

REPORT OF AUDIT

BOROUGH OF NEW PROVIDENCE

COUNTY OF UNION

DECEMBER 31, 2023

BOROUGH OF NEW PROVIDENCE

TABLE OF CONTENTS

PART I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
	<u>CURRENT FUND</u>	
A	Comparative Balance Sheet - Regulatory Basis	6
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	8
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	11
	<u>TRUST FUND</u>	
B	Comparative Balance Sheet - Regulatory Basis	19
	<u>GENERAL CAPITAL FUND</u>	
C	Comparative Balance Sheet - Regulatory Basis	21
C-1	Statement of Changes in Fund Balance - Regulatory Basis	22
	<u>GENERAL FIXED ASSETS</u>	
D	Statement of General Fixed Assets - Regulatory Basis	23
	Notes to Financial Statements Year Ended December 31, 2023	24
	Supplementary Data	62
	<u>CURRENT FUND</u>	
A-4	Schedule of Cash - Treasurer	65
A-5	Schedule of Cash - Change Fund	66
A-6	Schedule of Cash - Petty Cash	66
A-7	Schedule of Amount Due to/from State of New Jersey for Senior Citizen's and Veteran's Deductions - CH. 73 P.L. 1976	67
A-8	Schedule of Taxes Receivable and Analysis of Property Tax Levy	68
A-9	Schedule of Title Liens	69
A-10	Schedule of Property Acquired for Taxes Assessed Valuation	69
A-11	Schedule of Revenue Accounts Receivable	70
A-12	Schedule of Interfunds	71
A-13	Schedule of Appropriation Reserves	72
A-14	Schedule of Encumbrances Payable	75
A-15	Schedule of Prepaid Taxes	75
A-16	Schedule of Due to Special Improvement District	76
A-17	Schedule of Municipal Open Space Taxes Payable	76

CURRENT FUND, (continued)

A-18	Schedule of Local District School Tax Payable	77
A-19	Schedule of County Taxes Payable	77
A-20	Schedule of Various Cash Liabilities and Reserves	78
A-21	Schedule of Grants Receivable - Federal and State Grant Fund	79
A-22	Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund	80
A-23	Schedule of Unappropriated Reserves for Grants - Federal and State Grant Fund	81
A-24	Schedule of Interfunds- Current Fund- Federal and State Grant Fund	82
A-25	Schedule of Interfunds- General Capital Fund - Federal and State Grant Fund	82

TRUST FUND

B-1	Schedule of Cash	83
B-2	Schedule of Cash Dog License Collector	84
B-3	Schedule of Due from/(to) Current Fund	85
B-4	Schedule of Reserve for Animal License Fund Expenditures	86
B-5	Schedule of Due to State of New Jersey	86
B-6	Schedule of Other Trust Funds	87
B-7	Schedule of Payroll Deductions Payable	88
B-8	Schedule of Construction and other Deposits	89
B-9	Schedule of Reserve for Unemployment Insurance	90
B-10	Schedule of Reserve for Municipal Open Space	90
B-11	Schedule of LOSAP Contribution Receivable	91
B-12	Schedule of Emergency Services Volunteer Length of Service Award Program - Net Assets Available for Benefits	91

GENERAL CAPITAL FUND

C-2	Schedule of Cash	92
C-3	Analysis of Cash	93
C-4	Schedule of Various Receivables	94
C-5	Schedule of Deferred Charges to Future Taxation - Funded	95
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	96
C-7	Schedule of Interfund - Current Fund	97
C-8	Schedule of Interfunds- State and Federal Grant Fund	97
C-9	Schedule of General Serial Bonds Payable	98
C-10	Schedule of Bond Anticipation Notes Payable	99
C-11	Schedule of Improvement Authorizations	100
C-12	Schedule of Capital Improvement Fund	101
C-13	Schedule of Various Reserves	102
C-14	Schedule of Bonds and Notes Authorized But Not Issued	103

PART II

Independent Auditor's Report on Internal Control Over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	104
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance	106
Schedule of Expenditures of Federal Awards	110
Schedule of Expenditures of State and Local Financial Assistance	111
Notes to the Schedules of Expenditures of Federal and State Awards	112
Schedule of Findings and Questioned Costs	113
General Comments	115
Comments	117
Recommendations	117
Status of Prior Year Audit Findings/Recommendations	118

BOROUGH OF NEW PROVIDENCE

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY ^{LLC}

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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, 2023 and 2022, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of New Providence as of December 31, 2023 and 2022, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



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 \$776,643.68 and \$660,531.79 for 2023 and 2022, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Summit's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Honorable Mayor and
Members of the Borough Council
Page 5.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024 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

April 29, 2024

Borough of New Providence, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 12,359,210.90	11,433,841.26
Change Fund	A-5	150.00	150.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	940.21	
		<u>12,360,301.11</u>	<u>11,433,991.26</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	172,501.57	277,595.64
Tax Title Liens	A-9	293,498.23	279,896.80
Property Acquired for Taxes -			
Assessed Valuation	A-10	11,955.00	11,955.00
Revenue Accounts Receivable	A-11	281,501.17	93,701.15
Other Accounts Receivable	A-12	294.80	
Due from:			
General Capital Fund	A-12	16,643.15	126.41
Federal and State Grant Fund	A-12	525.34	
Other Trust Fund	A-12	3,596.47	
Animal Control Trust Fund	A-12	9,286.08	9,209.60
		<u>789,801.81</u>	<u>672,484.60</u>
		<u>13,150,102.92</u>	<u>12,106,475.86</u>
Federal and State Grant Fund:			
Cash	A-4	718,857.09	1,699,565.77
Grants Receivable	A-21	2,451,880.90	2,357,380.53
		<u>3,170,737.99</u>	<u>4,056,946.30</u>
Total Assets		<u>\$ 16,320,840.91</u>	<u>16,163,422.16</u>

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	\$ 1,304,209.98	1,585,595.56
Due to:			
Municipal Open Space Trust	A-12	716.21	702.79
Encumbrances Payable	A-14	647,524.27	573,590.18
Prepaid Taxes	A-15	330,776.10	422,868.72
County Tax Payable	A-19	67,688.85	68,006.07
Prepaid Revenue	A-20	4,262.00	5,808.00
Accounts Payable	A-20	17,459.70	20,269.87
Refunds Payable - Parking Permits	A-20		14.00
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7		5,209.10
Reserve for:			
Municipal Relief Aid	A-20	135,996.17	68,012.26
Payment of Debt	A-20		103,722.30
Revaluation	A-20	550,000.00	525,000.00
Sewer Connection Deposits	A-20	450,000.00	
Tax Map Preparation	A-20	50,000.00	50,000.00
Tax Appeals	A-20	1,395,924.01	1,195,924.01
		4,954,557.29	4,624,722.86
Reserve for Receivables	Contra	789,801.81	672,484.60
Fund Balance	A-1	7,405,743.82	6,809,268.40
		<u>13,150,102.92</u>	<u>12,106,475.86</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	2,517,349.46	2,693,759.66
Unappropriated Reserve for Grants	A-23	2,863.19	713,186.64
Interfund - Current Fund	A-24	525.34	
Interfund - General Capital Fund	A-25	650,000.00	650,000.00
		<u>3,170,737.99</u>	<u>4,056,946.30</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>16,320,840.91</u>	<u>16,163,422.16</u>

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>2023</u>	<u>2022</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	\$ 4,250,000.00	3,935,020.00
Miscellaneous Revenue Anticipated	A-2	6,337,579.67	6,028,048.77
Receipts from Delinquent Taxes	A-2	277,595.64	271,492.48
Receipts from Current Taxes	A-2	73,892,699.31	72,349,410.36
Non-Budget Revenue	A-2	186,223.07	114,453.54
Other Credits to Income:			
Interfunds Returned	A-12	9,336.01	17,682.64
Prior Year Voided Checks	A-4	1,223.00	
Accounts Payable Cancelled	A-20	1,862.66	
Statutory Excess Animal License Fund	A-12	9,261.24	9,189.80
Unexpended Balance of Appropriation Reserves	A-13	1,437,617.57	1,622,110.72
Canceled Grant Reserves	A-22	8,333.81	68.97
Total Revenues and Other Income		<u>86,411,731.98</u>	<u>84,347,477.28</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	7,585,746.00	7,509,366.00
Other Expenses	A-3	10,682,481.18	10,411,618.24
Capital Improvement Fund	A-3	1,163,535.00	1,371,484.00
Municipal Debt Service	A-3	2,667,714.99	2,322,615.00
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,288,954.00	2,134,773.64
Refund of Prior Year's Revenue	A-4	2,865.02	1,289.23
Interfund Advances	A-12	30,345.84	9,336.01
Special Improvement District Taxes	A-16	73,561.20	37,067.50
Municipal Open Space Tax	A-17	147,856.21	147,109.46
Local District School Tax	A-18	42,956,197.00	41,782,795.00
County Taxes including Added Taxes	A-19	13,957,666.31	14,192,488.57
Canceled Grants Receivable	A-21	8,333.81	2,003.97
Total Expenditures		<u>81,565,256.56</u>	<u>79,921,946.62</u>
Excess (Deficit) Revenue Over Expenditures		4,846,475.42	4,425,530.66
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		4,846,475.42	4,425,530.66
Fund Balance, January 1,	A	<u>6,809,268.40</u>	<u>6,318,757.74</u>
		11,655,743.82	10,744,288.40
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>4,250,000.00</u>	<u>3,935,020.00</u>
Fund Balance, December 31,	A	<u>\$ 7,405,743.82</u>	<u>6,809,268.40</u>

