

REPORT OF AUDIT
BOROUGH OF NEW PROVIDENCE
COUNTY OF UNION
DECEMBER 31, 2022

BOROUGH OF NEW PROVIDENCE

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BOROUGH OF NEW PROVIDENCE

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of New Providence
New Providence, New Jersey 07974

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 New Providence in the County of Union, 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 New Providence 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 New Providence, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



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

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

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 16 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 \$660,531.79 and \$731,406.84 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Honorable Mayor and
Members of the Borough Council
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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

Honorable Mayor and
Members of the Borough Council
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Other Matters

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2023 on our consideration of the Borough of New Providence'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 New Providence's internal control over financial reporting and compliance.

James Cerullo
James Cerullo, C.P.A.
Registered Municipal Accountant
No. 415

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

July 20, 2023

Borough of New Providence, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Current Fund:			
Cash	A-4	\$ 11,433,841.26	10,786,981.99
Change Fund	A-5	150.00	150.00
		<u>11,433,991.26</u>	<u>10,787,131.99</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	277,595.64	271,492.48
Tax Title Liens	A-9	279,896.80	266,488.22
Property Acquired for Taxes -			
Assessed Valuation	A-10	11,955.00	11,955.00
Revenue Accounts Receivable	A-11	93,701.15	65,504.25
Due from:			
General Capital Fund	A-12	126.41	1.43
Animal Control Trust Fund	A-12	<u>9,209.60</u>	<u>17,681.21</u>
		<u>672,484.60</u>	<u>633,122.59</u>
		<u>12,106,475.86</u>	<u>11,420,254.58</u>
Federal and State Grant Fund:			
Cash	A-4	1,699,565.77	1,115,499.49
Grants Receivable	A-21	<u>2,357,380.53</u>	<u>1,679,052.22</u>
		<u>4,056,946.30</u>	<u>2,794,551.71</u>
Total Assets		<u>\$ 16,163,422.16</u>	<u>14,214,806.29</u>

See Accompanying Notes to 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	\$ 1,585,595.56	1,844,511.95
Due to:			
Municipal Open Space Trust	A-12	702.79	860.87
Encumbrances Payable	A-14	573,590.18	534,216.18
Prepaid Taxes	A-15	422,868.72	594,619.57
Due to Special Improvement District	A-16		38,345.48
County Tax Payable	A-19	68,006.07	87,478.88
Prepaid Revenue	A-20	5,808.00	4,347.00
Accounts Payable	A-20	20,269.87	13,291.34
Refunds Payable - Parking Permits	A-20	14.00	
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	5,209.10	4,778.97
Reserve for:			
Municipal Relief Aid	A-20	68,012.26	
Payment of Debt	A-20	103,722.30	
Revaluation	A-20	525,000.00	300,000.00
Tax Map Preparation	A-20	50,000.00	50,000.00
Tax Appeals	A-20	1,195,924.01	995,924.01
		4,624,722.86	4,468,374.25
Reserve for Receivables	Contra	672,484.60	633,122.59
Fund Balance	A-1	6,809,268.40	6,318,757.74
		12,106,475.86	11,420,254.58
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	2,693,060.16	1,433,067.21
Unappropriated Reserve for Grants	A-23	713,886.14	711,484.50
Interfund - General Capital Fund	A-25	650,000.00	650,000.00
		4,056,946.30	2,794,551.71
Total Liabilities, Reserves and Fund Balance		\$ 16,163,422.16	14,214,806.29

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

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	\$ 3,935,020.00	3,775,000.00
Miscellaneous Revenue Anticipated	A-2	6,028,048.77	4,701,714.49
Receipts from Delinquent Taxes	A-2	271,492.48	226,960.43
Receipts from Current Taxes	A-2	72,349,410.36	71,412,400.04
Non-Budget Revenue	A-2	114,453.54	197,230.24
Other Credits to Income:			
Interfunds Returned	A-12	17,682.64	7,214.03
Accounts Payable Cancelled			1,000.00
Statutory Excess Animal License Fund	A-12	9,189.80	10,469.00
Unexpended Balance of Appropriation Reserves	A-13	1,622,110.72	1,407,328.94
Cancelled Grant Reserves	A-22	68.97	100,468.94
 Total Revenues and Other Income		<u>84,347,477.28</u>	<u>81,839,786.11</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	7,509,366.00	7,291,715.00
Other Expenses	A-3	10,411,618.24	9,586,767.34
Capital Improvement Fund	A-3	1,371,484.00	635,000.00
Municipal Debt Service	A-3	2,322,615.00	2,401,665.00
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,134,773.64	2,130,674.00
Refund of Prior Year's Revenue	A-4	1,289.23	8,752.32
Interfund Advances	A-12	9,336.01	17,682.64
Special Improvement District Taxes	A-16	37,067.50	108,045.31
Municipal Open Space Tax	A-17	147,109.46	146,075.39
Local District School Tax	A-18	41,782,795.00	40,587,198.00
County Taxes including Added Taxes	A-19	14,192,488.57	14,744,283.64
Cancelled Grants Receivable	A-21	2,003.97	103,404.97
 Total Expenditures		<u>79,921,946.62</u>	<u>77,761,263.61</u>
 Excess (Deficit) Revenue Over Expenditures		<u>4,425,530.66</u>	<u>4,078,522.50</u>
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year			
 Statutory Excess to Fund Balance		<u>4,425,530.66</u>	<u>4,078,522.50</u>
 Fund Balance, January 1,	A	<u>6,318,757.74</u>	<u>6,015,235.24</u>
		10,744,288.40	10,093,757.74
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>3,935,020.00</u>	<u>3,775,000.00</u>
 Fund Balance, December 31,	A	<u>\$ 6,809,268.40</u>	<u>6,318,757.74</u>

See Accompanying Notes to Financial Statements

Statement of Revenues - Regulatory Basis

Current Fund				
Year Ended December 31, 2022				
	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 3,935,020.00	3,935,020.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	17,000.00	17,680.00	680.00
Other	A-2	30,000.00	46,089.00	16,089.00
Fees and Permits	A-2	40,000.00	46,135.85	6,135.85
Fines and Costs:				
Municipal Court	A-11	65,000.00	83,483.40	18,483.40
Interest and Costs on Taxes	A-4	55,000.00	60,773.77	5,773.77
Parking Meters	A-11	8,000.00	21,087.25	13,087.25
Interest on Investments and Deposits	A-11	13,000.00	87,453.83	74,453.83
Sewer Rentals	A-11	235,000.00	248,880.92	13,880.92
Cat Licenses	A-11	1,300.00	1,485.00	185.00
Parking Permits	A-11	33,000.00	88,679.00	55,679.00
Rental of Municipal Owned Property	A-11	63,000.00	70,841.31	7,841.31
Cable Television Franchise Fees	A-11	162,000.00	162,945.65	945.65
Energy Receipts Tax	A-11	1,303,819.00	1,303,819.00	
Uniform Construction Code Fees	A-11	350,000.00	373,070.00	23,070.00
Public and Private Revenues:				
Body Armor Grant	A-22	1,444.14	1,444.14	
Clean Communities	A-22	28,474.78	28,474.78	
Recycling Tonnage Grant	A-22	16,261.13	16,261.13	
NJ Transportation Trust Fund Authority Act	A-22	360,000.00	360,000.00	
Bulletproof Vest Partnership	A-22	3,254.39	3,254.39	
Distracted Driving Grant	A-22	7,000.00	7,000.00	
CDBG - Senior Services High Risk Health	A-22	5,000.00	5,000.00	
CDBG - Senior Enrichment & Exercise	A-22	8,250.00	8,250.00	
CDBG - Senior Center Grant	A-22	50,000.00	50,000.00	
Union County - Youth Leadership Grant	A-22	3,646.00	3,646.00	
Union County - Public Arts Grant	A-22	5,000.00	5,000.00	
AAA Pedestrian Crossing Enforcement	A-22	960.00	960.00	
Local Recreation Improvement Grant	A-22	70,000.00	70,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-22	10,394.00	10,394.00	
National Opiod Settlement	A-22	5,310.17	5,310.17	
Safe Routes to School Grant	A-22	621,324.54	621,324.54	
Union County-Greening Grant	A-22	2,500.00	2,500.00	
Union County - Kids Recreation Trust	A-22	30,000.00	30,000.00	
Union County - Infrastructure Grant	A-22	50,000.00	50,000.00	
Other Special Items:				
New Providence DID - Contribution for BAN P&I	A-11	30,000.00	29,859.86	(140.14)
Library Reimbursement	A-11	75,000.00	77,241.00	2,241.00
Leaf Collection Revenue	A-11	65,000.00	71,830.00	6,830.00
Hotel Occupancy Tax Revenue	A-11	35,000.00	69,561.60	34,561.60
Mountain Valley Dispatch Rent/Services	A-11	68,000.00	69,432.48	1,432.48
Berkeley Heights Shared Court	A-11	95,000.00	97,817.00	2,817.00
Summit Shared Sewer Services	A-11	175,000.00	190,740.60	15,740.60
Multi Family Sewer Fees	A-11	122,000.00	152,875.00	30,875.00
Uniform Fire Safety Act	A-11	14,400.00	38,133.95	23,733.95
American Rescue Plan LRFF	A-22	711,484.50	711,484.50	
Board of Education Share of School Resource Officer	A-11	80,000.00	80,358.44	358.44
Police Escort Administration Fees	A-11	95,000.00	261,340.00	166,340.00
Summit Shared Court	A-11	287,000.00	286,131.21	(868.79)
Total Miscellaneous Revenues	A-1	5,507,822.65	6,028,048.77	520,226.12
Receipts from Delinquent Taxes	A-1/A-2	223,000.00	271,492.48	48,492.48
Subtotal General Revenues		9,665,842.65	10,234,561.25	568,718.60
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes Minimum Library Tax		15,213,000.14	17,318,935.74	2,105,935.60
Total Amt. to be Raised by Taxes for Support of Budget	A-2	1,027,014.09	1,027,014.09	
16,240,014.23		18,345,949.83	2,105,935.60	
Budget Totals	A-1/A-2	25,905,856.88	28,580,511.08	2,674,654.20
Non-Budget Revenue			114,453.54	114,453.54
		\$ 25,905,856.88	28,694,964.62	2,789,107.74
Adopted Budget	A-3	25,122,753.00		
Appropriated by (N.J.S. 40A:4-87)	A-3	783,803.38		
		25,906,556.38		

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.
 Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2022

Analysis of Realized RevenuesRef.

Revenue from Collections	A-1/A-8	72,349,410.36
Allocated to School and County Taxes	A-8	<u>56,159,460.53</u>
Balance for Support of Municipal Budget Appropriations		16,189,949.83
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>2,156,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>18,345,949.83</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	<u>271,492.48</u>
	A-2	<u>271,492.48</u>
Licenses - Other:		
Clerk	A-11	20,100.00
Registrar	A-11	57.00
Board of Health	A-11	<u>25,932.00</u>
	A-2	<u>46,089.00</u>
Fees and Permits - Other:		
Clerk	A-11	8,738.54
Building Inspector Other	A-11	440.00
Police	A-11	1,979.31
Engineering Department	A-11	10,000.00
Registrar	A-11	1,980.00
Board of Adjustment	A-11	16,520.00
Planning Board	A-11	<u>6,478.00</u>
	A-2	<u>46,135.85</u>

Analysis of Non-budget RevenuesRef.

State DMV		50.00
Senior Citizens & Veterans Administration Fee		957.59
Scrap Metal/Plastic Recycling		6,826.00
Return Check Fee		140.00
Auction Proceeds		43,175.00
Miscellaneous Donations		1,500.00
FEMA Reimbursement IDA & Other Storm Damage		41,939.25
Miscellaneous Reimbursements		<u>19,865.70</u>
	A-4	<u>114,453.54</u>
	A-2	<u>114,453.54</u>

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

Page 1 of 8

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages		\$ 565,000.00	565,000.00	536,546.51		28,453.49
Other Expenses		261,564.00	261,093.00	227,620.00		33,473.00
Human Resources (Personnel/Labor Attny)						
Salaries and Wages		36,920.00	36,920.00	33,150.00		3,770.00
Other Expenses		56,950.00	56,950.00	150.00		56,800.00
Mayor and Council						
Salaries and Wages		43,500.00	43,500.00	43,500.00		
Other Expenses		7,500.00	7,500.00	5,216.40		2,283.60
Municipal Clerk						
Other Expenses		22,500.00	22,500.00	19,170.33		3,329.67
Financial Administration						
Salaries and Wages		148,000.00	148,000.00	135,807.27		12,192.73
Other Expenses		19,500.00	19,500.00	7,061.00		12,439.00
Audit Services						
Other Expenses		49,000.00	49,000.00	40,350.00		8,650.00
Collection of Taxes						
Salaries and Wages		91,800.00	91,800.00	87,018.96		4,781.04
Other Expenses		5,550.00	5,550.00	3,145.57		2,404.43
Assessment of Taxes						
Salaries and Wages		41,310.00	41,310.00	40,576.08		733.92
Other Expenses		181,300.00	181,300.00	56,941.96		124,358.04
Revaluation		25,000.00	25,000.00	25,000.00		
Legal Services and Costs						
Other Expenses		125,000.00	125,000.00	86,906.61		38,093.39
Engineering Services and Costs						
Other Expenses		140,000.00	140,000.00	50,762.13		89,237.87

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

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Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Planning Board						
Salaries and Wages		4,000.00	4,000.00			943.62
Other Expenses		52,250.00	47,250.00			23,503.08
Board of Adjustment						
Salaries and Wages		3,600.00	3,750.00			566.28
Other Expenses		20,000.00	24,850.00			2,905.10
Insurance:						
General Liability		593,500.00	593,500.00			593,500.00
Employee Group Health		1,345,000.00	1,216,500.00			982,531.89
Health Benefit Waiver		75,000.00	75,000.00			56,672.92
Municipal Court:						
Salaries and Wages		392,190.00	392,190.00			370,746.24
Other Expenses		12,300.00	12,300.00			7,181.43
Public Defender						
Salaries and Wages		7,285.00	7,285.00			7,283.04
Police						
Salaries and Wages		3,818,880.00	3,818,880.00			3,556,288.06
Other Expenses		234,500.00	234,500.00			219,340.21
Police Dispatch/911						
Other Expenses		711,650.00	711,650.00			711,649.92
Emergency Management Services						
Other Expenses		3,500.00	3,500.00			3,500.00
Fire						
Other Expenses		106,990.00	106,990.00			987.19
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						987.19
Salaries and Wages		43,565.00	43,565.00			42,962.88
Other Expenses		4,000.00	4,000.00			3,886.50
Road Repairs and Maintenance						
Other Expenses		210,000.00	210,000.00			172,930.38
						37,069.62

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

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Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Public Works						
Salaries and Wages		1,127,570.00	1,127,570.00	1,069,425.76		58,144.24
Other Expenses		31,000.00	37,000.00	17,000.00		20,000.00
Traffic Signal Maintenance						
Other Expenses		17,000.00	17,000.00	11,838.52		5,161.48
Public Buildings and Grounds						
Other Expenses		284,000.00	284,000.00	261,178.54		22,821.46
Fleet Maintenance						
Other Expenses		95,450.00	95,450.00	94,334.57		1,115.43
Solid Waste/Recycling Collections						
Other Expenses		913,145.00	913,145.00	894,083.58		19,061.42
Solid Waste Disposal Costs		350,000.00	350,000.00	335,691.46		14,308.54
Waste Water Treatment Plant						
Salaries and Wages		342,105.00	363,605.00	355,156.16		8,448.84
Other Expenses		161,500.00	161,500.00	156,430.81		5,069.19
Board of Health						
Salaries and Wages		2,000.00	2,000.00	161.40		1,838.60
Other Expenses		66,168.00	66,168.00	64,829.48		1,338.52
Animal Control Services						
Other Expenses		27,240.00	27,240.00	21,205.00		6,035.00
Health Services						
Salaries and Wages		64,151.00	64,151.00	51,708.74		12,442.26
Other Expenses		3,550.00	3,550.00			3,550.00
Community Activities						
Salaries and Wages		240,365.00	240,365.00	224,160.96		16,204.04
Other Expenses		18,500.00	18,500.00	16,205.91		2,294.09
Senior Citizen Programs						
Salaries and Wages		99,250.00	99,250.00	79,652.21		19,597.79
Other Expenses		40,300.00	40,300.00	21,823.50		18,476.50

