 2022	A	<u><u> </u></u>

Borough of Glen Rock, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	504,996.59
Increased by:		
Receipts - Prepaid 2023 Taxes	A-4	<u>313,817.11</u>
		818,813.70
Decreased by:		
Applied to 2022 Taxes	A-8	<u>504,996.59</u>
Balance - December 31, 2022	A	<u><u>313,817.11</u></u>

Borough of Glen Rock, N.J.

Schedule of Prepaid Revenue

Current Fund

Year Ended December 31, 2022

<u>Account Description</u>	Balance, Dec. 31, 2021	Cash Receipts	Applied to Anticipated Revenues	Balance, Dec. 31, 2022
Commuter Parking	11,500.00	25,000.00	11,500.00	25,000.00
Alarms	<u>8,900.00</u>	<u>25.00</u>	<u>8,900.00</u>	<u>25.00</u>
	<u>20,400.00</u>	<u>25,025.00</u>	<u>20,400.00</u>	<u>25,025.00</u>
	A	A-4	A-10	A

Borough of Glen Rock, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year, 2022	A-1/A-8	<u>51,617,773.00</u>
Decreased by:		
Payments	A-4	<u>51,617,773.00</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	22,834.86
Increased by:		
Levy	A-1/A-8	6,664,765.89
Added and Omitted Taxes	A-1/A-8	<u>36,094.76</u>
		<u>6,700,860.65</u>
		6,723,695.51
Decreased by:		
Payments	A-4	<u>6,687,600.75</u>
Balance - December 31, 2022	A	<u>36,094.76</u>

Borough of Glen Rock, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2022

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2022</u>
<u>Liabilities:</u>				
Tax Overpayments		25,354.83	25,354.83	
Due to State of NJ- DCA	5,996.00	29,489.00	35,485.00	
Due to State of NJ- Marriage	350.00	250.00	600.00	
<u>Reserves for:</u>				
Municipal Relief Fund		51,985.06		51,985.06
	<u>6,346.00</u>	<u>107,078.89</u>	<u>61,439.83</u>	<u>51,985.06</u>
	A			A
<u>Ref.</u>				
Receipts	A-4	107,078.89		
Disbursed	A-4		61,439.83	
		<u>107,078.89</u>	<u>61,439.83</u>	

Borough of Glen Rock, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, 2021	Budget Revenue	Received	Canceled	Balance, Dec. 31, 2022
Local Grants:					
Sustainable Jersey	350.00				350.00
SJ Roots for Rivers	2,475.50				2,475.50
BCUA Recycling Grant	118.84				118.84
ANJEC	500.00				500.00
	<u>3,444.34</u>				<u>3,444.34</u>
Federal Grants:					
Distracted Driving		6,000.00	6,000.00		
CDBG - Senior Programs		28,700.00	28,700.00		
Assistance to Firefighters Grant		293,409.09	293,409.09		
NJ CARES Act		6,700.41	6,700.41		
		<u>334,809.50</u>	<u>334,809.50</u>		
State Grants:					
Body Worn Camera Grant		39,130.00	39,129.60	0.40	
Recycling Tonnage Grant		12,094.00	12,093.87	0.13	
Body Armor Replacement Fund		1,911.80	1,911.80		
Clean Communities Program		21,569.28	21,569.28		
		<u>74,705.08</u>	<u>74,704.55</u>	<u>0.53</u>	
	<u>3,444.34</u>	<u>409,514.58</u>	<u>409,514.05</u>	<u>0.53</u>	<u>3,444.34</u>
	A	A-2		A-22	A

	<u>Ref.</u>	
Cash Receipts	A-4	394,901.84
Transferred from Unappropriated Reserves	A-23	<u>14,612.21</u>
		<u>409,514.05</u>

Borough of Glen Rock, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec.31, 2021	Transfer From 2022 Budget	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2022
Local Grants:					
Sustainable Jersey	1,325.00				1,325.00
BCUA Recycling Grant	118.84				118.84
Polling Place Rental	80.00				80.00
Green Team	1,000.00				1,000.00
SJ Roots for Rivers	2,475.50				2,475.50
TESLA Grant	360.00				360.00
	<u>5,359.34</u>				<u>5,359.34</u>
Federal Grants					
Distracted Driving	6,600.00	6,000.00			12,600.00
CDBG - Senior Programs		28,700.00	24,700.00		4,000.00
Assistance to Firefighters Grant		293,409.09	293,409.09		
NJ CARES Act		6,700.41			6,700.41
Click It or Ticket	2,013.00				2,013.00
	<u>8,613.00</u>	<u>334,809.50</u>	<u>318,109.09</u>		<u>25,313.41</u>
State Grants:					
Alcohol Rehab/Education Fund	1,253.28				1,253.28
Clean Communities Program	18,023.60	21,569.28	17,351.00		22,241.88
Drunk Driving Enforcement	5,104.27				5,104.27
Recycling Tonnage	27,477.81	12,094.00	24,602.78	0.13	14,968.90
Body Worn Camera Grant	9,782.40	39,130.00	48,912.00	0.40	
Body Armor Replacement Fund		1,911.80	1,911.80		
Municipal Alliance	2,469.00				2,469.00
	<u>64,110.36</u>	<u>74,705.08</u>	<u>92,777.58</u>	<u>0.53</u>	<u>46,037.33</u>
	<u>78,082.70</u>	<u>409,514.58</u>	<u>410,886.67</u>	<u>0.53</u>	<u>76,710.08</u>
	A	A-3	A-4	A-21	A