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 4,250,000.00	4,250,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	17,000.00	17,680.00	680.00
Other	A-2	30,000.00	87,185.00	57,185.00
Fees and Permits	A-2	40,000.00	39,820.06	(179.94)
Fines and Costs:				
Municipal Court	A-11	70,000.00	112,819.25	42,819.25
Interest and Costs on Taxes	A-4	55,000.00	70,538.80	15,538.80
Parking Meters	A-11	10,000.00	35,574.00	25,574.00
Interest on Investments and Deposits	A-11	80,000.00	348,466.13	268,466.13
Sewer Rentals	A-11	235,000.00	266,682.05	31,682.05
Cat Licenses	A-11	1,300.00	1,716.00	416.00
Parking Permits	A-11	70,000.00	112,755.00	42,755.00
Rental of Municipal Owned Property	A-11	1,800.00	1,800.00	
Cable Television Franchise Fees	A-11	156,000.00	156,932.72	932.72
Energy Receipts Tax	A-11	1,312,831.00	1,312,831.46	0.46
Municipal Relief Fund	A-11	68,012.26	68,012.26	
Uniform Construction Code Fees	A-11	360,000.00	461,772.00	101,772.00
Public and Private Revenues:				
Body Armor Grant	A-22	1,896.65	1,896.65	
Clean Communities	A-22	31,937.92	31,937.92	
Alcohol Education and Rehab Grant	A-22	1,297.95	1,297.95	
Recycling Tonnage Grant	A-22	15,523.63	15,523.63	
NJ Transportation Trust Fund Authority Act	A-22	252,750.00	252,750.00	
Bulletproof Vest Partnership	A-22	2,156.36	2,156.36	
Spotted Lantern Fly Grant	A-22	15,000.00	15,000.00	
Stormwater Assistance Grant	A-22	15,000.00	15,000.00	
Distracted Driving Grant	A-22	7,000.00	7,000.00	
CDBG - Senior Enrichment & Exercise	A-22	14,750.00	14,750.00	
CDBG - Senior Center Grant	A-22	30,000.00	30,000.00	
Union County - Youth Leadership Grant	A-22	3,646.00	3,646.00	
Union County - Public Arts Grant	A-22	2,500.00	2,500.00	
CDBG - CV Grant	A-22	125,000.00	125,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-22	11,109.00	11,109.00	
Assistance to Firefighters Grant	A-22	29,000.00	29,000.00	
Safe Routes to School Grant	A-22	211,266.11	211,266.11	
Union County-Greening Grant	A-22	2,255.00	2,255.00	
National Opioid Settlement	A-22	8,711.56	8,711.56	
Union County - Kids Recreation Trust	A-22	35,000.00	35,000.00	
Union County - Infrastructure Grant	A-22	50,000.00	50,000.00	
Barclay-Giel Seed Grant	A-23	7,500.00	7,500.00	
Other Special Items:				
New Providence DID - Contribution for BAN P&I	A-11	29,800.00	29,365.86	(434.14)
Library Reimbursement	A-11	75,000.00	88,732.12	13,732.12
Leaf Collection Revenue	A-11	65,000.00	72,325.00	7,325.00
Reserve for Payment of Debt	A-11	103,722.30	103,722.30	
Hotel Occupancy Tax Revenue	A-11	50,000.00	77,747.52	27,747.52
Mountain Valley Dispatch Rent/Services	A-11	69,000.00	70,485.12	1,485.12
Berkeley Heights Shared Court	A-11	95,000.00	104,293.24	9,293.24
Summit Shared Sewer Services	A-11	175,000.00	193,119.50	18,119.50
Multi Family Sewer Fees	A-11	140,000.00	152,500.00	12,500.00
Uniform Fire Safety Act	A-11	30,000.00	31,524.95	1,524.95
American Rescue Plan LRF	A-11	710,785.00	710,785.00	
Board of Education Share of School Resource Officer	A-11	80,000.00	82,507.00	2,507.00
Police Escort Administration Fees	A-11	100,000.00	339,258.75	239,258.75
Summit Shared Court	A-11	286,000.00	313,328.40	27,328.40
Total Miscellaneous Revenues	A-1	5,389,550.74	6,337,579.67	948,028.93
Receipts from Delinquent Taxes	A-1/A-2	225,000.00	277,595.64	52,595.64
Subtotal General Revenues		9,864,550.74	10,865,175.31	1,000,624.57
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes Minimum Library Tax		15,554,278.44 1,119,602.00	17,787,816.59 1,119,602.00	2,233,538.15
Total Amt. to be Raised by Taxes for Support of Budget	A-2	16,673,880.44	18,907,418.59	2,233,538.15
Budget Totals		26,538,431.18	29,772,593.90	3,234,162.72
Non-Budget Revenue	A-1/A-2		186,223.07	186,223.07
		\$ 26,538,431.18	29,958,816.97	3,420,385.79
	A-3			
Adopted Budget	A-3	25,992,635.34		
Appropriated by (N.J.S. 40A:4-87)	A-3	545,795.84		
		26,538,431.18		

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.
Statement of Revenues - Regulatory Basis
Current Fund
Year Ended December 31, 2023

<u>Analysis of Realized Revenues</u>		
	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	73,892,699.31
Allocated to School and County Taxes	A-8	<u>57,135,280.72</u>
Balance for Support of Municipal Budget Appropriations		16,757,418.59
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>2,150,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>18,907,418.59</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	<u>277,595.64</u>
	A-2	<u><u>277,595.64</u></u>
Licenses - Other:		
Clerk	A-11	65,810.00
Registrar	A-11	60.00
Board of Health	A-11	<u>21,315.00</u>
	A-2	<u><u>87,185.00</u></u>
Fees and Permits - Other:		
Clerk	A-11	8,847.06
Building Inspector Other	A-11	360.00
Police	A-11	6,375.00
Engineering Department	A-11	7,200.00
Registrar	A-11	1,680.00
Board of Adjustment	A-11	13,788.00
Planning Board	A-11	<u>1,570.00</u>
	A-2	<u><u>39,820.06</u></u>
<u>Analysis of Non-budget Revenues</u>		
	<u>Ref.</u>	
Tax Court Judgement		87,373.00
Senior Citizens & Veterans Administration Fee		923.99
Scrap Metal/Plastic Recycling		7,810.00
Return Check Fee		205.00
Road Openings		3,257.50
Auction Proceeds		13,130.00
Miscellaneous Items		8,144.59
Court Settlement		32,456.65
FEMA Reimbursement IDA		18,137.28
Miscellaneous Reimbursements		<u>14,785.06</u>
	A-4	<u>186,223.07</u>
	A-2	<u><u>186,223.07</u></u>

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Page 1 of 8

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages	\$	640,892.00	640,892.00	592,787.24	48,104.76	
Other Expenses		297,514.00	304,514.00	299,412.29	5,101.71	
Human Resources (Personnel/Labor Attny)						
Salaries and Wages		36,700.00	36,700.00	36,428.08	271.92	
Other Expenses		12,950.00	12,950.00	150.00	12,800.00	
Mayor and Council						
Salaries and Wages		44,400.00	44,400.00	43,500.00	900.00	
Other Expenses		7,500.00	7,500.00	2,778.40	4,721.60	
Municipal Clerk						
Other Expenses		22,500.00	22,500.00	18,201.25	4,298.75	
Financial Administration						
Salaries and Wages		147,609.00	147,609.00	140,965.62	6,643.38	
Other Expenses		19,500.00	19,500.00	9,578.43	9,921.57	
Audit Services						
Other Expenses		45,000.00	45,000.00	43,500.00	1,500.00	
Collection of Taxes						
Salaries and Wages		89,470.00	89,470.00	89,194.01	275.99	
Other Expenses		6,400.00	6,400.00	4,435.36	1,964.64	
Assessment of Taxes						
Salaries and Wages		42,148.00	42,148.00	41,388.00	760.00	
Other Expenses		81,300.00	59,300.00	38,238.28	21,061.72	
Revaluation		25,000.00	25,000.00	25,000.00		
Legal Services and Costs						
Other Expenses		125,000.00	125,000.00	97,424.81	27,575.19	

Borough of New Providence, N.J.

Page 2 of 8

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<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>
Engineering Services and Costs						
Salaries and Wages		85,000.00	95.00		95.00	
Other Expenses		139,500.00	139,500.00	90,567.94	48,932.06	
Planning Board						
Salaries and Wages		4,000.00	4,000.00	3,654.72	345.28	
Other Expenses		52,250.00	37,250.00	20,963.31	16,286.69	
Board of Adjustment						
Salaries and Wages		3,800.00	3,800.00	2,842.56	957.44	
Other Expenses		25,000.00	25,000.00	15,261.15	9,738.85	
Insurance:						
General Liability		604,200.00	604,200.00	583,370.68	20,829.32	
Employee Group Health		1,471,398.00	1,452,398.00	1,134,528.67	317,869.33	
Health Benefit Waiver		60,000.00	60,000.00	55,477.25	4,522.75	
Municipal Court:						
Salaries and Wages		387,434.00	387,434.00	379,978.71	7,455.29	
Other Expenses		12,300.00	13,300.00	10,670.49	2,629.51	
Public Defender						
Salaries and Wages		7,429.00	7,429.00	7,428.96	0.04	
Police						
Salaries and Wages		3,760,719.00	3,760,719.00	3,679,208.85	81,510.15	
Other Expenses		259,700.00	331,100.00	330,819.22	280.78	
Police Dispatch/911						
Other Expenses		749,000.00	749,000.00	748,833.63	166.37	
Emergency Management Services						
Other Expenses		3,500.00	3,500.00	1,216.00	2,284.00	

Borough of New Providence, N.J.