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Tuition Reimbursement Program						12,500.00
Other Expenses		12,500.00	12,500.00			12,500.00
Construction Code Official						
Salaries and Wages		409,225.00	409,225.00			8,596.72
Other Expenses		36,900.00	36,900.00			10,433.69
Utility Expenses/Bulk Purchases:						
Electricity		319,000.00	319,000.00			41,169.77
Telephone and Telegraph		50,000.00	50,000.00			5,572.32
Natural Gas		85,000.00	85,000.00			30,763.57
Street Lighting		130,000.00	120,000.00			9,528.26
Water		55,000.00	65,000.00			8,060.32
Motor Supplies		137,000.00	173,000.00			27,218.93
Fire Hydrant Service		200,000.00	200,000.00			621.30
Terminal Leave		70,000.00	70,000.00			70,000.00
		<u>14,846,523.00</u>	<u>14,781,052.00</u>			<u>13,335,158.37</u>
						<u>1,445,893.63</u>
Total Operations within "CAPS"						
Detail:						
Salaries and Wages	A-1	7,480,716.00	7,502,366.00			7,041,012.65
Other Expenses	A-1	7,365,807.00	7,278,686.00			6,294,145.72

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

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Exhibit A-3

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		525,373.00	525,373.00			525,373.00
Social Security System (O.A.S.I.)		538,220.00	598,220.00			581,378.76
Police and Firemen's Retirement System of N.J.		944,311.00	944,311.00			944,311.00
Unemployment Compensation Insurance		10,000.00	10,000.00			10,000.00
Defined Contribution Retirement Plan		25,000.00	30,000.00			27,539.10
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	2,042,904.00	2,107,904.00			2,088,601.86
						19,302.14
Total General Appropriations for Municipal Purposes within "CAPS"		16,889,427.00	16,888,956.00			15,423,760.23
						1,465,195.77
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,027,014.09	1,027,014.09			1,027,014.00
Sewer System		920,000.00	920,000.00			863,060.94
Joint Meeting Expenses		15,000.00	15,000.00			8,039.36
Berkley Heights Expenses		50,000.00	50,000.00			50,000.00
Emergency Services Volunteer Length of Service Award Program		200,000.00	200,000.00			200,000.00
Reserve for Tax Appeals						
Fair Housing Act of 1985 Council on Affordable Housing		6,500.00	6,500.00			6,500.00
Salaries and Wages						
Public and Private Programs Offset by Revenues		1,444.14	1,444.14			1,444.14
Body Armor Grant		28,474.78	28,474.78			28,474.78
Clean Communities		16,261.13	16,261.13			16,261.13
Recycling Tonnage Grant						

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Bulletproof Vest Partnership		3,254.39	3,254.39			3,254.39
Union County - Kids Recreation Trust		30,000.00	30,000.00			30,000.00
Distracted Driving Grant		7,000.00	7,000.00			7,000.00
CDBG - Senior Citizen High Risk Health Services		5,000.00	5,000.00			5,000.00
CDBG - Enrichment & Exercise		8,250.00	8,250.00			8,250.00
CDBG - Senior Citizen Center		50,000.00	50,000.00			50,000.00
Union County Arts Grant		5,000.00	5,000.00			5,000.00
Union County Leadership Grant		3,646.00	3,646.00			3,646.00
Local Recreation Improvement Grant		70,000.00	70,000.00			70,000.00
National OPIOID Settlement		5,310.17	5,310.17			5,310.17
Union County Infrastructure Grant		50,000.00	50,000.00			50,000.00
Safe Routes to School		621,324.54	621,324.54			621,324.54
Greening Union County Tree Grant		2,500.00	2,500.00			2,500.00
AAA Pedestrian Crossing Enforcement		960.00	960.00			960.00
Municipal Alliance on Alcoholism and Drug Abuse		10,394.00	10,394.00			10,394.00
Municipal Alliance on Alcoholism and Drug Abuse - Local Share		2,128.00	2,599.00			2,599.00
Total Operations - Excluded from "CAPS"		3,139,461.24	3,139,932.24			3,019,532.45
Total:						120,399.79
Salaries & Wages	A-1	7,000.00	7,000.00			7,000.00
Other Expenses	A-1	3,132,461.24	3,132,932.24			3,012,532.45
Capital Improvements:						
Capital Improvement Fund		299,999.50	299,999.50			299,999.50
Various Street & Road Improvements - ARP		711,484.50	711,484.50			711,484.50
NJ Transportation Trust Fund Authority Act		360,000.00	360,000.00			360,000.00
Total Capital Improvements Excluded from "CAPS"	A-1	1,371,484.00	1,371,484.00			1,371,484.00

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

General Appropriations	Ref.	Budget	Budget	Paid or	Unexpended
			After	Modification	Balance Cancelled
Municipal Debt Service:					
Payment of Bond Principal		1,820,000.00		1,820,000.00	
Interest on Bonds		<u>502,615.00</u>	<u>502,615.00</u>	<u>502,615.00</u>	
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>2,322,615.00</u>	<u>2,322,615.00</u>	<u>2,322,615.00</u>	
Deferred Charges:					
Deferred Charges to Future Taxation - Unfunded					
Ordinance 16-07 Various Capital Improvements		<u>26,869.64</u>	<u>26,869.64</u>	<u>26,869.64</u>	
Total Deferred Charges - Municipal - Excluded					
from "CAPS"					
Total General Appropriations for Municipal					
Purposes Excluded from "CAPS"					
Subtotal General Appropriations		<u>6,860,429.88</u>	<u>6,860,900.88</u>	<u>6,740,501.09</u>	<u>120,399.79</u>
Reserve for Uncollected Taxes					
Total General Appropriations		<u>\$ 25,905,856.88</u>	<u>25,905,856.88</u>	<u>24,320,261.32</u>	<u>1,585,595.56</u>
Adopted Budget	A-2				
Appropriated by (N.J.S.A. 40A:4-87)	A-2				
		25,122,753.00			
		<u>783,803.38</u>			
		<u><u>25,906,556.38</u></u>			

Borough of New Providence, N.J.

Exhibit A-3

Statement of Expenditures - Regulatory Basis

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Current Fund

Year Ended December 31, 2022

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Reserve for Uncollected Taxes	A-2	2,156,000.00				
Cash Disbursed	A-4	19,372,768.49				
Encumbrances Payable	A-15	573,590.18				
Reserve for Revaluation	A-20	25,000.00				
Reserve for Tax Appeals	A-20	200,000.00				
Reserve for Federal and State Grants	A-22	1,990,303.65				
Matching Funds for Federal and State Grants	A-4,A-22	2,599.00				
						<u>24,320,261.32</u>

Analysis of Paid or Charged

Reserve for Uncollected Taxes
Cash Disbursed
Encumbrances Payable
Reserve for Revaluation
Reserve for Tax Appeals
Reserve for Federal and State Grants
Matching Funds for Federal and State Grants

See Accompanying Notes to Financial Statements

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Animal License Fund:			
Cash	B-1	\$ 25,333.20	36,532.81
Cash - License Collector	B-2	21.00	
		<u>25,333.20</u>	<u>36,553.81</u>
Other Trust Funds:			
Cash	B-1	3,647,923.80	3,748,732.33
Cash - Payroll	B-7	51,801.13	51,854.40
Due from Current Fund (Open Space)	B-3	702.79	860.87
		<u>3,700,427.72</u>	<u>3,801,447.60</u>
Emergency Services Volunteer Length of Service Award Program: (Unaudited)			
Cash in Plan	B-1	615,231.79	696,106.84
Contributions Receivable	B-11	45,300.00	35,300.00
		<u>660,531.79</u>	<u>731,406.84</u>
Total Assets		\$ <u>4,386,292.71</u>	<u>4,569,408.25</u>

See Accompanying Notes to Financial Statements

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal License Fund:			
Interfund - Current Fund	B-3	\$ 9,209.60	17,681.21
Reserve for Dog Fund Expenditures	B-4	16,123.60	18,871.40
Due to State of New Jersey	B-5		1.20
		<u>25,333.20</u>	<u>36,553.81</u>
Other Trust Fund:			
Various Other Trust Funds	B-6	2,246,704.73	2,435,526.97
Payroll Deductions	B-7	51,801.13	51,854.40
Reserve for:			
Construction and Other Deposits	B-8	188,645.73	247,178.70
Unemployment Insurance Trust Fund	B-9	221,448.57	225,591.54
Municipal Open Space	B-10	991,827.56	841,295.99
		<u>3,700,427.72</u>	<u>3,801,447.60</u>
Emergency Services Volunteer Length of Service Award Program: (Unaudited)			
Net Assets Available for Benefits	B-12	<u>660,531.79</u>	<u>538,351.14</u>
		<u>660,531.79</u>	<u>731,406.84</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 4,386,292.71</u>	<u>4,569,408.25</u>

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2022 and 2021

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|                                               | <u>Ref.</u> | <u>2022</u>             | <u>2021</u>          |
|-----------------------------------------------|-------------|-------------------------|----------------------|
| <u>Assets</u>                                 |             |                         |                      |
| Cash                                          | C-2/C-3     | \$ 9,306,048.60         | 2,032,738.09         |
| Various Receivables                           | C-4         | 43,072.03               | 53,669.53            |
| Deferred Charges to Future Taxation:          |             |                         |                      |
| Funded                                        | C-5         | 15,480,000.00           | 17,300,000.00        |
| Unfunded                                      | C-6         | 11,760,000.00           | 9,026,869.74         |
| Interfund - State & Federal Grant Fund        | C-8         | 650,000.00              | 650,000.00           |
|                                               |             | <u>37,239,120.63</u>    | <u>29,063,277.36</u> |
| <u>Liabilities, Reserves and Fund Balance</u> |             |                         |                      |
| Interfund - Current Fund                      | C-7         | 126.41                  | ````                 |
| General Serial Bonds                          | C-9         | 15,480,000.00           | 17,300,000.00        |
| Bond Anticipation Notes                       | C-10        | 9,000,000.00            |                      |
| Improvement Authorizations:                   |             |                         |                      |
| Funded                                        | C-11        | 1,701,785.80            | 1,888,403.70         |
| Unfunded                                      | C-11        | 8,273,064.64            | 7,237,211.85         |
| Capital Improvement Fund                      | C-12        | 810,482.63              | 663,999.13           |
| Reserve for:                                  |             |                         |                      |
| Debt Service                                  | C-13        | 1,506,502.07            | 1,506,502.07         |
| Redwood ERC Sewer Project                     | C-13        | 225,000.00              | 225,000.00           |
| Fund Balance                                  | C-1         | 242,159.08              | 242,159.18           |
|                                               |             | <u>\$ 37,239,120.63</u> | <u>29,063,275.93</u> |

Footnote: There were \$2,760,000.00 and \$9,026,869.74 of Bonds and Notes Authorized But Not Issued per Exhibit C-14 on December 31, 2022 and 2021

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2022

|                                             | <u>Ref.</u> |    | <u>2022</u>       | <u>2021</u>       |
|---------------------------------------------|-------------|----|-------------------|-------------------|
| Balance - December 31, 2021                 | C           | \$ | 242,159.18        | 242,159.18        |
| Decreased by:                               |             |    |                   |                   |
| Deferred Charges Unfunded                   | C-6         |    | 0.10              |                   |
| Appropriated to Current Year Budget Revenue | C-2         |    |                   |                   |
| Balance - December 31, 2022                 | C,C-3       | \$ | <u>242,159.08</u> | <u>242,159.18</u> |

See Accompanying Notes to Financial Statements

## GENERAL FIXED ASSET ACCOUNT GROUP

**Exhibit D****Borough of New Providence , N.J.****Comparative Statement of General Fixed Assets****December 31, 2022 and 2021**

|                                   | <u>2022</u>             | <u>2021</u>             |
|-----------------------------------|-------------------------|-------------------------|
| <b>General Fixed Assets:</b>      |                         |                         |
| Buildings and Construction        | \$ 13,024,302.74        | \$ 12,918,098.59        |
| Machinery and Equipment           | 8,787,729.09            | 8,797,804.12            |
| Land Improvements                 | 2,791,281.23            | 2,793,981.23            |
| Underground Equipment & Utilities | <u>1,265,385.74</u>     | <u>1,265,385.74</u>     |
|                                   | <u>\$ 25,868,698.80</u> | <u>\$ 25,775,269.68</u> |
| Investment in Fixed Assets        | <u>\$ 25,868,698.80</u> | <u>\$ 25,775,269.68</u> |

See Accompanying Notes to Financial Statements

**BOROUGH OF NEW PROVIDENCE  
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 generally accepted accounting principles (GAAP).

The financial statements of the Borough of New Providence 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 a comprehensive basis of accounting other than generally accepted accounting principles. 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 New Providence (the "Borough") operates under a Mayor/Council form of government. There are six elected members on the Council. Each is elected to a three year term. The Mayor is elected in a general election for a four year term. The Mayor carries a legislative vote only if there is a tie amongst Council members. 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, which is considered a component unit under GAAP. Complete financial statements of the above component can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF NEW PROVIDENCE  
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.

**All Other Trust Funds** - These funds are 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 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 Awards Program** - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the interest 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.

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

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting**

A modified accrual basis of accounting is followed by the Borough of New Providence. 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 generally accepted accounting principles (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 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

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 Funds

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 \$783,103.88. The increase was funded by \$783,103.88 of additional grants and contributions given to the Borough. In addition, several budget transfers were approved by the governing body.

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.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

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. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

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

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

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 New Providence 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 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, except land which is valued at estimated market value.

No depreciation has been provided for in the financial statements.

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

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

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

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

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

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**Basis of Accounting, (continued)**

**Impact of Recently Issued Accounting Principles**

**Recently Issued and Adopted Accounting Pronouncements**

The Borough did not adopt any new accounting pronouncements for 2022.

**C. Basic Financial Statements**

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

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022 and 2021, \$0.00 of the Borough's bank balance of \$26,466,036.27 and \$17,930,104.56, respectively, was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Credit Risk**

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

**Concentration of Credit Risk**

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

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2022 and 2021, the Borough had \$181,432.03 and \$178,739.64, respectively, on deposit with the New Jersey Cash Management Fund.

**Unaudited Investments**

As more fully described in Note 16, 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 Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$615,231.79 and \$696,106.84, respectively.

**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Unaudited Investments, (continued)**

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

|                   | <u>2022</u>         | <u>2021</u>         |
|-------------------|---------------------|---------------------|
| Growth            | \$347,696.06        | \$453,634.65        |
| Fixed Income      | 99,993.05           | 87,081.14           |
| Income            | 68,312.55           | 57,441.09           |
| Growth and Income | 62,445.97           | 68,437.64           |
| All Others        | <u>36,784.16</u>    | <u>29,512.32</u>    |
| Total             | <u>\$615,231.79</u> | <u>\$696,106.84</u> |

**NOTE 3: MUNICIPAL DEBT**

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

|                                            | Balance<br>Dec. 31, 2021 | Additions | Reductions            | Ending<br>Balance      | Amounts Due<br>Within<br>One Year |
|--------------------------------------------|--------------------------|-----------|-----------------------|------------------------|-----------------------------------|
| Bonds Payable - General<br>Obligation Debt | <u>\$17,300,000.00</u>   | \$ _____  | <u>\$1,820,000.00</u> | <u>\$15,480,000.00</u> | <u>\$1,870,000.00</u>             |

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**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

|                                                          | <u>Year 2022</u>       | <u>Year 2021</u>       | <u>Year 2020</u>       |
|----------------------------------------------------------|------------------------|------------------------|------------------------|
| <u>Issued:</u>                                           |                        |                        |                        |
| General:                                                 |                        |                        |                        |
| Bonds and Notes                                          | <u>\$24,480,000.00</u> | <u>\$17,300,000.00</u> | <u>\$19,135,000.00</u> |
| Total Issued                                             | <u>24,480,000.00</u>   | <u>17,300,000.00</u>   | <u>19,135,000.00</u>   |
| <u>Authorized But Not Issued</u>                         |                        |                        |                        |
| General:                                                 |                        |                        |                        |
| Bonds and Notes                                          | <u>2,760,000.00</u>    | <u>9,026,869.74</u>    | <u>6,908,859.74</u>    |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$27,240,000.00</u> | <u>\$26,326,869.74</u> | <u>\$26,043,859.74</u> |

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .820%.

|                       | <u>Gross Debt</u>      | <u>Deductions</u>      | <u>Net Debt</u>        |
|-----------------------|------------------------|------------------------|------------------------|
| Local School District | <u>\$37,431,122.00</u> | <u>\$37,431,122.00</u> | <u>\$0.00</u>          |
| General Debt          | <u>27,240,000.00</u>   | <u>1,506,502.07</u>    | <u>25,733,497.93</u>   |
|                       | <u>\$64,671,122.00</u> | <u>\$38,937,624.07</u> | <u>\$25,733,497.93</u> |

Net Debt \$25,733,497.93 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$3,138,622,919.33 = .820%.