Borough of Glen Rock, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	Balance, Dec. 31, <u>2021</u>	Transfer To 2022 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2022</u>
Federal Grants:				
Distracted Driving Incentive	6,000.00	6,000.00		
National Opioid Settlement			2,543.00	2,543.00
American Rescue Plan			306,677.39	306,677.39
NJ CARES Act	6,700.41	6,700.41		
	<u>12,700.41</u>	<u>12,700.41</u>	<u>309,220.39</u>	<u>309,220.39</u>
State Grants:				
Body Armor Replacement Fund	1,911.80	1,911.80	3,070.70	3,070.70
	<u>1,911.80</u>	<u>1,911.80</u>	<u>3,070.70</u>	<u>3,070.70</u>
	<u>14,612.21</u>	<u>14,612.21</u>	<u>312,291.09</u>	<u>312,291.09</u>
	A	A-21	A-4	A

Borough of Glen Rock, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Animal Control Trust</u>	<u>Other Trust Funds</u>	<u>L.O.S.A.P.</u>
Balance - December 31, 2021	B	<u>14,375.80</u>	<u>1,300,086.81</u>	<u>1,896,526.62</u>
Increase by Receipts:				
Interfunds	B-2	212.54	66,466.44	
Dog License Fees	B-3	14,753.30		
Due to State of NJ	B-4	1,117.20		
Other Trust Funds	B-5		1,891,820.02	
Payroll Deductions Payable	B-6		5,290,628.34	
Net Payroll	B-7		6,606,994.51	
Contributions Receivable	B-8			55,171.44
Net Assets Available for Benefits	B-9			(307,462.74)
Total Receipts		<u>16,083.04</u>	<u>13,855,909.31</u>	<u>(252,291.30)</u>
		<u>30,458.84</u>	<u>15,155,996.12</u>	<u>1,644,235.32</u>
Decreased by Disbursements:				
Interfunds	B-2	212.54	17,329.41	
Reserve for Dog Expenditures	B-3	17,809.00		
Due to State of NJ	B-4	1,040.40		
Other Trust Funds	B-5		1,775,587.40	
Payroll Deductions Payable	B-6		5,318,052.16	
Net Payroll	B-7		6,606,994.51	
Net Assets Available for Benefits	B-9			6,488.44
Total Disbursements		<u>19,061.94</u>	<u>13,717,963.48</u>	<u>6,488.44</u>
Balance - December 31, 2022	B	<u><u>11,396.90</u></u>	<u><u>1,438,032.64</u></u>	<u><u>1,637,746.88</u></u>

Borough of Glen Rock, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2022

	Due to/(from) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2022</u>
Current Fund:				
Dog License Trust		212.54	212.54	
Other Trust - General		3,966.44	5,921.44	(1,955.00)
Other Trust - Escrow	222.84			222.84
SUI Trust		506.61		(506.61)
Other Trust - Payroll Fund	(6,159.99)	10,901.36		(17,061.35)
General Capital Fund:				
Other Trust - General		62,500.00		62,500.00
	<u>(5,937.15)</u>	<u>78,086.95</u>	<u>6,133.98</u>	<u>43,199.88</u>
	B			B
	<u>Ref.</u>			
Receipts - Animal Control Trust	B-1	212.54		
Disbursed - Animal Control Trust	B-1		212.54	
Receipts - Other Trust Fund	B-1	66,466.44		
Disbursed - Other Trust Fund	B-1	11,407.97	5,921.44	
		<u>78,086.95</u>	<u>6,133.98</u>	

Borough of Glen Rock, N.J.

Reserve for Dog Fund Expenditures

Trust Funds

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	B	14,452.60
Increased by:		
Collections		
Dog License Fees -2022	B-1	11,482.80
Late Charge Fees / Misc	B-1	1,575.50
Cat Licenses	B-1	<u>1,695.00</u>
		<u>14,753.30</u>
		29,205.90
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	<u>17,809.00</u>
Balance - December 31, 2022	B	<u><u>11,396.90</u></u>

License Fees Collected

<u>Year</u>	
2021	12,644.60
2020	<u>12,805.60</u>
	<u><u>25,450.20</u></u>

Borough of Glen Rock, N.J.