Page 3 of 8

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<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>
Fire						
Other Expenses		114,990.00	107,990.00	102,188.03	5,801.97	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		44,200.00	44,200.00	43,823.88	376.12	
Other Expenses		4,000.00	4,000.00	3,444.65	555.35	
Road Repairs and Maintenance						
Other Expenses		210,000.00	199,000.00	155,232.88	43,767.12	
Public Works						
Salaries and Wages		1,172,458.00	1,172,458.00	1,154,928.64	17,529.36	
Other Expenses		36,000.00	36,000.00	25,767.25	10,232.75	
Traffic Signal Maintenance						
Other Expenses		17,000.00	17,000.00	12,335.04	4,664.96	
Public Buildings and Grounds						
Other Expenses		318,250.00	318,250.00	273,335.34	44,914.66	
Fleet Maintenance						
Other Expenses		100,450.00	144,950.00	141,059.70	3,890.30	
Solid Waste/Recycling Collections						
Other Expenses		974,000.00	974,000.00	943,141.64	30,858.36	
Solid Waste Disposal Costs		365,000.00	365,000.00	350,130.18	14,869.82	
Waste Water Treatment Plant						
Salaries and Wages		370,450.00	389,650.00	377,834.49	11,815.51	
Other Expenses		161,500.00	148,500.00	128,509.08	19,990.92	
Board of Health						
Salaries and Wages		2,500.00	2,500.00	15.32	2,484.68	
Other Expenses		68,110.00	68,110.00	66,789.32	1,320.68	

Borough of New Providence, N.J.

Page 4 of 8

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<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>
Animal Control Services							
Other Expenses			27,240.00	27,240.00	21,790.00	5,450.00	
Health Services							
Salaries and Wages			51,455.00	51,455.00	51,261.00	194.00	
Other Expenses			3,550.00	3,550.00	76.10	3,473.90	
Community Activities							
Salaries and Wages			231,183.00	231,183.00	222,239.69	8,943.31	
Other Expenses			18,500.00	18,500.00	16,756.03	1,743.97	
Senior Citizen Programs							
Salaries and Wages			86,300.00	92,300.00	92,300.00		
Other Expenses			40,300.00	38,500.00	26,481.65	12,018.35	
Tuition Reimbursement Program							
Other Expenses			12,500.00	2,500.00		2,500.00	
Construction Code Official							
Salaries and Wages			430,304.00	430,304.00	414,716.32	15,587.68	
Other Expenses			36,900.00	36,900.00	29,367.53	7,532.47	
Utility Expenses/Bulk Purchases:							
Electricity			331,000.00	331,000.00	280,248.78	50,751.22	
Telephone and Telegraph			50,000.00	50,000.00	45,722.35	4,277.65	
Natural Gas			90,000.00	90,000.00	58,746.89	31,253.11	
Street Lighting			130,000.00	130,000.00	114,645.98	15,354.02	
Water			67,000.00	67,000.00	38,635.47	28,364.53	
Motor Supplies			175,000.00	175,000.00	129,890.81	45,109.19	
Fire Hydrant Service			224,000.00	224,000.00	220,823.00	3,177.00	
Terminal Leave			70,000.00	70,000.00	70,000.00		
Total Operations within "CAPS"			15,303,253.00	15,268,648.00	14,160,040.95	1,108,607.05	

Borough of New Providence, N.J.

Page 5 of 8

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<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>
Detail:						
Salaries and Wages	A-1	7,638,451.00	7,578,746.00	7,374,496.09	204,249.91	
Other Expenses	A-1	7,664,802.00	7,689,902.00	6,785,544.86	904,357.14	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		536,799.00	536,799.00	536,799.00		
Social Security System (O.A.S.I.)		616,300.00	650,600.00	625,692.65	24,907.35	
Police and Firemen's Retirement System of N.J.		1,060,555.00	1,060,555.00	1,060,555.00		
Unemployment Compensation Insurance		10,000.00	10,000.00	10,000.00		
Defined Contribution Retirement Plan		31,000.00	31,000.00	30,084.03	915.97	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	2,254,654.00	2,288,954.00	2,263,130.68	25,823.32	
Total General Appropriations for Municipal Purposes within "CAPS"		17,557,907.00	17,557,602.00	16,423,171.63	1,134,430.37	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,119,602.00	1,119,602.00	1,119,602.00		
Sewer System						
Joint Meeting Expenses		984,400.00	984,400.00	873,343.47	111,056.53	
Berkley Heights Expenses		15,750.00	15,750.00	13,526.92	2,223.08	
Emergency Services Volunteer Length of Service Award Program		50,000.00	50,000.00		50,000.00	
Reserve for Tax Appeals		200,000.00	200,000.00	200,000.00		

Borough of New Providence, N.J.

Page 6 of 8

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<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>
Fair Housing Act of 1985						
Council on Affordable Housing						
Salaries and Wages		6,500.00	6,500.00		6,500.00	
Public and Private Programs Offset by Revenues						
Body Armor Grant		1,896.65	1,896.65	1,896.65		
Clean Communities		31,937.92	31,937.92	31,937.92		
Alcohol Education and Rehab Grant		1,297.95	1,297.95	1,297.95		
Recycling Tonnage Grant		15,523.63	15,523.63	15,523.63		
Bulletproof Vest Partnership		2,156.36	2,156.36	2,156.36		
Union County - Kids Recreation Trust		35,000.00	35,000.00	35,000.00		
Assistance to Firefighters Grant		29,000.00	29,000.00	29,000.00		
Distracted Driving Grant		7,000.00	7,000.00	7,000.00		
CDBG - Senior Citizen High Risk Health Services		14,750.00	14,750.00	14,750.00		
CDBG - CV Grant		125,000.00	125,000.00	125,000.00		
CDBG - Senior Citizen Center		30,000.00	30,000.00	30,000.00		
Union County Arts Grant		2,500.00	2,500.00	2,500.00		
Union County Leadership Grant		3,646.00	3,646.00	3,646.00		
Barclay-Giel Seed Grant		7,500.00	7,500.00	7,500.00		
National OPIOID Settlement		8,711.56	8,711.56	8,711.56		
Union County Infrastructure Grant		50,000.00	50,000.00	50,000.00		
Safe Routes to School		211,266.11	211,266.11	211,266.11		
Greening Union County Tree Grant		2,255.00	2,255.00	2,255.00		
Spotted Lantern Fly Grant		15,000.00	15,000.00	15,000.00		
Stormwater Assistance Grant		15,000.00	15,000.00	15,000.00		
Municipal Alliance on Alcoholism and Drug Abuse		11,109.00	11,109.00	11,109.00		
Municipal Alliance on Alcoholism and Drug Abuse - Local Share						
Total Operations - Excluded from "CAPS"		2,472.00	2,777.00	2,777.00		
		2,999,274.18	2,999,579.18	2,829,799.57	169,779.61	

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<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>
Detail:						
Salaries & Wages	A-1	7,000.00	7,000.00	7,000.00		
Other Expenses	A-1	2,992,274.18	2,992,579.18	2,822,799.57	169,779.61	
Capital Improvements:						
Capital Improvement Fund		200,000.00	200,000.00	200,000.00		
Various Street & Road Improvements - ARP		710,785.00	710,785.00	710,785.00		
NJ Transportation Trust Fund Authority Act		252,750.00	252,750.00	252,750.00		
Total Capital Improvements Excluded from "CAPS"	A-1	1,163,535.00	1,163,535.00	1,163,535.00		
Municipal Debt Service:						
Payment of Bond Principal		1,870,000.00	1,870,000.00	1,870,000.00		
Interest on Bonds		438,715.00	438,715.00	438,715.00		0.01
Interest on Notes		359,000.00	359,000.00	358,999.99		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	2,667,715.00	2,667,715.00	2,667,714.99		0.01
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		6,830,524.18	6,830,829.18	6,661,049.56	169,779.61	0.01
Subtotal General Appropriations		24,388,431.18	24,388,431.18	23,084,221.19	1,304,209.98	0.01
Reserve for Uncollected Taxes		2,150,000.00	2,150,000.00	2,150,000.00		
Total General Appropriations	\$	26,538,431.18	26,538,431.18	25,234,221.19	1,304,209.98	0.01
					A	

Borough of New Providence, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

<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>
Adopted Budget	A-2		25,992,635.34			
Appropriated by (N.J.S.A. 40A:4-87)	A-2		545,795.84			
			<u>26,538,431.18</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			2,150,000.00		
Cash Disbursed	A-4			21,335,619.74		
Encumbrances Payable	A-15			647,524.27		
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			873,300.18		
Matching Funds for Federal and State Grants	A-4, A-22			<u>2,777.00</u>		
				<u>25,234,221.19</u>		

See Accompanying Notes to Financial Statements

Borough of New Providence , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Animal License Fund:			
Cash	B-1	\$ 24,414.08	25,333.20
		<u>24,414.08</u>	<u>25,333.20</u>
Other Trust Funds:			
Cash	B-1	4,901,075.66	3,647,923.80
Cash - Payroll	B-7	52,964.09	51,801.13
Due from Current Fund (Open Space)	B-3	716.21	702.79
		<u>4,954,755.96</u>	<u>3,700,427.72</u>
Emergency Services Volunteer Length of Service Award Program: (Unaudited)			
Cash in Plan	B-1	734,343.68	615,231.79
Contributions Receivable	B-11	42,300.00	45,300.00
		<u>776,643.68</u>	<u>660,531.79</u>
Total Assets		\$ <u>5,755,813.72</u>	<u>4,386,292.71</u>