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

|                                               |                        |
|-----------------------------------------------|------------------------|
| 3 ½% of Equalized Valuation Basis (Municipal) | \$109,851,802.17       |
| Net Debt                                      | <u>25,733,497.93</u>   |
| Remaining Borrowing Power                     | <u>\$84,118,304.24</u> |

**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 3: MUNICIPAL DEBT, (continued)**

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

| Paid by Current Fund:                                                                                                                                  | <u>Amount Outstanding</u>     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| General Improvement Bonds - \$8,910,000.00 issued May 15, 2012 due through May 15, 2027 with variable interest rates of 2.00% to 2.125%                | \$3,100,000.00                |
| General Improvement Bonds - \$9,980,000.00 issued July 10, 2015 due March 1, 2016 through March 1, 2029 with variable interest rates of 3.00% to 4.00% | 6,380,000.00                  |
| General Improvement Bonds - \$ 7,300,000.00 issued September 25, 2019 due through September 1, 2032 with variable interest rates of 2.00% to 4.00%     | <u>6,000,000.00</u>           |
|                                                                                                                                                        | <u><u>\$15,480,000.00</u></u> |

General Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged and are payable from taxes levied on all taxable property located within the Borough.

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST BONDED DEBT ISSUED AND OUTSTANDING.**

| Calendar | <u>General</u>                |                              |                               |
|----------|-------------------------------|------------------------------|-------------------------------|
|          | <u>Year</u>                   | <u>Principal</u>             | <u>Interest</u>               |
| 2023     | 1,870,000.00                  | 438,715.00                   | 2,308,715.00                  |
| 2024     | 1,820,000.00                  | 376,315.00                   | 2,196,315.00                  |
| 2025     | 1,945,000.00                  | 313,415.00                   | 2,258,415.00                  |
| 2026     | 2,095,000.00                  | 252,377.50                   | 2,347,377.50                  |
| 2027     | 2,120,000.00                  | 189,470.00                   | 2,309,470.00                  |
| 2028     | 1,700,000.00                  | 132,150.00                   | 1,832,150.00                  |
| 2029     | 1,680,000.00                  | 73,950.00                    | 1,753,950.00                  |
| 2030     | 750,000.00                    | 45,000.00                    | 795,000.00                    |
| 2031     | 750,000.00                    | 30,000.00                    | 780,000.00                    |
| 2032     | <u>750,000.00</u>             | <u>15,000.00</u>             | <u>765,000.00</u>             |
|          | <u><u>\$15,480,000.00</u></u> | <u><u>\$1,866,392.50</u></u> | <u><u>\$17,346,392.50</u></u> |

At December 31, 2022, the Borough had authorized but not issued debt of \$2,760,000.00.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**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.

On December 31, 2022, the Borough had \$9,000,000.00 in outstanding general capital bond anticipation notes. Maturing on July 27, 2023 at an interest rate of 4.00%.

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

|                | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> |
|----------------|------------------------------|------------------|-------------------|---------------------------|
| Notes Payable: |                              |                  |                   |                           |
| Mellon Bank    |                              | \$9,000,000.00   |                   | \$9,000,000.00            |

**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, there were no deferred charges shown on the balance sheets of the various funds.

**NOTE 6: SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough raises its share of local school district taxes on a calendar year basis; hence there is no deferral of school taxes.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**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).

***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](http://www.state.nj.us/treasury/pensions).

**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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7: PENSION PLANS, (continued)**

a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

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

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.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7: PENSION PLANS, (continued)**

Defined Contribution Retirement Program

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

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

Contribution Requirements

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

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        | \$525,373.00 | \$944,311.00 | \$27,539.10 |
| 2021        | 483,640.00   | 898,034.00   | 22,885.82   |
| 2020        | 443,877.00   | 826,390.00   | 20,785.21   |

**BOROUGH OF NEW PROVIDENCE  
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 \$5,314,443.00 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 0.0448608762 percent, which was an increase/(decrease) of 0.0006505199 percent from its proportion measured as of June 30, 2020.

**BOROUGH OF NEW PROVIDENCE**  
**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)**

For the year ended December 31, 2021, the Borough recognized pension expense of \$483,640.00. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

|                                                                                                                       | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference between expected and actual experience                                                                     | \$83,816.00                                   | \$38,045.00                                  |
| Changes of assumptions                                                                                                | 27,678.00                                     | 1,891,976.00                                 |
| Net difference between projected and actual earnings<br>on pension plan investments                                   |                                               | 1,399,964.00                                 |
| Changes in proportion and differences between the Borough's<br>contributions and proportionate share of contributions | <u>299,396.00</u>                             | <u>219,236.00</u>                            |
| <br>Total                                                                                                             | <br><u>\$410,890.00</u>                       | <br><u>\$3,549,221.00</u>                    |

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

| Year ended June 30: |                           |
|---------------------|---------------------------|
| 2022                | (\$1,253,977)             |
| 2023                | (895,337)                 |
| 2024                | (610,467)                 |
| 2025                | (458,889)                 |
| 2026                | <u>179</u>                |
|                     | <u><u>\$3,218,491</u></u> |

**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, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (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      | \$1,164,738,169      |
| Collective deferred inflows of resources  | 8,339,123,762        | 8,339,123,762        |
| Collective net pension liability          | 11,972,782,878       | 11,972,782,878       |
| Borough's Proportion                      | 0.0448608762%        | 0.0448608762%        |

**Actuarial Assumptions**

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

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

The actuarial assumptions used in the June 30, 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 NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

**Public Employees Retirement System (PERS), (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 NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Discount Rate**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 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>   |                                     |                        |
|-----------------------------------------------------------|------------------------|-------------------------------------|------------------------|
|                                                           | <u>1%<br/>Decrease</u> | <u>At Current<br/>Discount Rate</u> | <u>1%<br/>Increase</u> |
| Borough's proportionate share of<br>the pension liability | <u>6.00 %</u>          | <u>7.00%</u>                        | <u>8.00%</u>           |

\$7,237,194      \$5,314,443      \$3,682,717

**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](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

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.

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

At December 31, 2021, the Borough had a liability of \$5,922,200 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was 0.0810244457 percent, which was an increase/(decrease) of 0.006397850 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Borough recognized pension expense of \$944,311.00. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

|                                                                                                                 | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference in actual and expected experience                                                                    | \$67,565.00                                   | \$709,418.00                                 |
| Changes of assumptions                                                                                          | 31,513.00                                     | 1,774,856.00                                 |
| Net difference between projected and actual earnings<br>on pension plan investments                             |                                               | 2,523,642.00                                 |
| Changes in proportion and differences between Borough<br>contributions and proportionate share of contributions | <u>375,484.00</u>                             | <u>196,804.00</u>                            |
| <b>Total</b>                                                                                                    | <b><u>\$474,562.00</u></b>                    | <b><u>\$5,204,720.00</u></b>                 |

**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

Year ended June 30:

|            |               |
|------------|---------------|
| 2022       | (\$1,571,507) |
| 2023       | (1,179,641)   |
| 2024       | (1,012,215)   |
| 2025       | (998,167)     |
| 2026       | (125,905)     |
| Thereafter | (21,404)      |

**Changes in Proportion**

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

**Additional Information**

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

|                                           | <u>June 30, 2021</u> | <u>June 30, 2020</u> |
|-------------------------------------------|----------------------|----------------------|
| Collective deferred outflows of resources | \$817,271,932        | \$1,601,195,680      |
| Collective deferred inflows of resources  | 6,875,738,520        | 4,191,274,402        |
| Collective net pension liability          | 9,364,849,587        | 14,926,648,722       |
| Borough's Proportion                      | 0.0810244457%        | 0.0803846607%        |

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

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

**Actuarial Assumptions**

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

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

**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 NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (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 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (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:

|                                                           | June 30, 2021                  |                                             |                                |
|-----------------------------------------------------------|--------------------------------|---------------------------------------------|--------------------------------|
|                                                           | 1%<br>Decrease<br><u>6.00%</u> | At Current<br>Discount Rate<br><u>7.00%</u> | 1%<br>Increase<br><u>8.00%</u> |
| Borough's proportionate share of<br>the pension liability | \$8,982,675                    | \$5,922,200                                 | \$3,366,361                    |

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 \$1,665,618 and \$1,611,978, 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 \$185,501 and \$182,685, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$144,691 and \$124,041, 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 NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 7. PENSION PLANS, (continued)**

**Police and Firemen's Retirement System, (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](http://www.state.nj.us/treasury/pensions).

**NOTE 8: 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:

|              | <u>2023</u>           | <u>2022</u>           |
|--------------|-----------------------|-----------------------|
| Current Fund | <u>\$4,250,000.00</u> | <u>\$3,935,020.00</u> |

**NOTE 9: FIXED ASSETS**

The following is a summary of changes in the general fixed asset account group for the year 2022.

|                                        | <u>Balance</u>                |                            |                            | <u>Balance</u>                |
|----------------------------------------|-------------------------------|----------------------------|----------------------------|-------------------------------|
|                                        | <u>Dec. 31, 2021</u>          | <u>Additions</u>           | <u>Deletions</u>           | <u>Dec. 31, 2021</u>          |
| Buildings and Improvements             | <u>\$12,918,098.59</u>        | <u>\$119,365.63</u>        | <u>\$13,161.48</u>         | <u>\$13,024,302.74</u>        |
| Machinery and Equipment                | <u>8,797,804.12</u>           | <u>384,591.47</u>          | <u>394,666.50</u>          | <u>8,787,729.09</u>           |
| Land Improvements                      | <u>2,793,981.23</u>           |                            | <u>2,700.00</u>            | <u>2,791,281.23</u>           |
| Underground Equipment<br>and Utilities | <u>1,265,385.74</u>           |                            |                            | <u>1,265,385.74</u>           |
|                                        | <u><u>\$25,775,269.68</u></u> | <u><u>\$503,957.10</u></u> | <u><u>\$410,527.98</u></u> | <u><u>\$25,868,698.80</u></u> |

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 10: TERMINAL LEAVE**

Eligible employees who retire with a pension under PERS or PFRS shall be entitled to receive Terminal Leave. The number of Terminal Leave days will be based on the number of unused sick leave at the time of retirement. Retiring PERS employees will remain on the payroll of the Borough based on one day of base salary pay for every four days of accumulated unused sick leave up to 100 days; and 1 day base salary pay for every 3 days of accumulated sick leave beyond 100 days subject to a maximum payment. Retiring PFRS employees will remain on the payroll of the Borough based on 1 day of salary pay for every 4 days of accumulated unused sick leave if the total days are below 100 or 1 day base salary pay for every 3 days of accumulated unused sick leave if the total days are above 100, subject to a maximum payment. The maximum payment for employees who retire under PERS is \$12,000.00 and under PFRS is \$17,000.00.

It is estimated that the sum of \$371,403.04, computed internally at 2022 salary rates, would be payable to 29 officials and employees of the Borough of New Providence as of December 31, 2022 for accumulated sick days. This amount was not verified by audit.

Provisions for the above are not reflected on the Financial Statements of the Borough. It is expected that the cost of such unpaid compensation would be included in the Borough's operating budget in the year in which it is used.

**NOTE 11: DUE TO/FROM OTHER FUNDS**

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

|                     |                                                                                                                         |
|---------------------|-------------------------------------------------------------------------------------------------------------------------|
| \$9,209.60          | Due to the Current Fund from the Animal Control Trust Fund for the statutory excess in Animal Control Funds.            |
| 126.41              | Due to the Current Fund from the General Capital Fund for interest earnings.                                            |
| <u>650,000.00</u>   | Due to the General Capital Fund from the State and Federal Grant Fund for capital receipts deposited in the Grant Fund. |
| <u>\$659,336.01</u> |                                                                                                                         |

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

**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 12: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 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 New Providence is currently a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

**New Jersey Unemployment Compensation Insurance** – The Borough has elected to fund 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 expendable trust fund for the current and prior year:

| <b>Interest Earnings/</b> |                      |                      |                   |                |
|---------------------------|----------------------|----------------------|-------------------|----------------|
| <b>Year Ended</b>         | <b>Borough</b>       | <b>Employee</b>      | <b>Amount</b>     | <b>Ending</b>  |
| <b>Dec. 31,</b>           | <b>Contributions</b> | <b>Contributions</b> | <b>Reimbursed</b> | <b>Balance</b> |
| 2022                      | \$10,000.00          | \$12,788.67          | \$26,931.64       | \$221,448.57   |
| 2021                      | 35,000.00            | 11,120.65            | 22,953.77         | 225,591.54     |
| 2020                      | 180,000.00           | 10,601.16            | 2,245.17          | 202,424.66     |

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**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<br/>Dec. 31, 2022</u> | <u>Balance<br/>Dec 31, 2021</u> |
|--------------------------------------------------|----------------------------------|---------------------------------|
| Prepaid Taxes                                    | <u>\$422,868.72</u>              | <u>\$594,619.57</u>             |
| Cash Liability for Taxes Collected<br>in Advance | <u>\$422,868.72</u>              | <u>\$594,619.57</u>             |

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

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

**General Information about the OPEB Plan**

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

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**General Information about the OPEB Plan, (continued)**

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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 as of the date of this report. 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 County 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.

**BOROUGH OF NEW PROVIDENCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 14. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Total OPEB Liability, (continued)**

At December 31, 2021, the Borough had a liability of \$13,642,934 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 in the plan. At June 30, 2021 the Borough's proportion was 0.075795 percent.

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$2,295,304. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                                                                       | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Difference between expected and actual experience                                                                     | \$306,131                                     | \$2,854,303                                  |
| Changes of assumptions                                                                                                | 1,962,577                                     | 2,411,549                                    |
| Net difference between projected and actual earnings<br>on OPEB plan investments                                      | 6,523                                         |                                              |
| Changes in proportion and differences between the Borough's<br>contributions and proportionate share of contributions | <u>13,266,564</u>                             | <u>      </u>                                |
| <b>Total</b>                                                                                                          | <b><u>\$15,541,795</u></b>                    | <b><u>\$5,265,852</u></b>                    |

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       | (\$814,609)               |
| 2023       | (815,681)                 |
| 2024       | (816,660)                 |
| 2025       | (583,179)                 |
| 2026       | (98,037)                  |
| Thereafter | <u>137,545</u>            |
|            | <b><u>\$2,990,621</u></b> |

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (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 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**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 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%                                                                                                                                                            |
| <b>Salary increases*:</b>                     |                                                                                                                                                                  |
| Public Employees' Retirement System (PERS)    |                                                                                                                                                                  |
| Initial fiscal year applied                   |                                                                                                                                                                  |
| Rate through 2026                             | 2.00% to 6.00%                                                                                                                                                   |
| Rate thereafter                               | 3.00% to 7.00%                                                                                                                                                   |
| Police and Firemen's Retirement System (PFRS) |                                                                                                                                                                  |
| Rate for all future years                     | 3.25% to 15.25%                                                                                                                                                  |
| <b>Mortality:</b>                             |                                                                                                                                                                  |
| 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 NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

**Discount Rate**

The discount rate for June 30, 2021 and 2020 was 2.16% and 2.21%, respectively. 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:

|                                                        | <u>June 30, 2021</u> |                             |                |
|--------------------------------------------------------|----------------------|-----------------------------|----------------|
|                                                        | 1%<br>Decrease       | At Current<br>Discount Rate | 1%<br>Increase |
| Borough's proportionate share of<br>Net OPEB liability | <u>1.16%</u>         | <u>2.16%</u>                | <u>3.16%</u>   |
|                                                        | \$16,055,117         | \$13,642,934                | \$11,731,228   |

**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, 2021 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:

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 14: OTHER POST-EMPLOYMENT BENEFITS (OPEB), (continued)**

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates: (continued)**

|                                                        | <u>June 30, 2021</u>   |                                       |                        |
|--------------------------------------------------------|------------------------|---------------------------------------|------------------------|
|                                                        | <u>1%<br/>Decrease</u> | <u>Healthcare Cost<br/>Trend Rate</u> | <u>1%<br/>Increase</u> |
| Borough's proportionate share of<br>Net OPEB liability | \$11,382,802           | \$13,642,934                          | \$16,592,127           |

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

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

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity.

Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$4,277,458 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(583,675).

**NOTE 15: SPECIAL IMPROVEMENT DISTRICT**

The Special Improvement District is a separate entity which was established in 2007. The Special Improvement District has a budget which is based on the assessed value of a number of designated property owners in the Borough. The rate for 2022 is \$0.100.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 16: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On March 6, 2003, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln Financial Group. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

The Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$500.00 to each eligible volunteer who accumulates minimum service points based on criteria established by Borough Ordinance No. 2000-05. The amount of the LOSAP award cannot exceed \$500.00 annually. The Borough's contribution shall be included in the current years budget.

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

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

**NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES**

**Federal and State Awards**

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

**Tax Appeals**

The Borough has established a Reserve for Tax Appeals Pending in the amount of \$1,195,924.01.

**BOROUGH OF NEW PROVIDENCE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

**Litigation**

The Borough of New Providence is a defendant in certain lawsuits, none of which is unusual for a municipality of its size. Additional liabilities, if not covered by insurance, would be funded from future taxation.

**NOTE 18: 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 New Providence is \$1,422,969 which will be available for use until December 31, 2024.

**NOTE 19: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through July 20, 2023, the date which the financial statements were available to be issued and the following additional item was noted for disclosure:

**SUPPLEMENTARY DATA**

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

|                      | <u>2022</u>  | <u>2021</u>  | <u>2020</u>  | <u>2019</u>  | <u>2018</u>  |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| Tax Rate:            | <u>4.938</u> | <u>4.902</u> | <u>4.900</u> | <u>4.870</u> | <u>4.845</u> |
| Apportionment of Tax |              |              |              |              |              |
| Municipal            | 1.040        | 1.019        | .990         | .971         | .967         |
| Municipal Open Space | 0.010        | 0.010        | .009         | .008         | .007         |
| Municipal Library    | 0.070        | 0.069        | .068         | .066         | .065         |
| County               | 0.933        | 0.978        | 1.023        | 1.013        | 1.031        |
| County Open Space    | 0.031        | 0.031        | .031         | .030         | .029         |
| Local School         | 2.854        | 2.795        | 2.779        | 2.782        | 2.746        |

### Assessed Valuation:

|      |                    |
|------|--------------------|
| 2022 | \$1,464,066,697.00 |
| 2021 | 1,452,145,217.00   |
| 2020 | 1,443,144,050.00   |
| 2019 | 1,410,992,306.00   |
| 2018 | 1,379,739,181.00   |
| 2017 | 1,352,838,495.00   |

## COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

| <u>Year</u> | <u>Tax Levy*</u> | <u>Currently</u>        |                                 |
|-------------|------------------|-------------------------|---------------------------------|
|             |                  | <u>Cash Collections</u> | <u>Percentage of Collection</u> |
| 2022        | \$72,679,433.70  | \$72,349,410.36         | 99.55%                          |
| 2021        | 71,724,977.02    | 71,412,400.04           | 99.56                           |
| 2020        | 71,084,277.16    | 70,801,019.83           | 99.60                           |
| 2019        | 69,440,692.27    | 69,062,986.64           | 99.45                           |
| 2018        | 68,180,367.03    | 67,413,493.62           | 99.17                           |
| 2017        | 66,004,248.19    | 65,727,661.00           | 99.58                           |

\*Includes Special Improvement District Taxes.

## **DELINQUENT TAXES AND TAX TITLE LIENS**

This tabulation includes a comparison, expressed in percentage, of the last five years. A comparison of the outstanding assessment and assessment title liens for the past five years is also shown.

| <u>Taxes and Liens</u>               | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         | <u>2018</u>         |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Delinquent Taxes                     | \$277,595.64        | \$271,492.48        | \$226,960.43        | \$346,220.05        | \$219,219.18        |
| Tax Title Liens                      | <u>279,896.80</u>   | <u>266,482.58</u>   | <u>253,165.95</u>   | <u>239,854.96</u>   | <u>226,625.40</u>   |
| Totals                               | <u>\$557,492.44</u> | <u>\$537,975.06</u> | <u>\$480,126.38</u> | <u>\$586,075.01</u> | <u>\$445,844.58</u> |
| Percentage of each<br>Years Tax Levy | .77%                | .75%                | .68%                | .84%                | .65%                |

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

There was no property sold or acquired during the year.

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2022        | \$11,995      |
| 2021        | 11,955        |
| 2020        | 11,955        |
| 2019        | 11,955        |
| 2018        | 11,955        |
| 2017        | 11,955        |

## **COMPARATIVE SCHEDULE OF FUND BALANCE**

| <u>Year</u> | <u>Current Fund</u>            |                                                  |
|-------------|--------------------------------|--------------------------------------------------|
|             | <u>Balance<br/>December 31</u> | <u>Utilized in Budget<br/>of Succeeding Year</u> |
| 2022        | \$6,809,268.40                 | \$4,250,000.00                                   |
| 2021        | 6,318,757.74                   | 3,935,000.00                                     |
| 2020        | 6,015,235.24                   | 3,775,000.00                                     |
| 2019        | 6,106,508.47                   | 3,775,000.00                                     |
| 2018        | 6,328,660.66                   | 3,750,000.00                                     |

## ROSTER OF OFFICIALS IN OFFICE AND REPORT ON SURETY BONDS

DECEMBER 31, 2022

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

| <u>Name</u>        | <u>Title</u>                           | <u>Amount of Bond</u> |
|--------------------|----------------------------------------|-----------------------|
| Al Morgan          | Mayor                                  | \$                    |
| Robert Muñoz       | Councilman                             |                       |
| Lisa McKnight      | Councilwoman                           |                       |
| Nadine Geoffroy    | Council President                      |                       |
| Matthew Cumiskey   | Councilman                             |                       |
| Peter DeSarno      | Councilman                             |                       |
| Diane Bilicska     | Councilwoman                           |                       |
| James Testa        | Chief Financial Officer from 7/19/2022 | *                     |
| Joseph Kovalcik    | Chief Financial Officer to 6/30/2022   | *                     |
| Bernadette Cuccaro | Administrator                          |                       |
| Wendi B. Barry     | Borough Clerk                          |                       |
| Denise Brinkofski  | Tax Collector, Deputy Borough Clerk    | *                     |
| Paul Rizzo         | Borough Attorney                       |                       |
| John DeMassi       | Borough Judge                          |                       |
| Macrina Carra      | Court Administrator                    | *                     |
| Bryan Flynn        | Tax Assessor                           |                       |

\*Coverage provided by Garden State Municipal Joint Insurance Fund.

SCHEDULE A

BOROUGH OF NEW PROVIDENCE, N.J.

EOB THE YEAR ENDED DECEMBER 31, 2022

**FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH FEDERAL THE UNIFORM GUIDANCE.

**SCHEDULE B**

BOROUGH OF NEW PROVIDENCE, N.J.  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

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NOTE: THIS SCHEDULE WAS NOT SUBJECT TO AN AUDIT IN ACCORDANCE WITH N.J. OMB CIRCULAR 15-08.

## Borough of New Providence, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2022

|                                                        | <u>Ref.</u> | Current Fund            | Federal & State Grant Fund |
|--------------------------------------------------------|-------------|-------------------------|----------------------------|
| Balance - December 31, 2021                            | A           | \$ 10,786,981.99        | \$ 1,115,499.49            |
| Increased by Receipts:                                 |             |                         |                            |
| Interest and Costs on Taxes                            | A-2         | 60,773.77               |                            |
| Miscellaneous Revenue Not Anticipated                  | A-2         | 114,453.54              |                            |
| Petty Cash                                             | A-6         | 1,750.00                |                            |
| Due From State - Senior Citizen and Veteran Deductions | A-7         | 47,879.45               |                            |
| Taxes Receivable                                       | A-8         | 71,978,833.95           |                            |
| Revenue Accounts Receivable                            | A-11        | 3,972,624.35            |                            |
| Interfunds                                             | A-12        | 17,662.84               |                            |
| Prepaid Taxes                                          | A-15        | 422,868.72              |                            |
| Various Cash Liabilities and Reserves                  | A-20        | 233,338.24              |                            |
| Federal and State Grants Receivable                    | A-21        |                         | 598,486.87                 |
| Matching Funds for Grants                              | A-22        |                         | 2,599.00                   |
| Unappropriated Reserves                                | A-23        |                         | 713,886.14                 |
| Interfund - Current Fund                               | A-25        |                         | 1,935.00                   |
|                                                        |             | <u>76,850,184.86</u>    | <u>1,316,907.01</u>        |
|                                                        |             | <u>87,637,166.85</u>    | <u>2,432,406.50</u>        |
| Decreased by Disbursements:                            |             |                         |                            |
| Refund of Prior Year Revenue                           | A-1         | 1,289.23                |                            |
| Current Year Budget Appropriations                     | A-3         | 19,372,768.49           |                            |
| Matching Funds for Grants                              | A-3         | 2,599.00                |                            |
| Petty Cash                                             | A-6         | 1,750.00                |                            |
| Interfunds                                             | A-12        | 149,328.95              |                            |
| Appropriation Reserves                                 | A-13        | 542,437.91              |                            |
| Special Improvement District Taxes                     | A-16        | 75,412.98               |                            |
| Local District School Taxes                            | A-18        | 41,782,795.00           |                            |
| County Taxes Payable                                   | A-19        | 14,211,961.38           |                            |
| Various Cash Liabilities and Reserves                  | A-20        | 62,982.65               |                            |
| Federal & State Grant Appropriations                   | A-22        |                         | <u>732,840.73</u>          |
|                                                        |             | <u>76,203,325.59</u>    | <u>732,840.73</u>          |
| Balance - December 31, 2022                            | A           | \$ <u>11,433,841.26</u> | \$ <u>1,699,565.77</u>     |

**Exhibit A-5**

**Borough of New Providence, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2022**

Ref.

|                             |   |                  |
|-----------------------------|---|------------------|
| Balance - December 31, 2021 | A | \$ <u>150.00</u> |
|-----------------------------|---|------------------|

|                             |   |                  |
|-----------------------------|---|------------------|
| Balance - December 31, 2022 | A | \$ <u>150.00</u> |
|-----------------------------|---|------------------|

Analysis of Balance:

|                 |               |
|-----------------|---------------|
| Tax Collector   | 50.00         |
| Clerk           | 50.00         |
| Municipal Court | <u>50.00</u>  |
|                 | <u>150.00</u> |

**Exhibit A-6**

**Schedule of Cash - Petty Cash**

**Current Fund**

**Year Ended December 31, 2022**

Ref.

Increased by:

|           |     |                    |
|-----------|-----|--------------------|
| Disbursed | A-4 | \$ <u>1,750.00</u> |
|-----------|-----|--------------------|

Decreased by:

|                       |     |                    |
|-----------------------|-----|--------------------|
| Returned to Treasurer | A-4 | \$ <u>1,750.00</u> |
|-----------------------|-----|--------------------|

## Borough of New Providence, N.J.

**Schedule of Amount Due to/from 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               | - Due to | A \$ 4,778.97        |
| Decreased by:                             |          |                      |
| Senior Citizens' and Veterans' Deductions |          |                      |
| Per Tax Billings                          | A-8      | 46,250.00            |
| Senior Citizens' and Veterans' Deductions |          |                      |
| Allowed by Tax Collector                  | A-8      | 1,500.00             |
| Senior Citizens' and Veterans' Deductions |          |                      |
| Disallowed by Tax Collector               | A-8      | <u>(300.68)</u>      |
|                                           |          | 47,449.32            |
| Less:                                     |          |                      |
| Cash Receipts - State of NJ               | A-4      | <u>47,879.45</u>     |
| Balance - December 31, 2022               | - Due to | A \$ <u>5,209.10</u> |

BOSTON OF NEW PROVINCE N.

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Entitled December 31, 2022

| Year | Balance,<br>Dec. 31,<br>2021 | Added<br>Taxes | Collected<br>2021 | Collected<br>2022 | Senior Citizen<br>and Veterans<br>Deferrals | Transferred<br>to Tax<br>Tributes | Balance,<br>Dec. 31,<br>2022 |         |           |            |
|------|------------------------------|----------------|-------------------|-------------------|---------------------------------------------|-----------------------------------|------------------------------|---------|-----------|------------|
| 2021 | \$ 271,492.48                |                | 72,332,681.02     | 346,752.68        | 394,619.57                                  | 71,707,341.47                     | 47,499.32                    | 134,422 | 39,013.48 | 271,355.64 |
| 2022 | \$ 271,492.48                |                | 72,332,681.02     | 346,752.68        | 394,619.57                                  | 71,978,633.95                     | 47,499.32                    | 134,422 | 39,013.48 | 271,355.64 |

Taz  
121

General Purpose  
Utilities  
Special Taxes  
Ad Valorem Tax B

```

graph TD
 A[1859
Tax Levy: $1.00] --> B[Municipal Open Space Tax]
 B --> C[Added Municipal Open Space Tax]
 C --> D[Special Improvement District Taxes]
 D --> E[Local District School Tax]
 E --> F[County Tax - General]
 F --> G[County Tax - Open Space]
 G --> H[Added County Taxes]

```

A-17 A-17 A-16 A-18 A-19 A-19 A-18

|               |        |  |
|---------------|--------|--|
| 146,406.57    | 702.79 |  |
| 13,651,142.82 |        |  |
| 467,339.88    |        |  |
| 68,060.07     |        |  |
|               |        |  |
| 16,240,014.23 |        |  |
| 23,958.94     |        |  |

|            |           |               |
|------------|-----------|---------------|
| 147,109.46 | 37,067.51 | 41,782,755.00 |
|            |           | 14,192,488.57 |
|            |           | 56,159,460.55 |
|            |           | 16,519,973.17 |

**Exhibit A-9**

**Borough of New Providence, N.J.**

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2022**

Ref.

|                                 |     |                      |
|---------------------------------|-----|----------------------|
| Balance - December 31, 2021     | A   | \$ 266,488.22        |
| <b>Increased by:</b>            |     |                      |
| Penalties                       |     | (5.64)               |
| Transfers from Taxes Receivable | A-8 | <u>13,414.22</u>     |
|                                 |     | <u>13,408.58</u>     |
| Balance - December 31, 2022     | A   | \$ <u>279,896.80</u> |

**Exhibit A-10**

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

**Current Fund**

**Year Ended December 31, 2022**

Ref.

|                             |   |                     |
|-----------------------------|---|---------------------|
| Balance - December 31, 2021 | A | \$ <u>11,955.00</u> |
| Balance - December 31, 2022 | A | \$ <u>11,955.00</u> |

Analysis of Balance:

| <u>Block-Lot</u> | <u>Amount</u>    |
|------------------|------------------|
| 41-36            | 9,200.00         |
| 44-07            | 800.00           |
| 153-12           | 225.00           |
| 204-25           | 200.00           |
| 239-01           | 125.00           |
| 362-01           | 230.00           |
| 363-01           | 760.00           |
| 363-02           | 75.00            |
| 364-01           | 70.00            |
| 365-01           | 115.00           |
| 366-02           | 60.00            |
| 372-08           | 95.00            |
|                  | <u>11,955.00</u> |