Schedule of Due (from)/to State Department of Health

Trust Funds

Year Ended December 31, 2022

	<u>Ref.</u>		
Balance - December 31, 2021	B	due from	(76.80)
Increased by:			
State Fees Collected	B-1		<u>1,117.20</u>
			1,040.40
Decreased by:			
Paid to State	B-1		<u>1,040.40</u>
Balance - December 31, 2022	B		<u><u> </u></u>

Borough of Glen Rock, N.J.

Schedule of Various Reserves and Other Trust Funds

Trust Funds

Year Ended December 31, 2022

	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Reserve for:				
Escrow Deposits	251,374.17	187,930.52	155,151.35	284,153.34
Cell Tower Escrow	66,124.00			66,124.00
Developer Fees	361,523.08	224,779.10	39,825.50	546,476.68
DDEF	13,152.49		598.00	12,554.49
Senior Recreation	3,014.16	20,058.00	23,072.16	
Community Development	2.01	28,713.37	28,700.00	15.38
Community Garden	3,652.32	310.00	3,385.83	576.49
POAA	546.29	296.00		842.29
Outside Lien Redemption		135,448.49	135,448.49	
Premiums on Tax Sale	86,600.00	70,000.00	86,600.00	70,000.00
Off Duty Police	9,433.72	616,480.16	625,900.00	13.88
Public Defender	3,788.00	900.00		4,688.00
125 Anniversary Celebration	13,463.35		123.74	13,339.61
Unemployment	55,689.24	17,958.46	12,020.50	61,627.20
Donations - Arts & Cultures	54,747.00			54,747.00
Tree Trust	6,271.44	250.00	3,360.00	3,161.44
Police Evidence/Property	415.00			415.00
Police Seized Funds	267,547.32	586,365.92	656,151.83	197,761.41
Fire Prevention Penalties	15,216.00	2,330.00	5,250.00	12,296.00
Fire Department Penalties	1,417.00			1,417.00
	<u>1,213,976.59</u>	<u>1,891,820.02</u>	<u>1,775,587.40</u>	<u>1,330,209.21</u>
	B	B-1	B-1	B

Borough of Glen Rock, N.J.

Payroll Deductions Payable

Trust Funds

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	B	92,047.37
Increased by:		
Payroll Deductions	B-1	<u>5,290,628.34</u>
		5,382,675.71
Decreased by:		
Cash Disbursements	B-1	<u>5,318,052.16</u>
Balance - December 31, 2022	B	<u><u>64,623.55</u></u>

Borough of Glen Rock, N.J.

Schedule of Net Payroll

Trnst Funds

Year Ended December 31, 2022

	<u>Ref.</u>	
Increased by :		
Receipts	B-1	<u>6,606,994.51</u>
Decreased by :		
Disbursements	B-1	<u>6,606,994.51</u>

Borough of Glen Rock, N.J.
Statement of Contributions Receivable

Trust Funds

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	B	55,171.44
Decreased by:		
Cash Receipts	B-1	<u>55,171.44</u>
Balance - December 31, 2022	B	<u><u> </u></u>

Borough of Glen Rock, N.J.

Statement of Net Assets Available for Benefits

Trust Funds

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	B	1,951,698.06
Increased by:		
Appreciation	B-1	<u>(307,462.74)</u>
		<u>(307,462.74)</u>
		1,644,235.32
Decreased by:		
Withdrawals		4,445.39
Account Fees		<u>2,043.05</u>
	B-1	<u>6,488.44</u>
Balance - December 31, 2022	B	<u><u>1,637,746.88</u></u>

Borough of Glen Rock, N.J.

Schedule of General Capital Cash

Year Ended December 31, 2022

	<u>Ref.</u>		
Balance - December 31, 2021	C		5,561,626.80
Increased by Receipts:			
General Capital Fund Balance	C-1	62,121.76	
Bond Anticipation Notes	C-8	9,892,000.00	
Capital Improvement Fund	C-10	<u>280,000.00</u>	
			<u>10,234,121.76</u>
			15,795,748.56
Decreased by Disbursements:			
Bond Anticipation Notes	C-8	9,780,200.00	
Improvement Authorizations	C-9	4,978,434.36	
Interfunds	C-12	<u>90,791.00</u>	
			<u>14,849,425.36</u>
Balance - December 31, 2022	C		<u><u>946,323.20</u></u>

Borough of Glen Rock, N.J.