See Accompanying Notes to Financial Statements

Borough of New Providence , N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Animal License Fund:			
Interfund - Current Fund	B-3	\$ 9,286.08	9,209.60
Reserve for Dog Fund Expenditures	B-4	15,128.00	16,123.60
		<u>24,414.08</u>	<u>25,333.20</u>
Other Trust Fund:			
Interfund - Current Fund (Other Trust)	B-3	3,596.47	
Various Other Trust Funds	B-6	3,361,003.64	2,246,704.73
Payroll Deductions	B-7	52,964.09	51,801.13
Reserve for:			
Construction and Other Deposits	B-8	150,943.69	188,645.73
Unemployment Insurance Trust Fund	B-9	234,668.07	221,448.57
Municipal Open Space	B-10	1,151,580.00	991,827.56
		<u>4,954,755.96</u>	<u>3,700,427.72</u>
Emergency Services Volunteer Length of Service Award Program: (Unaudited)			
Net Assets Available for Benefits	B-12	776,643.68	660,531.79
		<u>776,643.68</u>	<u>660,531.79</u>
Total Liabilities, Reserves & Fund Balance		\$ <u>5,755,813.72</u>	<u>4,386,292.71</u>

See Accompanying Notes to Financial Statements

Borough of New Providence, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 7,337,919.22	9,306,048.60
Various Receivables	C-4	32,474.43	43,072.03
Deferred Charges to Future Taxation:			
Funded	C-5	13,610,000.00	15,480,000.00
Unfunded	C-6	14,488,500.00	11,760,000.00
Interfund - State & Federal Grant Fund	C-8	650,000.00	650,000.00
		<u>36,118,893.65</u>	<u>37,239,120.63</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Current Fund	C-7	16,643.15	126.41
General Serial Bonds	C-9	13,610,000.00	15,480,000.00
Bond Anticipation Notes	C-10	9,000,000.00	9,000,000.00
Improvement Authorizations:			
Funded	C-11	1,462,832.54	1,701,785.80
Unfunded	C-11	9,166,029.18	8,273,064.64
Capital Improvement Fund	C-12	759,407.63	810,482.63
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	372,479.08	242,159.08
		<u>\$ 36,118,893.65</u>	<u>37,239,120.63</u>

Footnote: There were \$5,488,500.00 and \$2,760,000.00 of Bonds and Notes Authorized But Not Issued per Exhibit C-14 on December 31, 2023 and 2022

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, 2023

	<u>Ref.</u>		<u>2023</u>	<u>2022</u>
Balance - December 31, 2022	C	\$	242,159.08	242,159.18
Increased by:				
Premium on Sale of Notes	C-2		<u>130,320.00</u>	<u> </u>
Balance - December 31, 2023	C,C-3	\$	<u><u>372,479.08</u></u>	<u><u>242,159.08</u></u>

See Accompanying Notes to Financial Statements

Borough of New Providence , N.J.**Comparative Statement of General Fixed Assets****December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<u>General Fixed Assets:</u>		
Buildings and Construction	\$ 13,324,105.37	\$ 13,024,302.74
Machinery and Equipment	9,254,977.90	8,787,729.09
Land Improvements	2,810,775.23	2,791,281.23
Underground Equipment & Utilities	<u>1,325,240.74</u>	<u>1,265,385.74</u>
	<u>\$ 26,715,099.24</u>	<u>\$ 25,868,698.80</u>
Investment in Fixed Assets	<u>\$ 26,715,099.24</u>	<u>\$ 25,868,698.80</u>

See Accompanying Notes to Financial Statements

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with 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, 2023 AND 2022
(CONTINUED)

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

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

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

The Borough has the following funds and account 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, 2023 AND 2022
(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 11th day of the 11th 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, 2023 AND 2022
(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 2023, the Borough Council increased the original budget by \$545,795.84. The increase was funded by \$545,795.84 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, 2023 AND 2022
(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, 2023 AND 2022
(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, 2023 AND 2022
(CONTINUED)

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

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles

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

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

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

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

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles (continued)

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

C. Basic Financial Statements

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

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BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$0.00 of the Borough's bank balance of \$21,786,146.21 and \$26,466,036.27, 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.

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.

**BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

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

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, 2023 and 2022, the Borough had \$3,855,386.36 and \$181,432.03, 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, 2023 and 2022 amounted to \$734,343.68 and \$615,231.79, respectively.

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

	<u>2023</u>	<u>2022</u>
Growth	\$455,989.01	\$347,696.06
Fixed Income	114,149.27	99,993.05
Income	60,447.18	68,312.55
Growth and Income	67,785.03	62,445.97
All Others	<u>35,973.19</u>	<u>36,784.16</u>
Total	<u>\$734,343.68</u>	<u>\$615,231.79</u>

NOTE 3: MUNICIPAL DEBT

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

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable - General Obligation Debt	<u>\$15,480,000.00</u>	<u>\$</u>	<u>\$1,870,000.00</u>	<u>\$13,610,000.00</u>	<u>\$1,820,000.00</u>

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BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 3: MUNICIPAL DEBT, (continued)

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

The Borough's debt is summarized as follows:

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued:</u>			
General:			
Bonds and Notes	<u>\$22,610,000.00</u>	<u>\$24,480,000.00</u>	<u>\$17,300,000.00</u>
Total Issued	<u>22,610,000.00</u>	<u>24,480,000.00</u>	<u>17,300,000.00</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>5,488,500.00</u>	<u>2,760,000.00</u>	<u>9,026,869.74</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$28,098,500.00</u>	<u>\$27,240,000.00</u>	<u>\$26,326,869.74</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 0.800%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$35,821,000.00	\$35,821,000.00	\$0.00
General Debt	<u>28,098,500.00</u>	<u>1,506,502.07</u>	<u>26,591,997.93</u>
	<u>\$63,919,500.00</u>	<u>\$37,327,502.07</u>	<u>\$26,591,997.93</u>

Net Debt \$26,591,997.93 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$3,323,397683.00 = 0.800%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$116,318,918.91
Net Debt	<u>26,591,997.93</u>
Remaining Borrowing Power	<u>\$89,726,920.98</u>

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 3: MUNICIPAL DEBT, (continued)

The Borough's bonded debt consisted of the following at December 31, 2023:

	Amount <u>Outstanding</u>
Paid by Current Fund:	
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%	\$2,480,000.00
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%	5,555,000.00
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>5,575,000.00</u>
	<u><u>\$13,610,000.00</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.

	<u>General</u>		
Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$13,610,000.00</u></u>	<u><u>\$1,427,677.50</u></u>	<u><u>\$15,037,677.50</u></u>

At December 31, 2023, the Borough had authorized but not issued debt of \$5,488,500.00.

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023, the Borough had \$9,000,000.00 in outstanding general capital bond anticipation notes. Maturing on July 26, 2024 at an interest rate of 5.00%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2023.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Mellon Bank	\$9,000,000.00		\$9,000,000.00	
Oppenheimer & Co., Inc		\$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, 2023, 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, 2023 AND 2022
(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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of

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

Benefits Provided

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

<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, 2023 AND 2022
(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>
2023	\$536,799.00	\$1,060,555.00	\$30,084.03
2022	525,373.00	944,311.00	27,539.10
2021	483,640.00	898,034.00	22,885.82

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022, which is the latest information available. This information is eighteen months prior to December 31, 2023. 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, 2023, the Borough had a liability of \$6,424,050.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Borough's proportion was 0.042567689 percent, which was an increase/(decrease) of (0.0022931872) percent from its proportion measured as of June 30, 2021.

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023, the Borough recognized pension expense of \$536,799.00. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$46,366.00	\$40,888.00
Changes of assumptions	19,904.00	961,935.00
Net difference between projected and actual earnings on pension plan investments	265,886.00	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>185,182.00</u>	<u>483,720.00</u>
Total	<u><u>\$517,338.00</u></u>	<u><u>\$1,486,543.00</u></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:	
2023	(\$551,049)
2024	(280,741)
2025	(136,912)
2026	298,690
2027	<u>(656)</u>
	<u><u>\$ (670,668)</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 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,972,782,878
Borough's Proportion	0.042567689%	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.

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

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2022</u>		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$8,253,023	\$6,424,050	\$4,867,521

Pension Plan Fiduciary Net Position

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

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 7. PENSION PLANS, (continued)

The following pension information is as of June 30, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2023. 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, 2023, the Borough had a liability of \$9,334,097 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0815464447 percent, which was an increase/(decrease) of 0.0005219943 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2023, the Borough recognized pension expense of \$1,060,555.00. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$422,486.00	\$571,840.00
Changes of assumptions	25,581.00	1,174,978.00
Net difference between projected and actual earnings on pension plan investments	854,729.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>261,597.00</u>	<u>131,330.00</u>
Total	<u><u>\$1,564,393.00</u></u>	<u><u>\$1,878,148.00</u></u>

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(466,854)
2024	(298,349)
2025	(284,210)
2026	593,671
2027	5,721
Thereafter	5,998

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 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Additional Information

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$2,163,793,985	\$817,271,932
Collective deferred inflows of resources	2,805,919,493	6,875,738,520
Collective net pension liability	11,446,356,176	9,364,849,587
Borough's Proportion	0.0515464447%	0.0810244457%

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 7. PENSION PLANS, (continued)

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

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

Inflation Rate:	2.75%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

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.

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$12,807,388	\$9,334,097	\$6,442,564

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, 2022 and 2021, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,661,196 and \$1,665,618, respectively. For the years ended December 31, 2022 and 2021, 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 \$191,658 and \$185,501, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$206,811 and \$144,691, 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, 2023 AND 2022
(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.

NOTE 8: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	<u>\$4,200,000.00</u>	<u>\$4,250,000.00</u>

NOTE 9: FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2023.