## Borough of New Providence, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2022

|                                               | Ref. | Balance<br>Dec. 31, 2021 | Accrued             | Collected           | Balance<br>Dec. 31, 2022 |
|-----------------------------------------------|------|--------------------------|---------------------|---------------------|--------------------------|
| Clerk:                                        |      |                          |                     |                     |                          |
| Licenses:                                     |      |                          |                     |                     |                          |
| Alcoholic beverages                           | A-2  | \$ 17,680.00             |                     | 17,680.00           |                          |
| Other                                         | A-2  | 215.00                   | 33,450.00           | 20,100.00           | 13,565.00                |
| Fees and Permits                              | A-2  | 195.00                   | 8,878.59            | 8,738.54            | 335.05                   |
| Police                                        |      |                          |                     |                     |                          |
| Fees and Permits                              | A-2  |                          | 1,979.31            | 1,979.31            |                          |
| Engineering Department                        |      |                          |                     |                     |                          |
| Fees and Permits                              | A-2  |                          | 10,000.00           | 10,000.00           |                          |
| Registrar                                     |      |                          |                     |                     |                          |
| Other Licenses                                | A-2  | 6.00                     | 51.00               | 57.00               |                          |
| Fees and Permits                              | A-2  | 193.00                   | 1,875.00            | 1,980.00            | 90.00                    |
| Variance & Tax Search Fees                    |      |                          |                     |                     |                          |
| Board of Health                               |      |                          |                     |                     |                          |
| Other Licenses                                | A-2  | 346.00                   | 26,172.00           | 25,932.00           | 586.00                   |
| Planning Board                                |      |                          |                     |                     |                          |
| Fees and Permits                              | A-2  |                          | 6,478.00            | 6,478.00            |                          |
| Board of Adjustment                           |      |                          |                     |                     |                          |
| Fees and Permits                              | A-2  |                          | 16,520.00           | 16,520.00           |                          |
| Municipal Court :                             |      |                          |                     |                     |                          |
| Fines and Costs                               | A-2  | 5,955.07                 | 92,438.55           | 83,483.40           | 14,910.22                |
| Interest on Investments                       |      |                          |                     |                     |                          |
| Uniform Construction Code Fees                |      |                          |                     |                     |                          |
| Construction Fees                             | A-2  | 24,578.00                | 378,051.00          | 373,070.00          | 29,559.00                |
| Fees and Permits                              | A-2  |                          | 440.00              | 440.00              |                          |
| Energy Receipts Taxes                         |      |                          |                     |                     |                          |
| Library Reimbursement                         |      |                          |                     |                     |                          |
| Leaf Collection Revenue                       |      |                          |                     |                     |                          |
| General Capital Fund Balance                  |      |                          |                     |                     |                          |
| Hotel Occupancy Tax Revenue                   |      |                          |                     |                     |                          |
| Mountain Valley Dispatch Rent/Service         |      |                          |                     |                     |                          |
| Berkeley Heights Shared Court                 |      |                          |                     |                     |                          |
| Summit Shared Sewer Services                  |      |                          |                     |                     |                          |
| Multi Family Sewer Fees                       |      |                          |                     |                     |                          |
| Uniform Fire Safety Act                       |      |                          |                     |                     |                          |
| School Resource Officer                       |      |                          |                     |                     |                          |
| Parking Meters                                |      |                          |                     |                     |                          |
| Sewer Rentals                                 |      |                          |                     |                     |                          |
| Cat Licenses                                  |      |                          |                     |                     |                          |
| Parking Permits                               |      |                          |                     |                     |                          |
| Rental of Municipal Owned Property            |      |                          |                     |                     |                          |
| New Providence DID - Contribution for BAN P&I |      |                          |                     |                     |                          |
| Cable TV Franchise Fee                        |      |                          |                     |                     |                          |
| Police Escort Administration Fees             |      |                          |                     |                     |                          |
| Summit Shared Court                           |      |                          |                     |                     |                          |
|                                               |      | <u>24,063.18</u>         | <u>285,893.91</u>   | <u>286,131.21</u>   | <u>23,825.88</u>         |
|                                               |      | <u>\$ 65,504.25</u>      | <u>4,005,168.25</u> | <u>3,976,971.35</u> | <u>93,701.15</u>         |
|                                               |      | <u>A</u>                 |                     |                     | <u>A</u>                 |

|                         | Ref. |                     |
|-------------------------|------|---------------------|
| Prepaid Revenue Applied | A-20 | 4,347.00            |
| Receipts                | A-4  | <u>3,972,624.35</u> |
|                         |      | <u>3,976,971.35</u> |

## Borough of New Providence, N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2022

| <u>Fund</u>                          | <u>Ref.</u> | Due From/(To)       |                   |                   | <u>Dec. 31, 2022</u> |
|--------------------------------------|-------------|---------------------|-------------------|-------------------|----------------------|
|                                      |             | <u>Balance</u>      | <u>Increased</u>  | <u>Decreased</u>  |                      |
| General Capital Fund                 | A           | \$ 1.43             | 126.41            | 1.43              | 126.41               |
| Federal and State Grant Fund         | A           |                     | 2,003.97          | 2,003.97          |                      |
| Open Space Trust Fund                | A           | (860.87)            | 147,109.46        | 147,267.54        | (702.79)             |
| Animal License Fund                  | A           | <u>17,681.21</u>    | <u>9,189.80</u>   | <u>17,661.41</u>  | <u>9,209.60</u>      |
|                                      |             | <u>\$ 16,821.77</u> | <u>158,429.64</u> | <u>166,934.35</u> | <u>8,633.22</u>      |
| <u>Analysis</u>                      |             |                     |                   |                   |                      |
| Due to Current Fund                  | A/A-1       | 17,682.64           |                   |                   | 9,336.01             |
| Due From Current Fund                | A           | <u>(860.87)</u>     |                   |                   | <u>(702.79)</u>      |
|                                      |             | <u>16,821.77</u>    |                   |                   | <u>8,633.22</u>      |
| Disbursed                            | A-4         |                     | 126.41            | 149,202.54        |                      |
| Received                             | A-4         |                     |                   | 17,662.84         |                      |
| Cancellation of Grants Receivable    | A-21        |                     | 2,003.97          |                   |                      |
| Statutory Excess Animal License Fund | A-1         |                     | 9,189.80          |                   |                      |
| Cancellation of Appropriated Grants  | A-22        |                     |                   | 68.97             |                      |
| Municipal Open Space Tax             | A-17        |                     | <u>147,109.46</u> |                   |                      |
|                                      |             |                     | <u>158,429.64</u> | <u>166,934.35</u> |                      |

## Borough of New Providence, N.J.

## Schedule of Appropriation Reserves

Page 1 of 3

## Current Fund

Year Ended December 31, 2022

|                                               |                              | Balance<br>after<br>Transfers<br>and<br>Encumbrances | Paid or<br>Charged | Balance<br>Lapsed |
|-----------------------------------------------|------------------------------|------------------------------------------------------|--------------------|-------------------|
|                                               | Balance,<br>Dec. 31,<br>2021 |                                                      |                    |                   |
| <b>Salaries and Wages Within "CAPS":</b>      |                              |                                                      |                    |                   |
| Administrative and Executive                  | \$ 16,721.68                 | 6,721.68                                             |                    | 6,721.68          |
| Human Resources                               | 1,741.53                     | 1,741.53                                             |                    | 1,741.53          |
| Financial Administration                      | 8,023.91                     | 3,023.91                                             |                    | 3,023.91          |
| Collection of Taxes                           | 4,686.96                     | 4,686.96                                             |                    | 4,686.96          |
| Assessment of Taxes                           | 720.00                       | 720.00                                               |                    | 720.00            |
| Planning Board                                | 1,128.68                     | 1,128.68                                             | 254.70             | 873.98            |
| Board of Adjustment                           | 1,354.16                     | 1,354.16                                             | 254.70             | 1,099.46          |
| Municipal Court                               | 22,074.08                    | 22,074.08                                            |                    | 22,074.08         |
| Police                                        | 251,135.70                   | 171,135.70                                           | 3,892.44           | 167,243.26        |
| Uniform Fire Safety                           | 2,752.50                     | 2,752.50                                             |                    | 2,752.50          |
| Public Works                                  | 60,227.82                    | 60,227.82                                            | 7,905.79           | 52,322.03         |
| Waste Water Treatment Plant                   | 105,919.76                   | 105,919.76                                           | 3,531.04           | 102,388.72        |
| Board of Health                               | 1,789.00                     | 1,789.00                                             |                    | 1,789.00          |
| Health Services                               | 1,481.60                     | 1,481.60                                             |                    | 1,481.60          |
| Community Services                            | 24,062.58                    | 24,062.58                                            |                    | 24,062.58         |
| Senior Citizens' Programs                     | 32,867.69                    | 32,867.69                                            |                    | 32,867.69         |
| Construction Official                         | 21,609.14                    | 11,609.14                                            |                    | 11,609.14         |
| <b>Total Salaries and Wages Within "CAPS"</b> | <b>558,296.79</b>            | <b>453,296.79</b>                                    | <b>15,838.67</b>   | <b>437,458.12</b> |
| <b>Other Expenses Within "CAPS":</b>          |                              |                                                      |                    |                   |
| Administrative and Executive                  | 7,825.80                     | 17,303.59                                            | 10,200.25          | 7,103.34          |
| Human Resources                               | 43,645.50                    | 20,345.50                                            | 2,030.68           | 18,314.82         |
| Mayor and Council                             | 2,840.40                     | 4,130.40                                             | 1,362.50           | 2,767.90          |
| Clerk                                         | 84.04                        | 276.93                                               | 192.89             | 84.04             |
| Financial Administration                      | 35,998.59                    | 26,048.59                                            | (5.25)             | 26,053.84         |
| Audit Services                                | 12,087.50                    | 13,312.50                                            | 1,225.00           | 12,087.50         |
| Collection of Taxes                           | 1,412.83                     | 1,412.83                                             |                    | 1,412.83          |
| Assessment of Taxes                           | 151,063.06                   | 105,965.56                                           | 17,682.00          | 88,283.56         |
| Revaluation                                   |                              | 200,000.00                                           | 200,000.00         |                   |
| Legal Services and Costs                      | 31,101.94                    | 36,146.94                                            | 5,558.75           | 30,588.19         |
| Engineering Services and Costs                | 37,317.26                    | 71,016.01                                            | 8,198.75           | 62,817.26         |
| Planning Board                                | 38,918.31                    | 18,918.31                                            |                    | 18,918.31         |
| Board of Adjustment                           | 1,608.47                     | 2,358.47                                             | 672.39             | 1,686.08          |
| <b>Insurance:</b>                             |                              |                                                      |                    |                   |
| Group Insurance for Employees                 | 357,537.21                   | 309,254.07                                           | (1,571.84)         | 310,825.91        |
| Health Benefit Waiver                         | 35,237.90                    | 35,237.90                                            |                    | 35,237.90         |
| Municipal Court                               | 4,118.60                     | 4,118.60                                             | 408.00             | 3,710.60          |
| Police                                        | 20,738.44                    | 79,498.81                                            | 58,421.16          | 21,077.65         |
| Police Dispatch / 911                         | 0.48                         | 0.48                                                 |                    | 0.48              |
| Emergency Management Services                 | 1,049.37                     | 3,142.08                                             | 2,092.71           | 1,049.37          |
| Fire                                          | 15,131.48                    | 34,066.33                                            | 11,529.35          | 22,536.98         |

## Schedule of Appropriation Reserves

Page 2 of 3

## Current Fund

Year Ended December 31, 2022

|                                                                        | Balance,<br>Dec. 31,<br>2021 | Transfers<br>and<br>Encumbrances | Balance<br>after<br>Paid or<br>Charged | Balance<br>Lapsed |
|------------------------------------------------------------------------|------------------------------|----------------------------------|----------------------------------------|-------------------|
| Uniform Fire Safety                                                    | 1,675.00                     | 3,675.00                         | 1,769.26                               | 1,905.74          |
| Road Repairs and Maintenance                                           | 41,594.97                    | 135,553.20                       | 72,981.87                              | 62,571.33         |
| Public Works                                                           | 4,990.13                     | 5,240.13                         | 5,240.13                               |                   |
| Traffic Light Maintenance                                              | 3,955.91                     | 8,970.91                         | 3,783.16                               | 5,187.75          |
| Public Building and Grounds                                            | 10,182.69                    | 36,049.55                        | 16,426.78                              | 19,622.77         |
| Fleet Maintenance                                                      | 10,577.92                    | 26,208.09                        | 14,445.10                              | 11,762.99         |
| Solid Waste / Recycling Collection                                     | 19,766.72                    | 143,600.05                       | 123,113.33                             | 20,486.72         |
| Landfill / Solid Waste Disposal Costs                                  | 56,814.84                    | 75,314.84                        | 21,507.47                              | 53,807.37         |
| Waste Water Treatment Plant                                            | 55,585.57                    | 74,958.53                        | 15,448.23                              | 59,510.30         |
| Board of Health                                                        | 2,397.00                     | 3,381.00                         | 984.00                                 | 2,397.00          |
| Animal Control                                                         | 4,773.75                     | 5,268.75                         | 495.00                                 | 4,773.75          |
| Health Services                                                        | 1,550.00                     | 3,550.00                         | 2,000.00                               | 1,550.00          |
| Community Services                                                     | 4,134.62                     | 6,335.46                         | 2,200.84                               | 4,134.62          |
| Senior Citizens' Programs                                              | 19,110.55                    | 25,390.35                        | 6,279.60                               | 19,110.75         |
| Tuition Reimbursement Program                                          | 674.00                       | 674.00                           |                                        | 674.00            |
| Construction Code Official                                             | 1,579.70                     | 4,539.38                         | 2,821.50                               | 1,717.88          |
| Electricity                                                            | 12,598.32                    | 63,191.62                        | 46,779.63                              | 16,411.99         |
| Telephone & Telegraph                                                  | 3,826.40                     | 3,874.91                         | 45.92                                  | 3,828.99          |
| Natural Gas                                                            | 42,752.64                    | 55,952.64                        | 7,890.40                               | 48,062.24         |
| Street Lighting                                                        | 26,602.18                    | 35,886.18                        | 11,838.36                              | 24,047.82         |
| Water                                                                  | 12,024.42                    | 13,340.38                        | 1,112.85                               | 12,227.53         |
| Fire Hydrant Services                                                  | 396.64                       | 16,286.96                        | 15,890.32                              | 396.64            |
| Motor Supplies                                                         | 21,587.66                    | 63,087.66                        | 8,415.99                               | 54,671.67         |
| <br>Total Other Expenses Within "CAPS"                                 | <br>1,156,868.81             | <br>1,792,883.49                 | <br>699,467.08                         | <br>1,093,416.41  |
| <br>Deferred Charges and Statutory Expenditures<br>Within "CAPS":      |                              |                                  |                                        |                   |
| Social Security ( O.A.S.I. )                                           | 11,242.07                    | 11,242.07                        | 1,211.66                               | 10,030.41         |
| Defined Contribution Retirement Plan                                   | 1,114.18                     | 1,114.18                         |                                        | 1,114.18          |
| <br>Total Deferred Charges and Statutory<br>Expenditures Within "CAPS" | <br>12,356.25                | <br>12,356.25                    | <br>1,211.66                           | <br>11,144.59     |
| <br>Total Reserves Within "CAPS"                                       | <br>1,727,521.85             | <br>2,258,536.53                 | <br>716,517.41                         | <br>1,542,019.12  |
| <br>Other Expenses Excluded From "CAPS":                               |                              |                                  |                                        |                   |
| Sewer System                                                           |                              |                                  |                                        |                   |
| Joint Meeting Expenses                                                 | 56,792.03                    | 56,792.03                        |                                        | 56,792.03         |

## Borough of New Providence, N.J.

## Schedule of Appropriation Reserves

Page 3 of 3

## Current Fund

Year Ended December 31, 2022

|                                                                 | Balance<br>Dec. 31,<br>2021 | Transfers<br>and<br>Encumbrances | Paid or<br>Charged | Balance<br>Lapsed   |
|-----------------------------------------------------------------|-----------------------------|----------------------------------|--------------------|---------------------|
| Berkley Heights Expenses                                        | 5,608.63                    | 5,608.63                         |                    | 5,608.63            |
| Council on Affordable Housing                                   | 2,500.00                    | 5,701.50                         |                    | 5,701.50            |
| Emergency Services Volunteer Length of<br>Service Award Program | 50,000.00                   | 50,000.00                        | 40,100.00          | 9,900.00            |
| Local Share - Municipal Alliance                                | <u>2,089.44</u>             | <u>2,089.44</u>                  |                    | <u>2,089.44</u>     |
| Total Other Expenses Excluded from "CAPS"                       | <u>116,990.10</u>           | <u>120,191.60</u>                | <u>40,100.00</u>   | <u>80,091.60</u>    |
| Total Reserves Excluded from "CAPS"                             | <u>116,990.10</u>           | <u>120,191.60</u>                | <u>40,100.00</u>   | <u>80,091.60</u>    |
| Total Reserves                                                  | <u>\$ 1,844,511.95</u>      | <u>2,378,728.13</u>              | <u>756,617.41</u>  | <u>1,622,110.72</u> |
|                                                                 | A                           |                                  |                    | A-1                 |
| Appropriation Reserves                                          | Ref.                        |                                  |                    |                     |
| Transfer from Reserve for Encumbrances                          | above                       | 1,844,511.95                     |                    |                     |
|                                                                 | A-14                        | <u>534,216.18</u>                |                    |                     |
|                                                                 |                             | <u>2,378,728.13</u>              |                    |                     |
| Cash Disbursements                                              | A-4                         |                                  | 542,437.91         |                     |
| Transfer to Accounts Payable                                    | A-20                        |                                  | 14,179.50          |                     |
| Transfer to Reserve for Revaluation                             | A-20                        |                                  | <u>200,000.00</u>  |                     |
|                                                                 |                             |                                  | <u>756,617.41</u>  |                     |