Analysis of General Capital Cash

Year Ended December 31, 2022

	<u>Ref.</u>	
Fund Balance	C-1	62,122.09
Various Receivables	C-4	(1,588,465.44)
Capital Improvement Fund	C-10	127,365.00
Various Reserves	C-11	101,550.75
Interfund - Current Fund	C-12	(62,500.00)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1550-07	Various Improvements	97.23
1643-11	Various Improvements	0.42
1669-12	Radio Communications System Upgrade	8,556.72
1681-13	Various Improvements	50,815.81
1700-14	Various Improvements	44,649.08
1716-15	Various Improvements	107,977.66
1740-16	Various Improvements	27,912.96
1761-17	Various Improvements	32,441.88
1762-17	Replacement of Traffic Signal	65,169.01
1785-18	Various Improvements	95,273.25
1798-19	Pool Complex Repairs	649.75
1801-19	Various Improvements	271,573.36
1806-19	Various Road Improvements	33,821.32
1816-19	Improvement of Main Line Train Station	10,582.91
1830-20	Various Improvements	272,311.32
1842-21	Faber Athletic Field Improvement Project	414,154.50
1843-21	Various Improvements	20,855.92
1845-21	Various Improvements	822,150.98
1866-22	Acquisition of Vehicles	25,773.91
1876-22	Various Improvements	(48,043.54)
1881-22	Municipal Pool Improvements	49,526.35

 946,323.20

C

Borough of Glen Rock, N.J.

Schedule of Various Receivables

Year Ended December 31, 2022

	Balance, <u>Dec. 31, 2021</u>	Grants <u>Approved</u>	Balance, <u>Dec. 31, 2022</u>
Due from County of Bergen:			
Ord #1681 Renovation of Wilde Park	2,235.00		2,235.00
Ord #1700 Construction of Path at Upper Faber Field	14,728.00		14,728.00
Ord #1761 Lighting Improvements at Wilde Park	25,000.00		25,000.00
Ord #1801 Wilde Park Improvements	42,000.00		42,000.00
Ord #1830 Wilde Park Improvements	105,000.00		105,000.00
Ord #1845 Pavilion at Municipal Pool	50,000.00		50,000.00
Ord #1876 Alcove		72,999.00	72,999.00
Due from State of NJ DOT:			
Ord #1620 Kirkwood Hamilton Ave Project	200,000.00		200,000.00
Ord #1681 Hamilton Ave/Belmont Rd Drainage Project	2,532.54		2,532.54
Ord # 1681 Retaining Walls at NJ Transit RR Bridge at Maple Ave	74,165.15		74,165.15
Ord #1762 Replacement of Traffic Signal - Maple Ave & Rock Rd	55,108.00		55,108.00
Ord #1785 Boulevard Phase I	124,176.54		124,176.54
Ord #1830 Boulevard Phase II	205,000.00		205,000.00
Ord #1845 Boulevard Phase III	210,000.00		210,000.00
Ord #1876 Doremus Ave Phase I		201,000.00	201,000.00
Due from Community Development Program:			
Ord #1681 ADA Improvements to Rest Rooms at Children's Park	42,000.00		42,000.00
Ord #1716 ADA Improvements to Main Line Train Station	25,487.00		25,487.00
Ord #1740 ADA Impr. to Rest Rooms at Main Line Train Station	17,098.55		17,098.55
Ord #1801 Handicap Accessible Doors at Borough Hall	1,111.50		1,111.50
Ord #1806 ADA Curb Cuts	61,457.82		61,457.82
Due from Glen Rock Public Library:			
Ord #1681 Improvements to Glen Rock Public Library	8,063.00		8,063.00
Due from Private Contribution:			
Ord #1761 Lighting Improvements at Wilde Park	3,000.00		3,000.00
Ord #1816 BCJIF	21,303.34		21,303.34
Ord #1876 Central Business District		25,000.00	25,000.00
	<u>1,289,466.44</u>	<u>298,999.00</u>	<u>1,588,465.44</u>
	C	C-9	C/C-3

Borough of Glen Rock, N.J.

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

General Capital Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	C	10,395,000.00
Decreased by:		
Serial Bonds Paid by Current Year		
Budget Appropriations	C-7	<u>1,585,000.00</u>
Balance - December 31, 2022	C	<u><u>8,810,000.00</u></u>

Borough of Glen Rock, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance, Dec. 31, 2021	2022 Authorizations	Budget Appropriation	Balance, Dec. 31, 2022	Analysis of Balance - Dec. 31, 2022		
						Financed by	Expended	Unexpended Improvement Authorization
						Bond Anticipation Notes		
1762-17	Replacement of Traffic Signal	2,470.00			2,470.00			2,470.00
1785-18	Various Improvements	1,670,000.00		76,100.00	1,593,900.00	1,593,900.00		
1801-19	Various Improvements	1,505,500.00		43,700.00	1,461,800.00	1,461,800.00		
1830-20	Various Improvements	1,492,000.00			1,492,000.00	1,492,000.00		
1842-21	Faber Athletic Field Project	3,325,000.00			3,325,000.00	3,325,000.00		
1843-21	Various Improvements	394,000.00			394,000.00	394,000.00		
1845-21	Various Improvements	1,626,000.00			1,626,000.00	1,626,000.00		700.00
1866-22	Acquisition of Vehicles		498,750.00		498,750.00			498,750.00
1876-22	Various Improvements		1,037,050.00		1,037,050.00		227,073.95	809,976.05
1881-22	Municipal Pool Improvements		950,000.00		950,000.00			950,000.00
		10,014,970.00	2,485,800.00	119,800.00	12,380,970.00	9,892,000.00	227,073.95	2,261,896.05
		C	C-9, C-13	C-8	C			
			Improvement Authorizations Unfunded			C-9		4,158,215.38
			Less: Unexpended Proceeds of					
			Bond Anticipation Notes					
			Ordinance Number					
						1785-18	95,273.25	
						1801-19	271,573.36	
						1830-20	273,011.32	
						1842-21	414,154.50	
						1843-21	20,855.92	
						1845-21	821,450.98	
								1,896,319.33
								2,261,896.05