	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2023</u>
Buildings and Improvements	\$13,024,302.74	\$299,802.63	\$	\$13,324,105.37
Machinery and Equipment	8,787,729.09	574,057.56	106,808.75	9,254,977.90
Land Improvements	2,791,281.23	19,494.00		2,810,775.23
Underground Equipment and Utilities	1,265,385.74	59,855.00		1,325,240.74
	<u>\$25,868,698.80</u>	<u>\$953,209.19</u>	<u>\$106,808.75</u>	<u>\$26,715,099.24</u>

**BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 \$302,701.80, computed internally at 2023 salary rates, would be payable to 29 officials and employees of the Borough of New Providence as of December 31, 2023 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, 2023 consist of the following:

\$9,286.08	Due to the Current Fund from the Animal Control Trust Fund for the statutory excess in Animal Control Funds.
16,643.15	Due to the Current Fund from the General Capital Fund for interest earnings.
525.34	Due to the Current Fund from the Federal and State Grant Fund for interest earnings.
3,596.47	Due to the Current Fund from the Other Trust 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>\$680,051.04</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, 2023 AND 2022
(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 2023 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of 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:

Year Ended	Interest Earnings/ Borough	Employee	Amount	Ending
<u>Dec. 31,</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2023	\$10,000.00	\$13,193.78	\$9,974.28	\$234,668.07
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

**BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 Dec. 31, 2023</u>	<u>Balance Dec 31, 2022</u>
Prepaid Taxes	<u>\$330,776.10</u>	<u>\$422,868.72</u>
Cash Liability for Taxes Collected in Advance	<u>\$330,776.10</u>	<u>\$422,868.72</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) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022 which is the latest information available as of the date of this report. This information is eighteen months prior to December 31, 2023. 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, 2023 AND 2022
(CONTINUED)

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

Total OPEB Liability, (continued)

At December 31, 2023, the Borough had a liability of \$11,703,127 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2022 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, 2022 the Borough's proportion was 0.0724670 percent.

For the year ended December 31, 2023, the Borough recognized OPEB expense of \$2,162,064. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$604,362	\$2,169,262
Changes of assumptions	1,561,831	3,994,052
Net difference between projected and actual earnings on OPEB plan investments	3,081	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>11,189,869</u>	<u>717,526</u>
Total	<u>\$13,359,143</u>	<u>\$6,880,840</u>

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

Year ended June 30:	
2023	\$(1,060,468)
2024	(1,061,404)
2025	(838,175)
2026	(374,334)
2027	(83,924)
2028-2029	<u>(575,735)</u>
	<u>(\$3,994,040)</u>

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB 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. 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.

Salary increases*:

Public Employees' Retirement System (PERS)

Rate for all future years

2.75% to 6.55%
based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years

3.25% to 16.25%
based on years of service

Mortality:

PERS

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

PFRS

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

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

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

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2022		
	1% Decrease <u>2.54%</u>	At Current Discount Rate <u>3.54%</u>	1% Increase <u>4.54%</u>
Borough's proportionate share of Net OPEB liability	\$13,566,281	\$11,703,127	\$10,204,046

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, 2022 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, 2023 AND 2022
(CONTINUED)

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

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

	June 30, 2021		
	<u>1%</u>	<u>Healthcare Cost</u>	<u>1%</u>
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$9,928,115	\$11,703,127	\$13,976,418

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, 2023, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$3,693,950 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(605,885).

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 2023 is \$0.20.

BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023 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 \$1,395,924.01.

**BOROUGH OF NEW PROVIDENCE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 April 29, 2024, 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate:	<u>5.007</u>	<u>4.938</u>	<u>4.902</u>	<u>4.900</u>	<u>4.870</u>
Apportionment of Tax					
Municipal	1.057	1.040	1.019	.990	.971
Municipal Open Space	0.010	0.010	0.010	.009	.008
Municipal Library	0.076	0.070	0.069	.068	.066
County	0.910	0.933	0.978	1.023	1.013
County Open Space	0.034	0.031	0.031	.031	.030
Local School	2.920	2.854	2.795	2.779	2.782

Assessed Valuation:

2023	\$1,471,400,104.00
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

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>
2023	\$74,104,786.35	\$73,892,699.31	99.71%
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

*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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Delinquent Taxes	\$172,501.57	\$277,595.64	\$271,492.48	\$226,960.43	\$346,220.05
Tax Title Liens	<u>293,498.23</u>	<u>279,896.80</u>	<u>266,482.58</u>	<u>253,165.95</u>	<u>239,854.96</u>
Totals	<u>\$465,999.80</u>	<u>\$557,492.44</u>	<u>\$537,975.06</u>	<u>\$480,126.38</u>	<u>\$586,075.01</u>
Percentage of each Years Tax Levy	.63%	.77%	.75%	.68%	.84%

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>
2023	\$11,995
2022	11,995
2021	11,955
2020	11,955
2019	11,955

COMPARATIVE SCHEDULE OF FUND BALANCE

<u>Year</u>	<u>Current Fund</u>	
	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$7,405,743.82	\$4,200,000.00
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

ROSTER OF OFFICIALS IN OFFICE AND REPORT ON SURETY BONDS

DECEMBER 31, 2023

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	\$
Alex Kogan	Councilman	
Lisa McKnight	Councilwoman	
Nadine Geoffroy	Councilwoman	
Matthew Cumiskey	Council President	
Peter DeSarno	Councilman	
Diane Bilicska	Councilwoman	
James Testa	Chief Financial Officer	*
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.

Borough of New Providence, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>		<u>Current Fund</u>	<u>Federal & State Grant Fund</u>
Balance - December 31, 2022	A		\$ 11,433,841.26	\$ 1,699,565.77
Increased by Receipts:				
Interest and Costs on Taxes	A-2	70,538.80		
Miscellaneous Revenue Not Anticipated	A-2	186,223.07		
Prior Year Voided Checks	A-1	1,223.00		
Petty Cash	A-6	1,750.00		
Due From State - Senior Citizen and Veteran Deductions	A-7	46,199.32		
Taxes Receivable	A-8	73,695,077.60		
Revenue Accounts Receivable	A-11	5,216,198.13		
Interfunds	A-12	9,336.01		
Prepaid Taxes	A-15	330,776.10		
Various Cash Liabilities and Reserves	A-20	605,776.88		
Federal and State Grants Receivable	A-21		768,064.36	
Matching Funds for Grants	A-22		2,777.00	
Unappropriated Reserves	A-23		2,163.69	
Interfund - Current Fund	A-25		525.34	
Interfund - General Capital	A-26		0.00	
			<u>80,163,098.91</u>	<u>773,530.39</u>
			91,596,940.17	2,473,096.16
Decreased by Disbursements:				
Refund of Prior Year Revenue	A-1	2,865.02		
Current Year Budget Appropriations	A-3	21,335,619.74		
Matching Funds for Grants	A-3	2,777.00		
Petty Cash	A-6	1,750.00		
Interfunds	A-12	168,927.39		
Appropriation Reserves	A-13	709,022.40		
Special Improvement District Taxes	A-16	73,561.20		
Local District School Taxes	A-18	42,956,197.00		
County Taxes Payable	A-19	13,957,983.53		
Various Cash Liabilities and Reserves	A-20	29,025.99		
Unappropriated Reserves	A-23		710,785.00	
Federal & State Grant Appropriations	A-22		<u>1,043,454.07</u>	
			<u>79,237,729.27</u>	<u>1,754,239.07</u>
Balance - December 31, 2023	A		\$ <u>12,359,210.90</u>	\$ <u>718,857.09</u>

Exhibit A-5**Borough of New Providence, N.J.****Schedule of Cash - Change Fund****Current Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ <u>150.00</u>
Balance - December 31, 2023	A	\$ <u>150.00</u>
<u>Analysis of Balance:</u>		
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, 2023**

	<u>Ref.</u>	
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, 2023

	<u>Ref.</u>		
Balance - December 31, 2022 - Due to	A	\$	5,209.10
Decreased by:			
Senior Citizens' and Veterans' Deductions			
Per Tax Billings	A-8	43,750.00	
Senior Citizens' and Veterans' Deductions			
Allowed by Tax Collector	A-8	8,750.00	
Senior Citizens' and Veterans' Deductions			
Disallowed by Tax Collector	A-8	<u>(151.37)</u>	
			52,348.63
Less:			
Cash Receipts - State of NJ	A-4	<u>46,199.32</u>	
Balance - December 31, 2023 - Due from	A	\$	<u><u>(940.21)</u></u>

Borough of New Providence, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund							
Year Ended December 31, 2023							
Year	Balance, Dec. 31, 2022	Levy	Added Taxes	Collected 2023	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Balance, Dec. 31, 2023
2022	\$ 277,595.64			277,595.64			
2023		73,746,566.48	358,219.87	422,868.72	52,348.63	13,601.43	172,501.57
	<u>\$ 277,595.64</u>	<u>73,746,566.48</u>	<u>358,219.87</u>	<u>422,868.72</u>	<u>52,348.63</u>	<u>13,601.43</u>	<u>172,501.57</u>
	A			A-2/A-4	A-2/A-7	A-9	A
<u>Analysis of Tax Levy</u>							
Tax yield:			<u>Ref.</u>				
General Purpose Tax				73,561,603.94			
Utilities				111,401.34			
Special Taxes				73,561.20			
Added Tax (R.S. 54:4-63.1 et seq.)				358,219.87			
				<u>74,104,786.35</u>			
Tax Levy:							
Municipal Open Space Tax			A-17	147,140.00			
Added Municipal Open Space Tax			A-17	716.21			
Special Improvement District Taxes			A-16	147,856.21			
Local District School Tax			A-18	73,561.20			
County Tax - General			A-19	42,956,197.00			
County Tax - Open Space			A-19	13,382,220.20			
Added County Taxes			A-19	507,757.26			
				67,688.85			
				<u>13,957,666.31</u>			
Local Tax for Municipal Purposes			A-2	57,135,280.72			
Additional Taxes				16,673,880.44			
				295,625.19			
				<u>16,969,505.63</u>			
				<u>74,104,786.35</u>			