## Borough of New Providence, N.J.

## Schedule of Encumbrances Payable

## Current Fund

Year Ended December 31, 2022

|                                      | <u>Ref</u> |                      |
|--------------------------------------|------------|----------------------|
| Balance - December 31, 2021          | A          | \$ 534,216.18        |
| Increased by:                        |            |                      |
| Transfer from Current Appropriations | A-3        | <u>573,590.18</u>    |
|                                      |            | 1,107,806.36         |
| Decreased by:                        |            |                      |
| Transfer to Appropriation Reserves   | A-13       | <u>534,216.18</u>    |
| Balance - December 31, 2022          | A          | <u>\$ 573,590.18</u> |

## Schedule of Prepaid Taxes

## Current Fund

Year Ended December 31, 2022

|                               | <u>Ref</u> |                      |
|-------------------------------|------------|----------------------|
| Balance - December 31, 2021   | A          | \$ 594,619.57        |
| Increased by:                 |            |                      |
| Receipts - Prepaid 2023 Taxes | A-4        | <u>422,868.72</u>    |
|                               |            | 1,017,488.29         |
| Decreased by:                 |            |                      |
| Applied to 2022 Taxes         | A-8        | <u>594,619.57</u>    |
| Balance - December 31, 2022   | A          | <u>\$ 422,868.72</u> |

## Borough of New Providence, N.J.

## Schedule of Due to Special Improvement District

## Current Fund

Year Ended December 31, 2022

|                             | <u>Ref.</u> |                  |
|-----------------------------|-------------|------------------|
| Balance - December 31, 2021 | A           | \$ 38,345.48     |
| Increased by:               |             |                  |
| Levy Calendar Year - 2022   | A-1/A-8     | <u>37,067.50</u> |
|                             |             | <u>75,412.98</u> |
| Decreased by:               |             |                  |
| Disbursed                   | A-4         | <u>75,412.98</u> |
| Balance - December 31, 2022 | A           | <u>\$ 0.00</u>   |

Exhibit A-17

## Schedule of Municipal Open Space Taxes Payable

## Current Fund

Year Ended December 31, 2022

|                                        | <u>Ref.</u> |                      |
|----------------------------------------|-------------|----------------------|
| Increased by:                          |             |                      |
| Levy Calendar Year - 2022              | A-8         | \$ 146,406.67        |
| Added and Omitted Taxes                | A-8         | <u>702.79</u>        |
|                                        | A-1         | 147,109.46           |
| Decreased by:                          |             |                      |
| Transfer to Municipal Open Space Trust | A-12        | <u>\$ 147,109.46</u> |

**Exhibit A-18**

**Borough of New Providence, N.J.**

**Schedule of Local District School Tax Payable**

**Current Fund**

**Year Ended December 31, 2022**

Ref.

Increased by:

|                           |         |                         |
|---------------------------|---------|-------------------------|
| Levy Calendar Year - 2022 | A-1/A-8 | \$ <u>41,782,795.00</u> |
|---------------------------|---------|-------------------------|

Decreased by:

|          |     |                         |
|----------|-----|-------------------------|
| Payments | A-4 | \$ <u>41,782,795.00</u> |
|----------|-----|-------------------------|

**Exhibit A-19**

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2022**

Ref.

|                             |   |              |
|-----------------------------|---|--------------|
| Balance - December 31, 2021 | A | \$ 87,478.88 |
|-----------------------------|---|--------------|

Increased by:

|                         |         |                      |
|-------------------------|---------|----------------------|
| Levy - General County   | A-1/A-8 | 13,657,142.82        |
| Levy - Open Space       | A-1/A-8 | 467,339.68           |
| Added and Omitted Taxes | A-1/A-8 | <u>68,006.07</u>     |
|                         |         | <u>14,192,488.57</u> |

14,279,967.45

Decreased by:

|          |     |                      |
|----------|-----|----------------------|
| Payments | A-4 | <u>14,211,961.38</u> |
|----------|-----|----------------------|

|                             |   |                     |
|-----------------------------|---|---------------------|
| Balance - December 31, 2022 | A | \$ <u>68,006.07</u> |
|-----------------------------|---|---------------------|

## Borough of New Providence, N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2022

| <u>Liabilities and Reserves</u>   |    | Balance,<br>Dec. 31,<br><u>2021</u> | <u>Increased</u>  | <u>Decreased</u> | Balance,<br>Dec. 31,<br><u>2022</u> |
|-----------------------------------|----|-------------------------------------|-------------------|------------------|-------------------------------------|
| <u>Liabilities:</u>               |    |                                     |                   |                  |                                     |
| Tax Overpayments                  | \$ | 55,781.68                           |                   | 55,781.68        |                                     |
| Prepaid Revenue                   |    | 4,347.00                            | 5,808.00          | 4,347.00         | 5,808.00                            |
| Accounts Payable                  |    | 13,291.34                           | 14,179.50         | 7,200.97         | 20,269.87                           |
| Refunds Payable - Parking Permits |    |                                     | 14.00             |                  | 14.00                               |
| <u>Reserves for:</u>              |    |                                     |                   |                  |                                     |
| Municipal Relief Aid              |    |                                     | 68,012.26         |                  | 68,012.26                           |
| Payment of Debt                   |    |                                     | 103,722.30        |                  | 103,722.30                          |
| Revaluation                       |    | 300,000.00                          | 225,000.00        |                  | 525,000.00                          |
| Preparation of Tax Maps           |    | 50,000.00                           |                   |                  | 50,000.00                           |
| Tax Appeals                       |    | 995,924.01                          | 200,000.00        |                  | 1,195,924.01                        |
|                                   |    | <u>\$ 1,363,562.35</u>              | <u>672,517.74</u> | <u>67,329.65</u> | <u>1,968,750.44</u>                 |
|                                   |    | A                                   |                   |                  | A                                   |

|                             | <u>Ref.</u> |                   |
|-----------------------------|-------------|-------------------|
| 2022 Anticipated Revenue    | A-2         | 4,347.00          |
| 2022 Budget Appropriation   | A-3         | 225,000.00        |
| 2021 Appropriation Reserves | A-13        | 214,179.50        |
| Receipts                    | A-4         | 233,338.24        |
| Disbursed                   | A-4         | 62,982.65         |
| Accounts Payable Cancelled  | A-1         |                   |
|                             |             | <u>672,517.74</u> |
|                             |             | <u>67,329.65</u>  |

## Borough of New Providence, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2022

| Grant                                                     | Balance,<br>Dec. 31,<br>2021 | Budget<br>Revenue   | Received            | Canceled        | Balance,<br>Dec. 31,<br>2022 |
|-----------------------------------------------------------|------------------------------|---------------------|---------------------|-----------------|------------------------------|
| <b>County &amp; Local Grants:</b>                         |                              |                     |                     |                 |                              |
| Greening Union County Grant - 2020                        | \$ 2,500.00                  |                     |                     |                 | 2,500.00                     |
| Greening Union County Grant - 2021                        | 2,500.00                     |                     |                     |                 | 2,500.00                     |
| Greening Union County Grant - 2022                        |                              | 2,500.00            |                     |                 | 2,500.00                     |
| Union County Kids Recreation Trust - 2020                 | 40,000.00                    |                     |                     |                 | 40,000.00                    |
| Union County Kids Recreation Trust - 2021                 |                              | 30,000.00           |                     |                 | 30,000.00                    |
| Union County Arts Grant - 2022                            |                              | 5,000.00            | 5,000.00            |                 |                              |
| AAA Pedestrian Crossing Enforcement                       |                              | 960.00              | 960.00              |                 |                              |
| Union County Infrastructure Grant - 2022                  |                              | 50,000.00           | 50,000.00           |                 |                              |
|                                                           | <u>45,000.00</u>             | <u>88,460.00</u>    | <u>55,960.00</u>    |                 | <u>77,500.00</u>             |
| <b>Federal Grants:</b>                                    |                              |                     |                     |                 |                              |
| Community Development Block Grant:                        |                              |                     |                     |                 |                              |
| Senior Citizen High Risk Health - 2020                    | 1,935.00                     |                     |                     |                 | 1,935.00                     |
| Senior Citizen High Risk Health - 2021                    | 5,000.00                     |                     | 5,000.00            |                 |                              |
| Senior Citizen High Risk Health - 2022                    |                              | 5,000.00            |                     |                 | 5,000.00                     |
| Senior Service Programs - 2020                            | 11.97                        |                     |                     |                 | 11.97                        |
| Senior Service Programs - 2021                            | 8,250.00                     |                     | 8,240.00            |                 | 10.00                        |
| Senior Service Programs - 2022                            |                              | 8,250.00            |                     |                 | 8,250.00                     |
| Senior Citizen Center Renovations                         |                              | 50,000.00           |                     |                 | 50,000.00                    |
| Senior Citizen Center Renovations                         | 20,000.00                    |                     | 13,404.59           |                 | 6,595.41                     |
| Safe Routes to Schools                                    | 462,000.00                   |                     |                     |                 | 462,000.00                   |
| Safe Routes to Schools - 2020                             | 430,000.00                   |                     |                     |                 | 430,000.00                   |
| Safe Routes to Schools - 2022                             |                              | 223,000.00          |                     |                 | 223,000.00                   |
| Safe Routes to Schools Engineering Design 2016            |                              | 183,491.76          |                     |                 | 183,491.76                   |
| Safe Routes to Schools Engineering Design 2018            |                              | 214,832.78          |                     |                 | 214,832.78                   |
| National OPIOD Settlement                                 |                              | 5,310.17            | 5,310.17            |                 |                              |
| American Rescue Plan LRFF                                 |                              | 711,484.50          | 711,484.50          |                 |                              |
| Distracted Driving Grant                                  |                              | 7,000.00            | 7,000.00            |                 |                              |
| Bulletproof Vest Partnership                              |                              | 3,254.39            | 3,254.39            |                 |                              |
|                                                           | <u>927,196.97</u>            | <u>1,411,623.60</u> | <u>753,693.65</u>   | <u>1,946.97</u> | <u>1,583,179.95</u>          |
| <b>State Grants</b>                                       |                              |                     |                     |                 |                              |
| Body Armor Replacement Fund                               |                              | 1,444.14            | 1,444.14            |                 |                              |
| Municipal Alliance on Alcoholism and Drug Abuse - 2022-23 |                              | 10,394.00           |                     |                 | 10,394.00                    |
| Municipal Alliance on Alcoholism and Drug Abuse - 2021-22 | 8,510.25                     |                     | 8,453.25            | 57.00           |                              |
| Union County Alliance Leadership Grant                    |                              | 3,646.00            |                     |                 | 3,646.00                     |
| Recycling Tonnage Grant                                   |                              | 16,261.13           | 16,261.13           |                 |                              |
| Clean Communities                                         |                              | 28,474.78           | 28,474.78           |                 |                              |
| Body Worn Camera Grant                                    | 71,330.00                    |                     | 14,266.00           |                 | 57,064.00                    |
| Pedestrian Safety Enforcement & Education Grant           |                              |                     |                     |                 |                              |
| NJEDA -2015 HDSRF, Public Entity Grant                    | 74,015.00                    |                     |                     |                 | 74,015.00                    |
| DCA - Local Recreational Improvement Grant                |                              | 70,000.00           |                     |                 | 70,000.00                    |
| NJ Transportation Trust - Various Streets                 |                              |                     |                     |                 |                              |
| NJ Transportation Trust - Various Streets 2022            |                              | 360,000.00          |                     |                 | 360,000.00                   |
| NJ Transportation Trust - Various Streets 2020            | 168,000.00                   |                     | 168,000.00          |                 |                              |
| NJ Transportation Trust - Various Streets 2021            | 385,000.00                   |                     | 263,418.42          |                 | 121,581.58                   |
|                                                           | <u>706,855.25</u>            | <u>490,220.05</u>   | <u>500,317.72</u>   | <u>57.00</u>    | <u>696,700.58</u>            |
|                                                           | <u>\$ 1,679,052.22</u>       | <u>1,990,303.65</u> | <u>1,309,971.37</u> | <u>2,003.97</u> | <u>2,357,380.53</u>          |
|                                                           | A                            | A-2                 |                     | A-1, A-24       | A                            |

|                                          |      |
|------------------------------------------|------|
| Cash Receipts                            | Ref. |
|                                          | A-4  |
| Transferred from Unappropriated Reserves | A-23 |

1,309,971.37

## Borough of New Providence, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

## Year Ended December 31, 2022

| Grant                                          | Balance,<br>Dec. 31,<br>2021 | Transfer<br>From 2022<br>Budget | Expended          | Canceled     | Balance,<br>Dec. 31,<br>2022 |
|------------------------------------------------|------------------------------|---------------------------------|-------------------|--------------|------------------------------|
| <b>County &amp; Local Grants:</b>              |                              |                                 |                   |              |                              |
| Municipal Alliance on Alcoholism & Drug Abuse  | \$                           |                                 |                   |              |                              |
| Local Share - 2022-23                          |                              | 2,599.00                        | 1,680.00          |              | 919.00                       |
| Local Share - 2021-22                          | 2,127.56                     |                                 | 2,127.56          |              |                              |
| Union County Kids Recreation Trust - 2021      |                              | 30,000.00                       |                   |              | 30,000.00                    |
| Union County Kids Recreation Trust - 2020      | 28,643.90                    |                                 | 5,043.50          |              | 23,600.40                    |
| Union County Arts Grant                        |                              | 5,000.00                        |                   |              | 5,000.00                     |
| Union County Infrastructure Grant - 2022       |                              | 50,000.00                       | 50,000.00         |              |                              |
| New Providence - Our Community For All 2021    |                              |                                 |                   |              |                              |
| Private Donations Grant - 2021 Fireworks       |                              | 960.00                          | 960.00            |              |                              |
| AAA Pedestrian Crossing Enforcement            |                              |                                 |                   |              |                              |
| Greening Union County Grant - 2020             | 2,436.00                     |                                 | 2,436.00          |              |                              |
| Greening Union County Grant - 2021             | 2,500.00                     |                                 | 2,500.00          |              |                              |
| Greening Union County Grant - 2022             |                              | 2,500.00                        | 1,171.50          |              | 1,328.50                     |
|                                                | <u>35,707.46</u>             | <u>91,059.00</u>                | <u>65,918.56</u>  |              | <u>60,847.90</u>             |
| <b>Federal Grants:</b>                         |                              |                                 |                   |              |                              |
| Community Development Block Grant:             |                              |                                 |                   |              |                              |
| Senior Citizen High Risk Health - 2022         |                              | 5,000.00                        | 1,030.00          |              | 3,970.00                     |
| Senior Citizen High Risk Health - 2021         | 4,070.00                     |                                 | 4,070.00          |              |                              |
| Senior Service Programs - 2020                 | 11.97                        |                                 |                   | 11.97        |                              |
| Senior Service Programs - 2021                 | 6,445.00                     |                                 | 6,435.00          |              | 10.00                        |
| Senior Service Programs - 2022                 |                              | 8,250.00                        | 2,077.50          |              | 6,172.50                     |
| Senior Citizen Center Renovations/Improvements |                              | 50,000.00                       |                   |              | 50,000.00                    |
| Senior Citizen Center Renovations/Improvements | 20,000.00                    |                                 | 13,404.59         |              | 6,595.41                     |
| Safe Routes to Schools                         | 375,196.10                   |                                 | (86,803.90)       |              | 462,000.00                   |
| Safe Routes to Schools - 2020                  | 430,000.00                   |                                 |                   |              | 430,000.00                   |
| Safe Routes to Schools - 2022                  |                              | 223,000.00                      |                   |              | 223,000.00                   |
| Safe Routes to Schools Engineering Design 2016 |                              | 183,491.76                      | 93,770.00         |              | 89,721.76                    |
| Safe Routes to Schools Engineering Design 2018 |                              | 214,832.78                      | 82,301.69         |              | 132,531.09                   |
| ARP Funds Street & Road Improvement Program    |                              | 711,484.50                      | 87,237.14         |              | 624,247.36                   |
| Bulletproof Vest Partnership                   | 1,986.06                     | 3,254.39                        | 504.99            |              | 4,735.46                     |
| Distracted Driving Grant                       |                              | 7,000.00                        | 7,000.00          |              |                              |
| National OPIOD Settlement                      |                              | 5,310.17                        |                   |              | 5,310.17                     |
|                                                | <u>837,709.13</u>            | <u>1,411,623.60</u>             | <u>211,027.01</u> | <u>11.97</u> | <u>2,038,293.75</u>          |
| <b>State Grants:</b>                           |                              |                                 |                   |              |                              |
| Drunk Driving Enforcement Fund                 | 7,592.28                     |                                 | 351.56            |              | 7,240.72                     |
| Body Armor Replacement Grant                   | 6,164.20                     | 1,444.14                        | 504.99            |              | 7,103.35                     |
| DCA - Local Recreational Improvement Grant     |                              | 70,000.00                       |                   |              | 70,000.00                    |
| NJ Transportation Trust - Various Roads - 2021 | 385,000.00                   |                                 | 347,465.59        |              | 37,534.41                    |
| NJ Transportation Trust - Various Roads - 2022 |                              | 360,000.00                      | 1,030.00          |              | 358,970.00                   |
| Clean Communities Grant                        | 53,147.95                    | 28,474.78                       | 43,130.87         |              | 38,491.86                    |
| Recycling Tonnage Grant                        | 23,236.03                    | 16,261.13                       | 25,766.90         |              | 13,730.26                    |
| Body Worn Camera Program                       | 71,330.00                    |                                 | 28,532.00         |              | 42,798.00                    |
| Municipal Alliance on Alcoholism & Drug Abuse  |                              |                                 |                   |              |                              |
| State Share - 2022-23                          |                              | 10,394.00                       | 850.00            |              | 9,544.00                     |
| State Share - 2021-22                          | 8,320.25                     |                                 | 8,263.25          | 57.00        |                              |
| Union County Leadership Grant                  |                              | 3,646.00                        |                   |              | 3,646.00                     |
| Alcohol Education & Rehab Grant                | 4,859.91                     |                                 |                   |              | 4,859.91                     |
|                                                | <u>559,650.62</u>            | <u>490,220.05</u>               | <u>455,895.16</u> | <u>57.00</u> | <u>593,918.51</u>            |
|                                                | <u>\$ 1,433,067.21</u>       | <u>1,992,902.65</u>             | <u>732,840.73</u> | <u>68.97</u> | <u>2,693,060.16</u>          |
|                                                | <u>A</u>                     | <u>A-4</u>                      | <u>A-1, A-4</u>   | <u>A</u>     |                              |