Borough of Glen Rock, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2022		Interest Rate	Balance Dec. 31, 2021	Paid	Balance Dec. 31, 2022
			Date	Amount				
2014 General Improvement Bonds	1/15/2014	9,550,000.00	1/15/23-24	1,125,000.00	3.00%	3,375,000.00	1,125,000.00	2,250,000.00
2018 General Improvement Bonds	7/15/2018	8,370,000.00	07/15/23	460,000.00	2.50%			
			7/15/24-25	800,000.00	2.50%			
			07/15/26	90,000.00	2.50%			
			7/15/27-30	900,000.00	3.00%			
						7,020,000.00	460,000.00	6,560,000.00
						<u>10,395,000.00</u>	<u>1,585,000.00</u>	<u>8,810,000.00</u>
						<u>C</u>	<u>C-5</u>	<u>C</u>

Borough of Glen Rock, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Increased	Cash Disbursement	Balance, Dec. 31, 2022
1785-18	Various Improvements	1,670,000.00	10/24/19	10/21/22	07/20/23	4.75%	1,670,000.00	1,593,900.00	1,670,000.00	1,593,900.00
1801-19	Various Improvements	1,505,500.00	10/24/19	10/21/22	07/20/23	4.75%	1,505,500.00	1,461,800.00	1,505,500.00	1,461,800.00
1830-20	Various Improvements	1,492,000.00	10/22/21	10/21/22	07/20/23	4.75%	1,492,000.00	1,492,000.00	1,492,000.00	1,492,000.00
1842-21	Faber Field Improvements	3,325,000.00	10/22/21	10/21/22	07/20/23	4.75%	3,325,000.00	3,325,000.00	3,325,000.00	3,325,000.00
1843-21	Various Improvements	394,000.00	10/22/21	10/21/22	07/20/23	4.75%	394,000.00	394,000.00	394,000.00	394,000.00
1845-21	Various Improvements	1,513,500.00	10/22/21	10/21/22	07/20/23	4.75%	1,513,500.00	1,513,500.00	1,513,500.00	1,513,500.00
1845-21	Various Improvements	111,800.00	10/21/22	10/21/22	07/20/23	4.75%	111,800.00	111,800.00		111,800.00
							9,900,000.00	9,892,000.00	9,900,000.00	9,892,000.00
							C			C, C-6
							Ref.			
							Renewals			
							Issued			
							C-2	9,780,200.00	9,780,200.00	
							C-2, C-13	111,800.00		
							C-6		119,800.00	
							Paid by Budget Appropriation			
								9,892,000.00	9,900,000.00	

Borough of Glen Rock, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2021		2022 Authorizations	Paid or Charged	Balance, Dec. 31, 2022	
			Funded	Unfunded			Funded	Unfunded
<u>General Improvements:</u>								
1550-07	Various Improvements	610,000.00	97.23				97.23	
1643-11	Various Improvements	386,000.00	0.42				0.42	
1669-12	Radio Communications System Upgrade	525,000.00	8,556.72				8,556.72	
1681-13	Various Improvements	1,943,000.00	50,815.81				50,815.81	
1700-14	Various Improvements	1,679,093.00	44,649.08				44,649.08	
1716-15	Various Improvements	2,125,487.00	115,577.66			7,600.00	107,977.66	
1740-16	Various Improvements	1,784,000.00	127,912.96			100,000.00	27,912.96	
1761-17	Various Improvements	2,176,450.00	184,226.27			151,784.39	32,441.88	
1762-17	Replacement of Traffic Signal	451,500.00	65,169.01	2,470.00		123,946.52	65,169.01	2,470.00
1785-18	Various Improvements	2,074,450.00		219,219.77				95,273.25
1798-19	Pool Complex Repairs	130,000.00	649.75			88,887.81	649.75	
1801-19	Various Improvements	1,837,500.00		360,461.17			33,821.32	271,573.36
1806-19	Various Road Improvements	432,000.00	33,821.32				10,582.91	
1816-19	Improvement of Main Line Train Station	152,574.00	10,582.91					
1830-20	Various Improvements	2,081,250.00		452,830.45		179,819.13		273,011.32
1842-21	Faber Athletic Field Improvement Project	3,500,000.00		3,086,360.95		2,672,206.45		414,154.50
1843-21	Various Improvements	415,000.00		127,491.42		106,635.50		20,855.92
1845-21	Various Improvements	1,968,300.00	260,000.00	1,599,212.26		1,037,061.28		822,150.98
1866-22	Acquisition of Vehicles	525,000.00			525,000.00	476.09	25,773.91	498,750.00
1876-22	Various Improvements	1,498,550.00			1,498,550.00	509,543.54	179,030.41	809,976.05
1881-22	Municipal Pool Improvements	1,000,000.00			1,000,000.00	473.65	49,526.35	950,000.00
			902,059.14		3,023,550.00	637,005.42		4,158,215.38
			C			C		C
			5,848,046.02			4,978,434.36		
			C			C-2		
			Ref.					
			Grants Approved					
			Deferred Charges to Future Taxation - Unfunded					
			Capital Improvement Fund					
			Interfund Other Trust Fund					
			C-4					
			C-6					
			C-10					
			C-12					
			3,023,550.00					