Borough of New Providence, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 279,896.80
Increased by:		
Penalties		
Transfers from Taxes Receivable	A-8	<u>13,601.43</u>
		<u>13,601.43</u>
Balance - December 31, 2023	A	<u><u>\$ 293,498.23</u></u>

Exhibit A-10

Schedule of Property Acquired for
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	<u><u>\$ 11,955.00</u></u>
Balance - December 31, 2023	A	<u><u>\$ 11,955.00</u></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><u>11,955.00</u></u>

Borough of New Providence, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Clerk:					
Licenses:					
Alcoholic beverages	A-2	\$	17,680.00	17,680.00	
Other	A-2	13,565.00	52,765.00	65,810.00	520.00
Fees and Permits	A-2	335.05	8,922.01	8,847.06	410.00
Police					
Fees and Permits	A-2		6,375.00	6,375.00	
Engineering Department					
Fees and Permits	A-2		7,200.00	7,200.00	
Registrar					
Other Licenses	A-2		60.00	60.00	
Fees and Permits	A-2	90.00	1,830.00	1,680.00	240.00
Board of Health					
Other Licenses	A-2	586.00	21,142.00	21,315.00	413.00
Planning Board					
Fees and Permits	A-2		1,570.00	1,570.00	
Board of Adjustment					
Fees and Permits	A-2		13,788.00	13,788.00	
Municipal Court :					
Fines and Costs	A-2	14,910.22	107,595.63	112,819.25	9,686.60
Interest on Investments	A-2		348,466.13	348,466.13	
Uniform Construction Code Fees					
Construction Fees	A-2	29,559.00	656,553.00	461,772.00	224,340.00
Fees and Permits	A-2		370.00	360.00	10.00
Energy Receipts Taxes	A-2		1,312,831.46	1,312,831.46	
Municipal Relief Fund	A-2		68,012.26	68,012.26	
Library Reimbursement	A-2		88,732.12	88,732.12	
Leaf Collection Revenue	A-2		72,325.00	72,325.00	
Reserve for Payment of Debt	A-2		103,722.30	103,722.30	
Hotel Occupancy Tax Revenue	A-2		77,747.52	77,747.52	
Mountain Valley Dispatch Rent/Service	A-2		70,485.12	70,485.12	
Berkeley Heights Shared Court	A-2		104,293.24	104,293.24	
Summit Shared Sewer Services	A-2	6,565.00	199,659.50	193,119.50	13,105.00
Multi Family Sewer Fees	A-2	125.00	152,375.00	152,500.00	
Uniform Fire Safety Act	A-2		32,924.95	31,524.95	1,400.00
American Rescue Plan LRFF	A-2		710,785.00	710,785.00	
School Resource Officer	A-2		82,507.00	82,507.00	
Parking Meters	A-2		35,574.00	35,574.00	
Sewer Rentals	A-2	3,050.00	268,182.05	266,682.05	4,550.00
Cat Licenses	A-2		1,716.00	1,716.00	
Parking Permits	A-2	1,090.00	112,230.00	112,755.00	565.00
Rental of Municipal Owned Property	A-2		1,800.00	1,800.00	
New Providence DID - Contribution for BAN P&I	A-2		29,365.86	29,365.86	
Cable TV Franchise Fee	A-2		156,932.72	156,932.72	
Police Escort Administration Fees	A-2		339,258.75	339,258.75	
Summit Shared Court	A-2	23,825.88	315,764.09	313,328.40	26,261.57
		<u>\$ 93,701.15</u>	<u>5,581,540.71</u>	<u>5,393,740.69</u>	<u>281,501.17</u>
		A			A
	<u>Ref.</u>				
Reserve for Municipal Rellief fund	A-20			68,012.26	
Reserve for Payment of Debt	A-20			103,722.30	
Prepaid Revenue Applied	A-20			5,808.00	
Receipts	A-4			5,216,198.13	
				<u>5,393,740.69</u>	

Borough of New Providence, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2023

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance			Due From/(To) Balance	
		<u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2023</u>	
General Capital Fund	A	\$ 126.41	16,643.15	126.41	16,643.15	
Federal and State Grant Fund	A		525.34		525.34	
Open Space Trust Fund	A	(702.79)	147,856.21	147,842.79	(716.21)	
Other Departments	A		294.80		294.80	
Other Trust Funds	A		3,596.47		3,596.47	
Animal License Fund	A	9,209.60	9,286.08	9,209.60	9,286.08	
		<u>\$ 8,633.22</u>	<u>178,202.05</u>	<u>157,178.80</u>	<u>29,629.63</u>	
<u>Analysis</u>						
Due to Current Fund	A/A-1	9,336.01			30,345.84	
Due From Current Fund	A	(702.79)			(716.21)	
		<u>8,633.22</u>			<u>29,629.63</u>	
Disbursed	A-4		21,084.60	147,842.79		
Received	A-4			9,336.01		
Statutory Excess Animal License Fund	A-1		9,261.24			
Municipal Open Space Tax	A-17		147,856.21			
			<u>178,202.05</u>	<u>157,178.80</u>		

Borough of New Providence, N.J.

Schedule of Appropriation Reserves

Page 1 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 28,453.49	28,453.49		28,453.49
Human Resources	3,770.00	3,770.00		3,770.00
Financial Administration	12,192.73	12,192.73		12,192.73
Collection of Taxes	4,781.04	4,781.04		4,781.04
Assessment of Taxes	733.92	733.92		733.92
Planning Board	943.62	943.62	406.08	537.54
Board of Adjustment	566.28	566.28		566.28
Municipal Court	21,443.76	21,443.76		21,443.76
Public Defender	1.96	1.96		1.96
Police	262,591.94	262,591.94	548.70	262,043.24
Uniform Fire Safety	602.12	602.12		602.12
Public Works	58,144.24	58,144.24	3,964.29	54,179.95
Waste Water Treatment Plant	8,448.84	8,448.84	4,566.22	3,882.62
Board of Health	1,838.60	1,838.60		1,838.60
Health Services	12,442.26	12,442.26		12,442.26
Community Services	16,204.04	16,204.04		16,204.04
Senior Citizens' Programs	19,597.79	19,597.79		19,597.79
Construction Official	8,596.72	8,596.72		8,596.72
Total Salaries and Wages Within "CAPS"	<u>461,353.35</u>	<u>461,353.35</u>	<u>9,485.29</u>	<u>451,868.06</u>
Other Expenses Within "CAPS":				
Administrative and Executive	33,473.00	47,226.51	11,768.17	35,458.34
Human Resources	56,800.00	13,800.00	465.19	13,334.81
Mayor and Council	2,283.60	4,783.60	100.00	4,683.60
Clerk	3,329.67	3,329.67		3,329.67
Financial Administration	12,439.00	12,859.00	260.50	12,598.50
Audit Services	8,650.00	8,650.00		8,650.00
Collection of Taxes	2,404.43	2,404.43		2,404.43
Assessment of Taxes	124,358.04	25,634.54	3,353.00	22,281.54
Legal Services and Costs	38,093.39	47,055.39	11,044.18	36,011.21
Engineering Services and Costs	89,237.87	82,423.67	3,625.00	78,798.67
Planning Board	23,503.08	35,378.08	875.00	34,503.08
Board of Adjustment	2,905.10	4,530.10	1,570.69	2,959.41
Insurance:				
General Liability		50,000.00	50,000.00	
Group Insurance for Employees	233,968.11	234,507.11	489.00	234,018.11
Health Benefit Waiver	18,327.08	18,327.08		18,327.08
Municipal Court	5,118.57	5,268.57	660.00	4,608.57

Borough of New Providence, N.J.

Schedule of Appropriation Reserves

Page 2 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Police	15,159.79	149,367.44	133,443.59	15,923.85
Police Dispatch / 911	0.08	0.08		0.08
Emergency Management Services	2,512.81	2,512.81		2,512.81
Fire	9,693.75	47,861.44	31,515.74	16,345.70
Uniform Fire Safety	113.50	2,152.00	2,021.20	130.80
Road Repairs and Maintenance	37,069.62	154,112.82	103,032.48	51,080.34
Public Works	20,000.00	37,000.00	17,000.00	20,000.00
Traffic Light Maintenance	5,161.48	7,361.48	2,378.45	4,983.03
Public Building and Grounds	22,821.46	53,648.58	21,632.86	32,015.72
Fleet Maintenance	1,115.43	19,975.43	18,106.84	1,868.59
Solid Waste / Recycling Collection	19,061.42	113,728.42	93,211.66	20,516.76
Landfill / Solid Waste Disposal Costs	14,308.54	44,467.54	30,578.28	13,889.26
Waste Water Treatment Plant	5,069.19	18,231.94	9,644.65	8,587.29
Board of Health	1,338.52	1,338.52		1,338.52
Animal Control	6,035.00	6,585.00	1,115.00	5,470.00
Health Services	3,550.00	3,550.00		3,550.00
Community Services	2,294.09	2,727.73	398.50	2,329.23
Senior Citizens' Programs	18,476.50	23,657.00	4,974.42	18,682.58
Tuition Reimbursement Program	12,500.00	12,500.00		12,500.00
Construction Code Official	10,433.69	11,644.15	1,220.36	10,423.79
Electricity	41,169.77	103,978.90	52,056.16	51,922.74
Telephone & Telegraph	5,572.32	5,618.42	46.10	5,572.32
Natural Gas	30,763.57	41,863.57	10,470.94	31,392.63
Street Lighting	9,528.26	19,588.11	9,328.39	10,259.72
Water	8,060.32	10,519.44	1,379.45	9,139.99
Fire Hydrant Services	621.30	18,703.60	18,082.30	621.30
Motor Supplies	27,218.93	41,218.93	12,169.80	29,049.13
Total Other Expenses Within "CAPS"	<u>984,540.28</u>	<u>1,550,091.10</u>	<u>658,017.90</u>	<u>892,073.20</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	16,841.24	16,841.24	725.62	16,115.62
Defined Contribution Retirement Plan	<u>2,460.90</u>	<u>2,460.90</u>		<u>2,460.90</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>19,302.14</u>	<u>19,302.14</u>	<u>725.62</u>	<u>18,576.52</u>
Total Reserves Within "CAPS"	<u>1,465,195.77</u>	<u>2,030,746.59</u>	<u>668,228.81</u>	<u>1,362,517.78</u>

Borough of New Providence, N.J.