## Ref.

|                           |          |              |
|---------------------------|----------|--------------|
| State and Federal Grants  | A-3      | 1,990,303.65 |
| Matching Funds for Grants | A-3, A-4 | 2,599.00     |

1,992,902.65

## Borough of New Providence, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

| <u>Grant</u>                 | <u>Balance<br/>Dec. 31, 2021</u> | Transfer                  |                   | <u>Balance<br/>Dec. 31, 2022</u> |
|------------------------------|----------------------------------|---------------------------|-------------------|----------------------------------|
|                              |                                  | <u>To 2022<br/>Budget</u> | <u>Received</u>   |                                  |
| <b>Federal Grants:</b>       |                                  |                           |                   |                                  |
| Body Armor Replacement Fund  | \$ 1,896.65                      |                           | 1,896.65          | 1,896.65                         |
| Bulletproof Vest Partnership |                                  | 504.99                    |                   | 504.99                           |
| American Rescue Plan         | <u>711,484.50</u>                | <u>711,484.50</u>         | <u>711,484.50</u> | <u>711,484.50</u>                |
|                              | <u>\$ 711,484.50</u>             | <u>711,484.50</u>         | <u>713,886.14</u> | <u>713,886.14</u>                |
|                              | A                                | A-21                      | A-4               | A                                |

## Borough of New Providence, N.J.

**Schedule of Interfund Current Fund****Federal and State Grant Fund****Year Ended December 31, 2022**Ref.

Increased by:

|                                       |           |                 |
|---------------------------------------|-----------|-----------------|
| Cancellation of Appropriated Reserves | A-12/A-22 | 68.97           |
| Receipts                              | A-4       | 1,935.00        |
|                                       |           | <u>68.97</u>    |
|                                       |           | <u>1,935.00</u> |

Decreased by:

|                                   |           |                 |
|-----------------------------------|-----------|-----------------|
| Cancellation of Grants Receivable | A-12/A-21 | <u>2,003.97</u> |
|-----------------------------------|-----------|-----------------|

**Schedule of Interfund - General Capital Fund****Federal and State Grant Fund****Year Ended December 31, 2022**Ref.

|                             |          |   |                   |
|-----------------------------|----------|---|-------------------|
| Balance - December 31, 2021 | (due to) | A | <u>650,000.00</u> |
| Balance - December 31, 2022 | (due to) | A | <u>650,000.00</u> |

## Borough of New Providence, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2022

|                                   | <u>Ref.</u> | Animal<br>License<br>Fund | Other<br>Trust<br>Fund | Emergency<br>Services<br>Volunteers<br><u>LOSAP</u> |
|-----------------------------------|-------------|---------------------------|------------------------|-----------------------------------------------------|
| Balance - December 31, 2021       | B           | \$ <u>36,532.81</u>       | <u>3,748,732.33</u>    | <u>696,106.84</u>                                   |
|                                   |             |                           |                        |                                                     |
| Increase by Receipts:             |             |                           |                        |                                                     |
| Dog License Fees - Borough        | B-2         | 7,023.80                  |                        |                                                     |
| Other Trust Funds                 | B-6         |                           | 2,605,487.16           |                                                     |
| Construction & Other Deposits     | B-8         |                           | 114,055.60             |                                                     |
| Unemployment Trust Fund           | B-9         |                           | 22,788.67              |                                                     |
| Reserve for Municipal Open Space  | B-10        |                           | 149,828.78             |                                                     |
| LOSAP Contributions               | B-11        |                           |                        | 40,100.00                                           |
| Total Receipts                    |             | <u>7,023.80</u>           | <u>2,893,021.08</u>    | <u>40,100.00</u>                                    |
|                                   |             |                           |                        |                                                     |
|                                   |             | <u>43,556.61</u>          | <u>6,641,753.41</u>    | <u>736,206.84</u>                                   |
|                                   |             |                           |                        |                                                     |
| Decreased by Disbursements:       |             |                           |                        |                                                     |
| Interfund - Current Fund          | B-3         | 17,661.41                 |                        |                                                     |
| Reserve for Dog Expenditures      | B-4         | 562.00                    |                        |                                                     |
| Other Trust Funds                 | B-6         |                           | 2,794,309.40           |                                                     |
| Construction & Other Deposits     | B-8         |                           | 172,588.57             |                                                     |
| Unemployment Trust Fund           | B-9         |                           | 26,931.64              |                                                     |
| Net Assets Available for Benefits | B-12        |                           |                        | 120,975.05                                          |
| Total Disbursements               |             | <u>18,223.41</u>          | <u>2,993,829.61</u>    | <u>120,975.05</u>                                   |
|                                   |             |                           |                        |                                                     |
| Balance - December 31, 2022       | B           | \$ <u>25,333.20</u>       | <u>3,647,923.80</u>    | <u>615,231.79</u>                                   |

## Borough of New Providence , N.J.

## Schedule of Cash Dog License Collector

## Animal License Trust Fund

Year Ended December 31, 2022

|                                    | <u>Ref.</u> |                      |
|------------------------------------|-------------|----------------------|
| Balance - December 31, 2021        | B           | \$ 21.00             |
| Increased by:                      |             |                      |
| Dog License Fees - Borough Share   | B-5         | 6,734.00             |
| Replacement/Late Fees              | B-5         | 270.00               |
| State Fees Collected               | B-6         | <u>657.00</u>        |
|                                    |             | <u>7,661.00</u>      |
|                                    |             | <u>7,682.00</u>      |
| Decreased by:                      |             |                      |
| Dog License Fees Paid to Treasurer | B-1         | 7,023.80             |
| State Fees Paid to State           | B-6         | <u>658.20</u>        |
|                                    |             | <u>7,682.00</u>      |
| Balance - December 31, 2022        | B           | \$ <u>          </u> |

## Borough of New Providence, N.J.

## Schedule of Due from/(to) Current Fund

## Trust Funds

Year Ended December 31, 2022

|                              | <u>Ref.</u> | <u>Total</u>     | Open Space<br>Fund | Animal<br>License<br>Fund |
|------------------------------|-------------|------------------|--------------------|---------------------------|
| Balance - December 31, 2021  | B           | \$ (16,820.34)   | 860.87             | (17,681.21)               |
| Increased by:                |             |                  |                    |                           |
| Added Open Space Tax         | B-11        | 702.79           | 702.79             |                           |
| Disbursed                    | B-2         | <u>17,661.41</u> | <u>17,661.41</u>   |                           |
|                              |             | 1,543.86         | 1,563.66           | (19.80)                   |
| Decreased by:                |             |                  |                    |                           |
| Statutory Excess Animal Fund | B-5         | 9,189.80         |                    | 9,189.80                  |
| Receipts                     | B-11        | <u>860.87</u>    | <u>860.87</u>      |                           |
| Balance - December 31, 2022  | B           | \$ <u>682.99</u> | <u>702.79</u>      | <u>(9,209.60)</u>         |

Exhibit B-4

Borough of New Providence, N.J.

Reserve for Animal License Fund Expenditures

Trust Funds

Year Ended December 31, 2022

Ref.

|                                    |     |                     |
|------------------------------------|-----|---------------------|
| Balance - December 31, 2021        | B   | \$ 18,871.40        |
| Increased by:                      |     |                     |
| Dog License Fees - Borough Share   | B-2 | 6,734.00            |
| Replacement/Late Fees              | B-2 | <u>270.00</u>       |
|                                    |     | <u>7,004.00</u>     |
|                                    |     | 25,875.40           |
| Decreased by:                      |     |                     |
| Statutory Excess                   | B-5 | 9,189.80            |
| Expenditures Under N.J.S. 40A:4-39 | B-1 | <u>562.00</u>       |
|                                    |     | <u>9,751.80</u>     |
| Balance - December 31, 2022        | B   | \$ <u>16,123.60</u> |

License Fees Collected

|      |                     |
|------|---------------------|
| 2021 | 8,124.00            |
| 2020 | <u>7,999.60</u>     |
|      | \$ <u>16,123.60</u> |

Exhibit B-5

Due to State of New Jersey

Trust Fund

Year Ended December 31, 2022

|                                |             |                |
|--------------------------------|-------------|----------------|
| Balance - December 31, 2021    | <u>Ref.</u> |                |
|                                | B           | \$ 1.20        |
| Increased by:                  |             |                |
| State Share of Dog License Fee | B-2         | <u>657.00</u>  |
|                                |             | 658.20         |
| Decreased by:                  |             |                |
| Disbursed                      | B-2         | <u>658.20</u>  |
| Balance - December 31, 2022    | B           | \$ <u>0.00</u> |

## Borough of New Providence, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2022

| Purpose                             | Balance<br>Dec. 31, 2021 | Balance<br>Dec. 31, 2022 |                       |                               |
|-------------------------------------|--------------------------|--------------------------|-----------------------|-------------------------------|
|                                     |                          | Increase<br>22,151.32    | Decrease<br>14,008.50 | Dec. 31, 2022<br>1,082,790.12 |
| Affordable Housing                  | \$ 1,074,647.30          |                          |                       |                               |
| Employee Flex Spending              | 1,751.17                 | 2,048.53                 | 3,581.64              | 218.06                        |
| Forfeitures                         | 11,226.96                | 43.69                    |                       | 11,270.65                     |
| Municipal Alliance                  | 26,896.08                | 4,600.00                 | 3,990.00              | 27,506.08                     |
| Parking Offenses Adjudication Act   | 3,603.90                 | 256.00                   |                       | 3,859.90                      |
| Outside Employment of Police        | 6.41                     | 914,204.00               | 914,204.00            | 6.41                          |
| Public Defender Fees                | 35,325.82                | 683.00                   |                       | 36,008.82                     |
| Snow Removal/Storm Recovery Reserve | 500,264.34               | 173,613.47               | 570,749.55            | 103,128.26                    |
| Planning Brd. / Brd. Of Adj. Escrow | 19,265.00                | 9,119.25                 | 17,480.25             | 10,904.00                     |
| Unclaimed Property - Police         | 2,754.65                 | 246.95                   | 55.61                 | 2,945.99                      |
| Recreation                          | 387,143.85               | 914,855.19               | 827,130.80            | 474,868.24                    |
| Tax Sale Premium                    |                          | 256,000.00               |                       | 256,000.00                    |
| Terminal Leave                      | 103,402.08               | 70,000.00                | 47,000.00             | 126,402.08                    |
| Insurance Damage                    | 257,928.60               | 234,215.76               | 390,001.55            | 102,142.81                    |
| Tree Replacement Program            | 11,310.81                | 3,450.00                 | 6,107.50              | 8,653.31                      |
|                                     | <b>\$ 2,435,526.97</b>   | <b>2,605,487.16</b>      | <b>2,794,309.40</b>   | <b>2,246,704.73</b>           |
|                                     |                          |                          |                       | <b>B</b>                      |
| Receipts                            |                          |                          |                       | Ref.                          |
| Disbursed                           |                          |                          |                       | B-1                           |
|                                     |                          |                          |                       | B-1                           |
|                                     |                          |                          |                       | <b>2,605,487.16</b>           |
|                                     |                          |                          |                       | <b>2,794,309.40</b>           |
|                                     |                          |                          |                       | <b>2,794,309.40</b>           |

Exhibit B-7

Borough of New Providence, N.J.