Borough of Glen Rock, N.J.

Schedule of Capital Improvement Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	C	23,616.00
Increased by:		
Budget Appropriation	C-2	<u>280,000.00</u>
		303,616.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>176,251.00</u>
Balance - December 31, 2022	C/C-3	<u><u>127,365.00</u></u>

Exhibit C-11

Borough of Glen Rock, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	Balance <u>Dec. 31, 2022</u>
Various Improvements	93,524.00	93,524.00
Apron Assessment	1,083.00	1,083.00
Debt Service	<u>6,943.75</u>	<u>6,943.75</u>
	<u>101,550.75</u>	<u>101,550.75</u>
	C	C

Borough of Glen Rock, N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2022

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance		<u>Decreased</u>	Due From/(To) Balance	
		<u>Dec. 31, 2021</u>	<u>Increased</u>		<u>Dec. 31, 2022</u>	
Current Fund	C	(90,791.00)		90,791.00		
Other Trust Fund	C		62,500.00		62,500.00	
		<u>(90,791.00)</u>	<u>62,500.00</u>	<u>90,791.00</u>	<u>62,500.00</u>	
Cash Disbursements	C-2			90,791.00		
Imprvment Authorizations	C-9		<u>62,500.00</u>			
			<u>62,500.00</u>	<u>90,791.00</u>		

Borough of Glen Rock, N.J.
 Schedule of Bonds and Notes Authorized But Not Issued
 Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2022</u>
1762-17	Replacement of Traffic Signal	2,470.00			2,470.00
1845-21	Various Improvements	112,500.00		111,800.00	700.00
1866-22	Acquisition of Vehicles		498,750.00		498,750.00
1876-22	Various Improvements		1,037,050.00		1,037,050.00
1881-22	Municipal Pool Improvements		950,000.00		950,000.00
		<u>114,970.00</u>	<u>2,485,800.00</u>	<u>111,800.00</u>	<u>2,488,970.00</u>
		Footnote C	C-6	C-8	Footnote C

BOROUGH OF GLEN ROCK

PART II

LETTER ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEARS ENDED DECEMBER 31, 2022 AND 2021



WIELKOTZ & COMPANY ^{LLC}

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

The Honorable Mayor and
Members of the Borough Council
Borough of Glen Rock
Glen Rock, NJ 07452

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 Glen Rock in the County of Bergen as of and for the year ended December 31, 2022 and the related notes to the financial statements, and have issued our report thereon dated July 5, 2023, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Glen Rock'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 Glen Rock's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Glen Rock'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 Glen Rock in the accompany comments and recommendations section of this report.

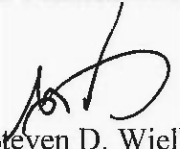
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Glen Rock'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*.

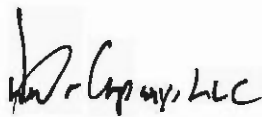
However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Glen Rock in the accompanying comments and recommendations section of this report.

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 Glen Rock 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 Glen Rock internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



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



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

July 5, 2023





WIELKOTZ & COMPANY^{LLC}

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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 Glen Rock
Glen Rock, NJ 12345

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Borough of Glen Rock's 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 Borough of Glen Rock's major federal programs for the year ended December 31, 2022. Borough of Glen Rock'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, Borough of Glen Rock 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, 2022.

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
Page 2.

We are required to be independent of the Borough of Glen Rock 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 Borough of Glen Rock'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 Borough of Glen Rock'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 Borough of Glen Rock'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 Borough of Glen Rock'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 Borough of Glen Rock's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Glen Rock'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 Borough of Glen Rock'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.

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.

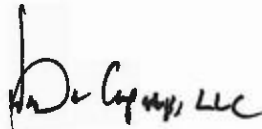


Honorable Mayor and
Members of the Borough Council
Page 4.