Schedule of Appropriation Reserves

Page 3 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library Sewer System	0.09	0.09		0.09
Joint Meeting Expenses	56,939.06	56,939.06		56,939.06
Berkley Heights Expenses	6,960.64	15,000.00	8,039.36	6,960.64
Reserve for Tax Appeals				
Council on Affordable Housing	6,500.00	6,500.00		6,500.00
Emergency Services Volunteer Length of Service Award Program	50,000.00	50,000.00	45,300.00	4,700.00
Local Share - Municipal Alliance				
Total Other Expenses Excluded from "CAPS"	<u>120,399.79</u>	<u>128,439.15</u>	<u>53,339.36</u>	<u>75,099.79</u>
Total Reserves Excluded from "CAPS"	<u>120,399.79</u>	<u>128,439.15</u>	<u>53,339.36</u>	<u>75,099.79</u>
Total Reserves	<u>\$ 1,585,595.56</u> A	<u>2,159,185.74</u>	<u>721,568.17</u>	<u>1,437,617.57</u> A-1
Appropriation Reserves	Ref. above	1,585,595.56		
Transfer from Reserve for Encumbrances	A-14	<u>573,590.18</u> <u>2,159,185.74</u>		
Cash Disbursements	A-4		709,022.40	
Transfer to Accounts Payable	A-20		<u>12,545.77</u> <u>721,568.17</u>	

Borough of New Providence, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 573,590.18
Increased by:		
Transfer from Current Appropriations	A-3	<u>647,524.27</u>
		1,221,114.45
Decreased by:		
Transfer to Appropriation Reserves	A-13	<u>573,590.18</u>
Balance - December 31, 2023	A	\$ <u><u>647,524.27</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 422,868.72
Increased by:		
Receipts - Prepaid 2024 Taxes	A-4	<u>330,776.10</u>
		753,644.82
Decreased by:		
Applied to 2023 Taxes	A-8	<u>422,868.72</u>
Balance - December 31, 2023	A	\$ <u><u>330,776.10</u></u>

Borough of New Providence, N.J.

Schedule of Due to Special Improvement District

Current Fund

Year Ended December 31, 2023

Ref.

Increased by:

Levy Calendar Year - 2023	A-1/A-8	\$ 73,561.20
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Decreased by:

Disbursed	A-4	73,561.20
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Schedule of Municipal Open Space Taxes Payable

Current Fund

Year Ended December 31, 2023

Ref.

Increased by:

Levy Calendar Year - 2023	A-8	\$ 147,140.00
Added and Omitted Taxes	A-8	716.21

	A-1	147,856.21
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Decreased by:

Transfer to Municipal Open Space Trust	A-12	\$ 147,856.21
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Borough of New Providence, N.J.

Schedule of Local District School Tax Payable

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year - 2023	A-1/A-8	\$ <u>42,956,197.00</u>
Decreased by:		
Payments	A-4	\$ <u>42,956,197.00</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	\$ 68,006.07
Increased by:		
Levy - General County	A-1/A-8	13,382,220.20
Levy - Open Space	A-1/A-8	507,757.26
Added and Omitted Taxes	A-1/A-8	<u>67,688.85</u>
		<u>13,957,666.31</u>
		14,025,672.38
Decreased by:		
Payments	A-4	<u>13,957,983.53</u>
Balance - December 31, 2023	A	\$ <u>67,688.85</u>

Borough of New Providence, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2023

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
<u>Liabilities:</u>				
Tax Overpayments	\$	15,518.71	15,518.71	
Prepaid Revenue	5,808.00	4,262.00	5,808.00	4,262.00
Accounts Payable	20,269.87	12,545.77	15,355.94	17,459.70
Refunds Payable - Parking Permits	14.00		14.00	
<u>Reserves for:</u>				
Municipal Relief Aid	68,012.26	135,996.17	68,012.26	135,996.17
Payment of Debt	103,722.30		103,722.30	
Revaluation	525,000.00	25,000.00		550,000.00
Sewer Connection Deposits		450,000.00		450,000.00
Preparation of Tax Maps	50,000.00			50,000.00
Tax Appeals	1,195,924.01	200,000.00		1,395,924.01
	<u>\$ 1,968,750.44</u>	<u>843,322.65</u>	<u>208,431.21</u>	<u>2,603,641.88</u>
	A			A
	<u>Ref.</u>			
Applied to Current Year Revenue	A-11		177,542.56	
2023 Budget Appropriation	A-3	225,000.00		
2022 Appropriation Reserves	A-13	12,545.77		
Receipts	A-4	605,776.88		
Disbursed	A-4		29,025.99	
Accounts Payable Cancelled	A-1		1,862.66	
		<u>843,322.65</u>	<u>208,431.21</u>	

Borough of New Providence, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, <u>2022</u>	Budget Revenue	<u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2023</u>
County & Local Grants:					
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
Greening Union County Grant - 2023		2,255.00			2,255.00
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 Kids Recreation Trust - 2023		35,000.00			35,000.00
Union County Arts Grant - 2023		2,500.00	1,875.00		625.00
Barclay-Giel Seed Grant		7,500.00	7,500.00		
Union County Infrastructure Grant - 2023		50,000.00	50,000.00		
	<u>77,500.00</u>	<u>97,255.00</u>	<u>94,375.00</u>		<u>80,380.00</u>
Federal Grants:					
Community Development Block Grant:					
Senior Citizen High Risk Health - 2023		14,750.00			14,750.00
Senior Citizen Center Renovations - Generator		125,000.00			125,000.00
Senior Citizen High Risk Health - 2022	5,000.00		4,979.47	20.53	
Senior Service Programs - 2021	10.00			10.00	
Senior Service Programs - 2022	8,250.00		8,229.50	20.50	
Senior Citizen Center Renovations	50,000.00		50,000.00		
Senior Citizen Center Renovations	6,595.41			6,595.41	
Senior Citizen Center Renovations		30,000.00			30,000.00
Safe Routes to Schools	462,000.00				462,000.00
ARP Firefighter Grant		29,000.00			29,000.00
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		90,688.64		92,803.12
Safe Routes to Schools Engineering Design 2018	214,832.78		82,301.69		132,531.09
Safe Routes to Schools Engineering Design 2023		211,266.11			211,266.11
National OPIOD Settlement		8,711.56	8,711.56		
Distracted Driving Grant		7,000.00	6,300.00	700.00	
Bulletproof Vest Partnership		2,156.36	2,156.36		
	<u>1,583,179.95</u>	<u>427,884.03</u>	<u>253,367.22</u>	<u>7,346.44</u>	<u>1,750,350.32</u>
State Grants					
Alcohol Education and Rehabilitation Fund		1,297.95	1,297.95		
Body Armor Replacement Fund		1,896.65	1,896.65		
Municipal Alliance on Alcoholism and Drug Abuse - 2022-23	10,394.00		9,856.63	537.37	0.00
Municipal Alliance on Alcoholism and Drug Abuse - 2023-24		11,109.00			11,109.00
Union County Alliance Leadership Grant	3,646.00	3,646.00	3,196.00	450.00	3,646.00
Recycling Tonnage Grant		15,523.63	15,523.63		
Clean Communities		31,937.92	31,937.92		
Body Worn Camera Grant	57,064.00				57,064.00
Stormwater Assistance Grant		15,000.00	15,000.00		
NJEDA -2015 HDSRF, Pubglic Entity Grant	74,015.00		74,015.00		
DCA - Local Recreational Improvement Grant	70,000.00				70,000.00
Spotted Lantern Fly Grant		15,000.00			15,000.00
NJ Transportation Trust - Various Streets 2023		252,750.00			252,750.00
NJ Transportation Trust - Various Streets 2022	360,000.00		270,000.00		90,000.00
NJ Transportation Trust - Various Streets 2021	121,581.58				121,581.58
	<u>696,700.58</u>	<u>348,161.15</u>	<u>422,723.78</u>	<u>987.37</u>	<u>621,150.58</u>
	<u>\$ 2,357,380.53</u>	<u>873,300.18</u>	<u>770,466.00</u>	<u>8,333.81</u>	<u>2,451,880.90</u>
	A	A-2		A-1,A-22	A

	<u>Ref.</u>	
Cash Receipts	A-4	768,064.36
Transferred from Unappropriated Reserves	A-23	<u>2,401.64</u>