**Schedule of Payroll Deductions Payable**

**Trust Funds**

**Year Ended December 31, 2022**

| <u>Account</u>       | <u>Balance<br/>Dec. 31, 2021</u> | <u>Increases</u>     | <u>Decreases</u>     | <u>Balance<br/>Dec. 31, 2022</u> |
|----------------------|----------------------------------|----------------------|----------------------|----------------------------------|
| Net Salaries & Wages | \$ 51,854.40                     | <u>6,693,846.01</u>  | <u>6,693,899.28</u>  | <u>51,801.13</u>                 |
| Payroll Agency       | \$ <u>51,854.40</u>              | <u>12,417,334.58</u> | <u>12,417,387.85</u> | <u>51,801.13</u>                 |
|                      | <u><u>B</u></u>                  | <u><u>B</u></u>      | <u><u>B</u></u>      | <u><u>B</u></u>                  |

## Borough of New Providence, N.J.

## Schedule of Construction and Other Deposits

## Trust Funds

Year Ended December 31, 2022

|    |                             |              | Performance<br>Bonds | Road<br>Openings  | Well<br>Abandonment | Lot<br>Grading   | Eggers Court<br>Storm Water<br>Detention |
|----|-----------------------------|--------------|----------------------|-------------------|---------------------|------------------|------------------------------------------|
| 88 |                             | <u>Total</u> |                      |                   |                     |                  |                                          |
|    | Balance - December 31, 2021 | B            | \$ 247,178.70        | 205,971.40        | 9,785.00            | 10,500.00        | 18,922.30 2,000.00                       |
|    | Increased by:               |              |                      |                   |                     |                  |                                          |
|    | Receipts                    | B-1          | <u>114,055.60</u>    | <u>98,995.60</u>  | <u>15,060.00</u>    | <u>24,845.00</u> | <u>10,500.00</u>                         |
|    | Decreased by:               |              |                      |                   |                     |                  |                                          |
|    | Disbursed                   | B-1          | <u>172,588.57</u>    | <u>166,256.07</u> | <u>6,332.50</u>     |                  |                                          |
|    | Balance - December 31, 2022 | B            | <u>\$ 188,645.73</u> | <u>138,710.93</u> | <u>18,512.50</u>    | <u>10,500.00</u> | <u>18,922.30</u>                         |
|    |                             |              |                      |                   |                     |                  | <u>2,000.00</u>                          |

**Exhibit B-9**

**Borough of New Providence , N.J.**

**Schedule of Reserve for Unemployment Insurance**

**Trust Funds**

**Year Ended December 31, 2022**

Ref.

|                             |     |                      |
|-----------------------------|-----|----------------------|
| Balance - December 31, 2021 | B   | \$ 225,591.54        |
| Increased by:               |     |                      |
| Receipts                    | B-1 | <u>22,788.67</u>     |
|                             |     | <u>248,380.21</u>    |
| Decreased by:               |     |                      |
| Disbursed                   | B-1 | <u>26,931.64</u>     |
| Balance - December 31, 2022 | B   | \$ <u>221,448.57</u> |

**Exhibit B-10**

**Schedule of Reserve for Municipal Open Space**

**Trust Funds**

**Year Ended December 31, 2022**

Ref.

|                             |     |                      |
|-----------------------------|-----|----------------------|
| Balance - December 31, 2021 | B   | \$ 841,295.99        |
| Increased by:               |     |                      |
| Interest On Investments     | B-1 | 3,422.11             |
| Tax Levy                    | B-1 | 146,406.67           |
| Added Taxes                 | B-1 | <u>702.79</u>        |
|                             |     | <u>150,531.57</u>    |
| Balance - December 31, 2022 | B   | \$ <u>991,827.56</u> |

**Borough of New Providence , N.J.****LOSAP Contribution Receivable****Trust Funds****Year Ended December 31, 2022**

|                             | <u>Ref.</u> |                     |
|-----------------------------|-------------|---------------------|
| Balance - December 31, 2021 | B           | \$ 35,300.00        |
| Increased by:               |             |                     |
| Borough Contributions       | B-12        | <u>50,100.00</u>    |
|                             |             | 85,400.00           |
| Decreased by:               |             |                     |
| Received                    | B-1         | <u>40,100.00</u>    |
|                             |             | <u>40,100.00</u>    |
| Balance - December 31, 2022 | B           | <u>\$ 45,300.00</u> |

**Schedule of Emergency Services Volunteer Length  
of Service Award Program - Net Assets Available for Benefits****Trust Funds****Year Ended December 31, 2022**

|                                         | <u>Ref.</u> |                   |
|-----------------------------------------|-------------|-------------------|
| Balance - December 31, 2021             | B           | \$ 731,406.84     |
| Increased by:                           |             |                   |
| Borough Contributions                   | B-11        | 45,300.00         |
| Borough Contributions-Prior Year Add'l. | B-11        | <u>4,800.00</u>   |
|                                         | B-1         | <u>50,100.00</u>  |
|                                         |             | 781,506.84        |
| Decreased by:                           |             |                   |
| Net Changes in Investments Value        |             | 119,150.05        |
| Administrative Charges                  |             | <u>1,825.00</u>   |
|                                         | B-1         | <u>120,975.05</u> |
| Balance - December 31, 2022             | B           | <u>660,531.79</u> |

## Borough of New Providence, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2022

|                             | <u>Ref.</u> |                        |
|-----------------------------|-------------|------------------------|
| Balance - December 31, 2021 | C           | \$ 2,032,738.09        |
| Increased by Receipts:      |             |                        |
| Various Receivables         | C-4         | 10,597.50              |
| Interfund - Current Fund    | C-7         | 126.41                 |
| Bond Anticipation Notes     | C-10        | 9,000,000.00           |
| Budget Appropriations:      |             |                        |
| Capital Improvement Fund    | C-12        | 299,999.50             |
| Deferred Charges - Unfunded | C-6         | <u>26,869.64</u>       |
|                             |             | <u>9,337,593.05</u>    |
|                             |             | 11,370,331.14          |
| Decreased by Disbursements: |             |                        |
| Interfund Current Fund      | C-7         | 1.43                   |
| Improvement Authorizations  | C-11        | <u>2,064,281.11</u>    |
|                             |             | <u>2,064,282.54</u>    |
| Balance - December 31, 2022 | C           | \$ <u>9,306,048.60</u> |

**Borough of New Providence, N.J.****Analysis of Cash****General Capital Fund****Year Ended December 31, 2022**

|                                     | <u>Ref.</u> |               |
|-------------------------------------|-------------|---------------|
| Fund Balance                        | C-1         | \$ 242,159.08 |
| Interfund - Current Fund            | C-7         | 126.41        |
| Due from FEMA                       | C-4         | (7,279.13)    |
| Due from Voluntary Contributions    | C-4         | (35,792.90)   |
| Due from State & Federal Grant Fund | C-8         | (650,000.00)  |
| Capital Improvement Fund            | C-12        | 810,482.63    |
| Various Reserves                    | C-13        | 1,731,502.07  |

## Improvement Authorizations:

| Ordinance<br><u>Number</u> | <u>Improvement Description</u>                      |                     |
|----------------------------|-----------------------------------------------------|---------------------|
| 10-13                      | Various Capital Improvements                        | 4,375.00            |
| 12-08                      | Various Capital Improvements                        | 193,685.24          |
| 12-14                      | Imp. To Various Fields & Parks                      | 15,083.38           |
| 13-03                      | Various Capital Improvements                        | 76,204.75           |
| 13-08                      | Repairs/Rebuilding detention Basins                 | 3,541.98            |
| 14-02                      | Improve. To the Municipal Center                    | 66,512.16           |
| 14-04                      | Various Capital Improvements                        | 216,257.97          |
| 14-06                      | Supp. To Ord. 17-08 & 13-05 Var. Cap. Imp.          | 14,015.04           |
| 15-03                      | Various Capital Improvements                        | 576,731.17          |
| 16-07                      | Various Capital Improvements                        | 275,594.46          |
| 16-08                      | Various Recreation & Community<br>Activity Projects | 284,330.54          |
| 17-06                      | Various Capital Improvements                        | 1,659,608.96        |
| 18-04                      | Various Capital Improvements                        | 684,828.44          |
| 19-04                      | Various Capital Improvements                        | 808,048.57          |
| 20-04                      | Various Capital Improvements                        | 1,462,093.04        |
| 21-07                      | Various Capital Improvements                        | 1,393,986.62        |
| 22-05                      | Various Capital Improvements                        | (520,046.88)        |
|                            | <u>\$</u>                                           | <u>9,306,048.60</u> |

**Exhibit C-4**

Borough of New Providence, N.J.

**Schedule of Various Receivables**

**General Capital Fund**

**Year Ended December 31, 2022**

|                                                                                   | <u>Balance</u><br><u>Dec. 31, 2021</u> | <u>Grants/<br/>Contributions</u> | <u>Decrease</u>  | <u>Balance</u><br><u>Dec. 31, 2022</u> |
|-----------------------------------------------------------------------------------|----------------------------------------|----------------------------------|------------------|----------------------------------------|
| <u>Federal Emergency Management Agency</u>                                        |                                        |                                  |                  |                                        |
| Ord. 13-08 Repairs/Rebuilding Detention<br>Basins                                 | \$ 7,279.13                            |                                  |                  | 7,279.13                               |
| <u>Voluntary Contribution</u>                                                     |                                        |                                  |                  |                                        |
| Ord. 13-07 Renovation and Reconstruction<br>of Basketball Courts - Community Pool | 20,000.00                              |                                  | 4,000.00         | 16,000.00                              |
| Ord. 12-14 Improvements to Various Fields<br>Streetscape Contribution             | 26,390.40                              |                                  | 6,597.50         | 19,792.90                              |
|                                                                                   |                                        |                                  |                  |                                        |
|                                                                                   | \$ <u>53,669.53</u>                    | <u>C</u>                         | <u>10,597.50</u> | <u>43,072.03</u>                       |
|                                                                                   |                                        |                                  |                  |                                        |
|                                                                                   |                                        |                                  |                  |                                        |

**Borough of New Providence, 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           | \$ 17,300,000.00        |
| Decreased by:                               |             |                         |
| Paid by Current Year Budget Appropriations: |             |                         |
| Serial Bonds                                | C-9         | <u>1,820,000.00</u>     |
| Balance - December 31, 2022                 | C           | <u>\$ 15,480,000.00</u> |

## Borough of New Providence, N.J.

## Schedule of Deferred Charges to Future Taxation - Unfunded

## General Capital Fund

Year Ended December 31, 2022

**Borough of New Providence, N.J.**

**Schedule of Interfund - Current Fund**

**General Capital Fund**

**Year Ended December 31, 2022**

|                                 |          | <u>Ref.</u> |                  |
|---------------------------------|----------|-------------|------------------|
| Balance - December 31, 2021     | Due to   | C           | \$ 1.43          |
| Increased by:                   |          |             |                  |
| Interest Earned not Turned Over |          | C-2         | <u>126.41</u>    |
|                                 |          |             | <u>126.41</u>    |
|                                 |          |             | 127.84           |
| Decreased by:                   |          |             |                  |
| Disbursed                       |          | C-2         | <u>1.43</u>      |
| Balance - December 31, 2022     | - Due to | C, C-3      | \$ <u>126.41</u> |

**Schedule of Interfund - State & Federal Grant Fund**

**General Capital Fund**

**Year Ended December 31, 2022**

|                             |            | <u>Ref.</u> |                      |
|-----------------------------|------------|-------------|----------------------|
| Balance - December 31, 2021 | - Due From | C           | \$ <u>650,000.00</u> |
| Balance - December 31, 2022 | - Due From | C, C-3      | \$ <u>650,000.00</u> |

## Borough of New Providence, N.J.

## Schedule of General Serial Bonds Payable

## General Capital Fund

Year Ended December 31, 2022

**Borough of New Providence, N.J.**  
**Schedule of Bond Anticipation Notes Payable**  
**General Capital Fund**  
**Year Ended December 31, 2022**

Borough of New Providence, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2022

Borough of New Providence, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2022

|                                     | <u>Ref.</u> |                      |
|-------------------------------------|-------------|----------------------|
| Balance - December 31, 2021         | C           | \$ 663,999.13        |
| Increased by:                       |             |                      |
| Budget Appropriation                | C-2         | <u>299,999.50</u>    |
|                                     |             | <u>299,999.50</u>    |
|                                     |             | 963,998.63           |
| Decreased by:                       |             |                      |
| Appropriated to Finance Improvement |             |                      |
| Authorizations                      | C-11        | <u>153,516.00</u>    |
| Balance - December 31, 2022         | C/C-3       | \$ <u>810,482.63</u> |

## Borough of New Providence, N.J.

## Schedule of Various Reserves

## General Capital Fund

Year Ended December 31, 2022

|                           | Balance<br>Dec. 31, 2021 | Increased | Decreased | Balance<br>Dec. 31, 2022 |
|---------------------------|--------------------------|-----------|-----------|--------------------------|
| Debt Service              | \$ 1,506,502.07          |           |           | 1,506,502.07             |
| Redwood ERC Sewer Project | <u>225,000.00</u>        |           |           | <u>225,000.00</u>        |
|                           | <u>\$ 1,731,502.07</u>   | <u>C</u>  |           | <u>1,731,502.07</u>      |
|                           |                          |           |           | C/C-3                    |

## Borough of New Providence, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2022

| <u>Ordinance<br/>Number</u>  | <u>Improvement Description</u>                   | <u>Balance<br/>Dec. 31, 2021</u> | <u>2022<br/>Authorizations</u> | <u>Decreased</u>    | <u>Balance<br/>Dec. 31, 2022</u> |
|------------------------------|--------------------------------------------------|----------------------------------|--------------------------------|---------------------|----------------------------------|
| <b>General Improvements:</b> |                                                  |                                  |                                |                     |                                  |
| 10-19                        | Lighting Lieder Field                            | \$ 11,352.24                     |                                |                     | 11,352.24                        |
| 15-03                        | Various Capital Improvements                     | 327,295.00                       |                                |                     | 327,295.00                       |
| 16-07                        | Various Capital Improvements                     |                                  |                                |                     |                                  |
| 16-08                        | Various Recreation & Community Activity Projects |                                  |                                |                     |                                  |
| 17-06                        | Various Capital Improvements                     | 170,000.00                       |                                |                     | 170,000.00                       |
| 18-04                        | Various Capital Improvements                     | 2,288,212.50                     |                                |                     | 2,288,212.50                     |
| 19-04                        | Various Capital Improvements                     | 1,190,000.00                     |                                |                     | 1,190,000.00                     |
| 20-04                        | Various Capital Improvements                     | 387,000.00                       |                                |                     | 387,000.00                       |
| 21-07                        | Various Capital Improvements                     | 2,360,000.00                     |                                |                     | 2,360,000.00                     |
| 21-07                        | Various Capital Improvements                     | 2,293,010.00                     |                                |                     | 2,293,010.00                     |
|                              |                                                  |                                  | <u>2,760,000.00</u>            |                     | <u>2,760,000.00</u>              |
|                              |                                                  | <u>\$ 9,026,869.74</u>           | <u>2,760,000.00</u>            | <u>9,026,869.74</u> | <u>2,760,000.00</u>              |
|                              |                                                  | <u>Footnote C</u>                | <u>C-11</u>                    |                     | <u>Footnote C</u>                |
|                              |                                                  |                                  |                                | <u>Ref.</u>         |                                  |
|                              |                                                  |                                  |                                | C-10                | 9,000,000.00                     |
|                              |                                                  |                                  |                                | C-6                 | 0.10                             |
|                              |                                                  |                                  |                                | C-6                 | <u>26,869.64</u>                 |
|                              |                                                  |                                  |                                |                     | <u>9,026,869.74</u>              |

Notes Issued  
Funded by Fund Balance  
Funded by Budget Appropriation

**BOROUGH OF NEW PROVIDENCE**

**PART II**

**LETTER ON INTERNAL CONTROL AND COMPLIANCE**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and  
Members of the Borough Council  
Borough of New Providence  
New Providence, NJ 07974

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 New Providence in the County of Union 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 20, 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 New Providence'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 New Providence's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of New Providence'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.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

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

*James Cerullo*

James Cerullo, C.P.A.  
Registered Municipal Accountant  
No. 415

*Wielkotz & Company, LLC*

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



## **GENERAL COMMENTS**

### **Contracts and Agreements**

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2020 the threshold was increased to \$44,000.00 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 \$17,500.00, 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:

2022 Street Projects  
Municipal Center Renovations

Recycling Collections  
Multi-sports Programs

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

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

The 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 4, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes and year end penalty:

BE IT RESOLVED by the Mayor and Council of the Borough of New Providence, County of Union, State of New Jersey, that the interest rate on delinquent taxes shall be established at the rate of eight percent (8%) per annum on amounts up to \$1,500.00 and eighteen percent (18%) per annum on amounts over \$1,500.00 and that pursuant to N.J.S.A. 54:4-67, as amended, there is hereby imposed a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay said delinquency prior to December 31, 2015. The penalty be and the same hereby is fixed at six percent (6%) of the amount of delinquency, and that the penalty as herein provided shall be in addition to all other interest and penalty provisions now existing for unpaid taxes.

BE IT FURTHER RESOLVED, that there is hereby established, pursuant to New Jersey Statute 54:4-67, as amended, a ten (10) day grace period for the payment of any current year tax installment. During said ten-day grace period, no interest shall be chargeable upon the then-current tax installment payments due.

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

#### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on June 10, 2015 and was complete. Note: tax sale was not required for the years 2016-2022.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|------------------------|
| 2022        | 3                      |
| 2021        | 3                      |
| 2020        | 3                      |

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

## **Verification of Delinquent Taxes and Other Charges**

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

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

## **COMMENTS**

### **Other Comments**

1. There were several employees earning over \$5,000 that were not enrolled in one of the State's retirement plans.
2. There were two instances of employees remaining on various benefit invoices after they had stopped contributing towards the cost of the plan.
3. Reimbursements to several employees for health benefits was not calculated correctly.

## **RECOMMENDATIONS**

1. That employees earning over \$5,000 that are required to be enrolled in one of the State's retirement plans be enrolled.
2. That employees be removed from dental and vision plans when not contributing towards the cost of them.
3. That reimbursements to employees for health benefits be calculated correctly.

## STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

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

The problems and weaknesses noted in our audit were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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.

Very truly yours,

*James Cerullo*

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Registered Municipal Accountant  
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