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

July 5, 2023

Borough of Glen Rock

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Current Fund	Federal Assistance Listing Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2022	Receipts/ Revenues	Expended	Balance Dec. 31, 2022	Cumulative Expenditures
U.S. Department of the Treasury Pass Through NJ Department of Community Affairs ARP - Fiscal Recovery Fund	21.027	022-8030-100-687	2021-24	1,225,354.77		612,677.39	306,000.00	306,677.39	918,677.38
Total Current Fund						612,677.39	306,000.00	306,677.39	
Federal and State Grant Fund									
U.S. Department of Transportation: Pass Through NJ Department of Law & Public Safety: Distracted Driving Incentive	20.616	066-1160-100-158	2021	6,000.00	6,000.00			6,000.00	
Distracted Driving Incentive	20.616	066-1160-100-158	2018	6,600.00	6,600.00			6,600.00	
Click It or Tick It	20.600	066-1160-100-155	2017	5,280.00	2,013.00			2,013.00	3,267.00
					14,613.00			14,613.00	
U.S. Department of Treasury Pass Through County of Bergen CARES Act	21.019		2020	83,500.99	6,700.41			6,700.41	76,800.58
U.S. Department of HUD: Pass Through County of Bergen: Community Development Block Grant	14.218		2022	28,700.00		28,700.00	24,700.00	4,000.00	24,700.00
U.S. Department of Health and Human Services Pass Through State of New Jersey National Opioids Settlement	93.778		2022	2,543.00		2,543.00		2,543.00	
U.S. Department of Homeland Security Assistance to Firefighters Grant	97.044		2022	293,409.09		293,409.09	293,409.09		293,409.09
Total Federal and State Grant Fund					21,313.41	324,652.09	318,109.09	27,856.41	

Borough of Glen Rock

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program	Federal Assistance Listing Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2022	Receipts/ Revenues	Expended	Balance Dec. 31, 2022	Cumulative Expenditures
<u>Other Trust Fund</u>									
U.S. Department of Justice Asset Forfeiture Program Equitable Sharing Funds	16.922		2021	578,316.83					
			2021	400,561.64	257,365.40	578,316.83	336,286.43	242,030.40	336,286.43
							257,365.40		400,561.64
Total Other Trust Fund					257,365.40	578,316.83	593,651.83	242,030.40	
<u>General Capital Fund</u>									
U.S. Department of HUD: Pass Through County of Bergen: Community Development Block Grant	14.218		2019	432,000.00	(26,879.00)			(26,879.00)	397,421.18
	14.218		2019	40,000.00					38,888.50
	14.218		2016	30,000.00					12,901.45
	14.218		2015	25,487.00	(25,487.00)			(25,487.00)	25,487.00
	14.218		2013	80,000.00	(52,366.00)			(52,366.00)	38,000.00
Total General Capital Fund									
Total Federal Awards					226,312.81	1,515,646.31	1,217,760.92	524,198.20	

Borough of Glen Rock

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2022

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID	Grant Year	Grant Award	Balance Jan. 1, 2022	Receipts/Revenues	Expended	Balance Dec. 31, 2022	MEMO Cumulative Expenditures
Federal and State Grant Fund								
NJ Department of Environmental Protection:								
Clean Communities	4900-765-004	2022	21,569.28	18,023.60	21,569.28	17,351.00	21,569.28	20,779.94
		2021	21,452.54	18,023.60	21,569.28	17,351.00	672.60	
							22,241.88	
Recycling Tonnage Grant	4910-100-224	2022	12,093.87		12,093.87		12,093.87	
		2021	19,782.09	19,782.09		16,907.06	2,875.03	16,907.06
		2020	12,002.34	7,695.72		7,695.72		12,002.34
				27,477.81	12,093.87	24,602.78	14,968.90	
NJ Department of Health:								
Alcohol Education Rehabilitation	9735-760-001	2020	416.77	416.77			416.77	
		2019	1,848.62	836.51			836.51	1,012.11
				1,253.28			1,253.28	
NJ Division of Highway Traffic Safety:								
Drunk Driving Enforcement Fund	6400-100-078	2017	6,490.00	5,104.27			5,104.27	1,385.73
				5,104.27			5,104.27	
NJ Department of Law and Public Safety:								
Body Armor Replacement	066-1020-718-001	2023	1,735.50		1,735.50		1,735.50	
		2022	1,335.20		1,335.20		1,335.20	
		2021	1,911.80	1,911.80		1,911.80		1,911.80
				1,911.80	3,070.70	1,911.80	3,070.70	
NJ Department of Law and Public Safety:								
Body Worn Camera Program	066-1020-100-495	2021	48,912.00	9,782.40	39,129.60	48,912.00		48,912.00
				9,782.40	39,129.60	48,912.00		

Borough of Glen Rock

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2022

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2022	Receipts/ Revenues	Expended Dec. 31, 2022	Balance Dec. 31, 2022	MEMO Cumulative Expenditures
<u>Council on Alcoholism and Drug Abuse:</u>								
Pass Through County of Bergen		2013	12,345.00	2,469.00			2,469.00	9,876.00
Municipal Drug Alliance				2,469.00			2,469.00	
Total Federal and State Grant Fund				66,022.16	75,863.45	92,777.58	49,108.03	
<u>General Capital Fund</u>								
<u>NJ Department of Transportation:</u>	078-6320-480							
Highway Planning and Construction								
Doremus Ave I		2022	201,000.00			192,562.30	(192,562.30)	192,562.30
Boulevard III		2021	210,000.00			189,259.32	(189,259.32)	189,259.32
Boulevard II		2020	205,000.00	(205,000.00)			(205,000.00)	205,000.00
Boulevard		2018	215,000.00	(124,176.54)			(124,176.54)	215,000.00
Traffic Signal - Maple & Rock		2017	221,500.00					166,392.00
Retaining Walls at NJ Transit Bridge		2013	360,000.00	(32,697.65)			(32,697.65)	318,532.50
Hamilton Ave/Belmont Rd		2013	146,500.00	2,532.54			2,532.54	141,434.92
Kirkwood Hamilton Ave			200,000.00	(200,000.00)			(200,000.00)	200,000.00
				(559,341.65)		381,821.62	(941,163.27)	
Total General Capital Fund				(559,341.65)		381,821.62	(941,163.27)	
Total State Awards				(493,319.49)	75,863.45	474,599.20	(892,055.24)	

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

BOROUGH OF GLEN ROCK
NOTES TO THE SCHEDULES OF EXPENDITURES
OFFEDERALANDSTATEAWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

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 Glen Rock. 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 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 generally accepted accounting principles (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 do not agree with amounts reported in the Borough's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards 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>
Federal and State Grant Fund	\$318,109.09	\$92,777.58	\$410,886.67
General Capital Fund		381,821.62	381,821.62
Other Trust Fund	593,651.83		593,651.83
Current Fund	<u>306,000.00</u>		<u>306,000.00</u>
	<u>\$1,217,760.92</u>	<u>\$474,599.20</u>	<u>\$1,692,360.12</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. INDIRECT COST RATE

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

**BOROUGH OF GLEN ROCK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Adverse: GAAP, qualified-regulatory basis

Internal control over financial reporting:

- | | | |
|---|-----------|------------------------------|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none reported |

Noncompliance material to financial statements noted?

_____ yes _____ X no

Federal Awards Section

Dollar threshold used to determine type A and B programs:

\$ 750,000.00

Auditee qualified as low-risk auditee?

_____ X yes _____ no

Type of auditors' report on compliance for major programs:

unmodified

Internal Control over compliance:

- | | | |
|---|-----------|------------------------------|
| 1. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none reported |

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

_____ yes _____ X no

Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program

21.027 (A)

ARP - Fiscal Recovery Fund

**BOROUGH OF GLEN ROCK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Section I - Summary of Auditor's Results, (continued)

State Awards Section

N/A

**BOROUGH OF GLEN ROCK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(continued)**

Section II- Financial Statement Findings

N/A

Section III- Federal Awards Findings and Questioned Costs

N/A

STATUS OF PRIOR YEAR AUDIT FINDINGS

None

GENERAL COMMENTS

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.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing 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 and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "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 paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract 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:

Doremus Avenue Roadway Improvements

Upgrades to Municipal Pool

Commingled Recycling Pickup

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 materials 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.

GENERAL COMMENTS, (continued)

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".

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 5, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Borough Council of the Borough of Glen Rock in the County of Bergen and State of New Jersey, that interest will be charged at the rate of eight per cent (8%) per annum on delinquent taxes, assessments and borough charges, except that if payment is made during the first ten days of February, May, August, or November the payment of taxes shall not be considered delinquent.

BE IT FURTHER RESOLVED that if the office of the Collector of Taxes is closed on the tenth day of February, May, August, or November, then the period of payment of taxes shall be extended to include the first business day thereafter.

BE IT FURTHER RESOLVED that the interest rate, as aforesaid, shall be from the first day of any current quarter unless the taxes for the same quarter are paid as provided by law or during the first ten days of the second month of the quarter as herein provided.

BE IT FURTHER RESOLVED that a charge of five dollars (\$5.00) will be made for the issuance of duplicate tax bills."

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 6, 2022 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2022	2
2021	2
2020	2

GENERAL COMMENTS, (continued)

School Taxes Payable

The amount due to the Local and Regional School Districts, as of December 31, 2022, were verified by the school secretaries.

Revenue

Receipts from licenses, fees, permits, etc., for all departments including the Municipal Court, were checked to the extent deemed appropriate to the records maintained.

Expenditures

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by the statute.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

COMMENTS

Expenditures

1. In some instances state and coop contracts were not approved in the minutes.

Other

1. The General Capital Fund contains various old receivables.

RECOMMENDATIONS

Expenditures

1. That all state and coop contracts be approved in the minutes.

Other

- *1. That the various receivables in the General Capital Fund be reviewed and the proper actions be taken.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all items, except those marked with an "***".

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

APPRECIATION

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

Very truly yours,



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



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