Borough of New Providence, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, 2022	Transfer From 2023 Budget	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, 2023
County & Local Grants:					
Municipal Alliance on Alcoholism & Drug Abuse	\$				
Local Share - 2022-23	919.00		919.00		
Local Share - 2023-24		2,777.00	600.00		2,177.00
Union County Kids Recreation Trust - 2023		35,000.00			35,000.00
Union County Kids Recreation Trust - 2022	30,000.00		30,000.00		
Union County Kids Recreation Trust - 2021	23,600.40		285.75		23,314.65
Union County Arts Grant	5,000.00	2,500.00	7,483.21		16.79
Union County Infrastructure Grant - 2023		50,000.00	50,000.00		
Barclay-Giel Seed Grant		7,500.00	3,802.18		3,697.82
Greening Union County Grant - 2023		2,255.00	2,255.00		
Greening Union County Grant - 2022	1,328.50		1,328.50		
	<u>60,847.90</u>	<u>100,032.00</u>	<u>96,673.64</u>		<u>64,206.26</u>
Federal Grants:					
Community Development Block Grant:					
Senior Citizen High Risk Health - 2022	3,970.00		3,949.47	20.53	0.00
Senior Citizen High Risk Health - 2023		14,750.00	3,505.00		11,245.00
Senior Service Programs - 2021	10.00			10.00	
Senior Service Programs - 2022	6,172.50		6,152.00	20.50	
Senior Citizen Center Renovations/Improvements	50,000.00		50,000.00		
Senior Citizen Center Renovations/Improvements	6,595.41			6,595.41	
Senior Citizen Center Renovations/Improvements		30,000.00	30,000.00		
Senior Citizen Center Renovations/Generator		125,000.00	9,147.00		115,853.00
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	89,721.76		68,264.86		21,456.90
Safe Routes to Schools Engineering Design 2018	132,531.09		47,013.15		85,517.94
Safe Routes to Schools Engineering Design 2023		211,266.11			211,266.11
ARP Funds Street & Road Improvement Program	624,247.36		235,641.24		388,606.12
ARP Firefighter Grant		29,000.00	6,618.57		22,381.43
Bulletproof Vest Partnership	4,735.46	2,156.36	2,797.75		4,094.07
Distracted Driving Grant		7,000.00	6,300.00	700.00	
National OPIOD Settlement	5,310.17	8,711.56	107.49		13,914.24
	<u>2,038,293.75</u>	<u>427,884.03</u>	<u>469,496.53</u>	<u>7,346.44</u>	<u>1,989,334.81</u>
State Grants:					
Drunk Driving Enforcement Fund	7,240.72		932.94		6,307.78
Body Armor Replacement Grant	7,103.35	1,896.65	5,590.97		3,409.03
DCA - Local Recreational Improvement Grant	70,000.00				70,000.00
NJ Transportation Trust - Various Roads - 2023		252,750.00	12,637.50		240,112.50
NJ Transportation Trust - Various Roads - 2021	37,534.41		2,240.00		35,294.41
Stormwater Assistance Grant		15,000.00			15,000.00
NJ Transportation Trust - Various Roads - 2022	358,970.00		358,970.00		
Clean Communities Grant	38,491.86	31,937.92	46,713.19		23,716.59
Recycling Tonnage Grant	13,730.26	15,523.63	21,130.67		8,123.22
Body Worn Camera Program	42,798.00		14,266.00		28,532.00
Municipal Alliance on Alcoholism & Drug Abuse					
State Share - 2022-23	9,544.00		9,006.63	537.37	0.00
State Share - 2023-24		11,109.00	1,000.00		10,109.00
Spotted Lantern fly Grant		15,000.00			15,000.00
Union County Leadership Grant	3,646.00	3,646.00	3,196.00	450.00	3,646.00
Alcohol Education & Rehab Grant	4,859.91	1,297.95	1,600.00		4,557.86
	<u>593,918.51</u>	<u>348,161.15</u>	<u>477,283.90</u>	<u>987.37</u>	<u>463,808.39</u>
	<u>\$ 2,693,060.16</u>	<u>876,077.18</u>	<u>1,043,454.07</u>	<u>8,333.81</u>	<u>2,517,349.46</u>
	A		A-4	A-1,A-21	A

	<u>Ref.</u>	
State and Federal Grants	A-3	873,300.18
Matching Funds for Grants	A-3,A-4	<u>2,777.00</u>
		<u>876,077.18</u>

Borough of New Providence, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Transfer To 2023 Budget</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
Federal Grants:				
Body Armor Replacement Fund	\$ 1,896.65	1,896.65	2,163.69	2,163.69
Bulletproof Vest Partnership	504.99	504.99		
American Rescue Plan	<u>711,484.50</u>	<u>710,785.00</u>	<u> </u>	<u>699.50</u>
	<u>\$ 713,886.14</u>	<u>713,186.64</u>	<u>2,163.69</u>	<u>2,863.19</u>
	A		A-4	A
	<u>Ref.</u>			
Transferred to Current Fund Revenue	A-4	710,785.00		
Applied to Grants Receivable	A-21	<u>2,401.64</u>		
		<u>713,186.64</u>		

Borough of New Providence, N.J.

Schedule of Interfund Current Fund

Federal and State Grant Fund

Year Ended December 31, 2023

		<u>Ref.</u>	
Increased by:			
Receipts		A-4	<u>525.34</u>
Balance - December 31, 2023	- Due to	A	\$ <u><u>525.34</u></u>

Schedule of Interfund - General Capital Fund

Federal and State Grant Fund

Year Ended December 31, 2023

		<u>Ref.</u>	
Balance - December 31, 2022	(due to)	A	<u>650,000.00</u>
Balance - December 31, 2023	(due to)	A	<u><u>650,000.00</u></u>

Borough of New Providence , N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Animal License Fund</u>	<u>Other Trust Fund</u>	<u>Emergency Services Volunteers LOSAP</u>
Balance - December 31, 2022	B	\$ <u>25,333.20</u>	<u>3,647,923.80</u>	<u>615,231.79</u>
Increase by Receipts:				
Interfund - Current Fund	B-3	24.84	4,299.26	
Dog License Fees - Borough	B-2	9,096.00		
Other Trust Funds	B-6		3,689,288.28	
Construction & Other Deposits	B-8		174,643.01	
Unemployment Trust Fund	B-9		23,193.78	
Reserve for Municipal Open Space	B-10		159,036.23	
LOSAP Contributions	B-11			45,300.00
Net Assets Available for Benefits	B-12			114,512.37
Total Receipts		<u>9,120.84</u>	<u>4,050,460.56</u>	<u>159,812.37</u>
		<u>34,454.04</u>	<u>7,698,384.36</u>	<u>775,044.16</u>
Decreased by Disbursements:				
Interfund - Current Fund	B-3	9,209.60		
Reserve for Dog Expenditures	B-4	830.36		
Other Trust Funds	B-6		2,574,989.37	
Construction & Other Deposits	B-8		212,345.05	
Unemployment Trust Fund	B-9		9,974.28	
Net Assets Available for Benefits	B-12			40,700.48
Total Disbursements		<u>10,039.96</u>	<u>2,797,308.70</u>	<u>40,700.48</u>
Balance - December 31, 2023	B	\$ <u><u>24,414.08</u></u>	<u><u>4,901,075.66</u></u>	<u><u>734,343.68</u></u>

Borough of New Providence , N.J.

Schedule of Cash Dog License Collector

Animal License Trust Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Increased by:			
Dog License Fees - Borough Share	B-5	8,806.00	
Replacement/Late Fees	B-5	290.00	
State Fees Collected	B-6	<u>879.00</u>	
			<u>9,975.00</u>
			<u><u>9,975.00</u></u>
Decreased by:			
Dog License Fees Paid to Treasurer	B-1	9,096.00	
State Fees Paid to State	B-6	<u>879.00</u>	
			<u><u>9,975.00</u></u>

Borough of New Providence , N.J.

Schedule of Due from/(to) Current Fund

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Total</u>	<u>Open Space Fund</u>	<u>Other Trust Funds</u>	<u>Animal License Fund</u>
Balance - December 31, 2022	B	\$ (8,506.81)	702.79		(9,209.60)
Increased by:					
Added Open Space Tax	B-11	716.21	716.21		
Disbursed	B-1	<u>9,209.60</u>	<u> </u>	<u> </u>	<u>9,209.60</u>
		1,419.00	1,419.00		
Decreased by:					
Statutory Excess Animal Fund	B-5	9,261.24			9,261.24
Receipts	B-1	<u>4,324.10</u>	<u>702.79</u>	<u>3,596.47</u>	<u>24.84</u>
Balance - December 31, 2023	B	<u><u>\$ (2,905.10)</u></u>	<u><u>716.21</u></u>	<u><u>(3,596.47)</u></u>	<u><u>(9,286.08)</u></u>

Borough of New Providence , N.J.

Reserve for Animal License Fund Expenditures

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	B		\$ 16,123.60
Increased by:			
Dog License Fees - Borough Share	B-2	8,806.00	
Replacement/Late Fees	B-2	<u>290.00</u>	
			<u>9,096.00</u>
			25,219.60
Decreased by:			
Statutory Excess	B-5	9,261.24	
Expenditures Under N.J.S. 40A:4-39	B-1	<u>830.36</u>	
			<u>10,091.60</u>
Balance - December 31, 2023	B		\$ <u><u>15,128.00</u></u>

License Fees Collected

2022	7,004.00
2021	<u>8,124.00</u>
	\$ <u><u>15,128.00</u></u>

Due to State of New Jersey

Trust Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	B		\$
Increased by:			
State Share of Dog License Fee	B-2	879.00	
Decreased by:			
Disbursed	B-2	<u>879.00</u>	
Balance - December 31, 2023	B		\$ <u><u>0.00</u></u>

Borough of New Providence, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2023

Purpose	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023
Affordable Housing	\$ 1,082,790.12	164,150.35	513.00	1,246,427.47
Employee Flex Spending	218.06	1,489.95	1,456.68	251.33
Forfeitures	11,270.65	3,539.27		14,809.92
Municipal Alliance	27,506.08	4,990.00	5,951.21	26,544.87
Parking Offenses Adjudication Act	3,859.90	474.00		4,333.90
Outside Employment of Police	6.41	1,319,851.75	1,319,851.75	6.41
Public Defender Fees	36,008.82	1,917.00		37,925.82
Snow Removal/Storm Recovery Reserve	103,128.26	610,259.27	28,501.45	684,886.08
Planning Brd. / Brd. Of Adj. Escrow	10,904.00	6,000.00	7,229.50	9,674.50
Unclaimed Property - Police	2,945.99	515.38		3,461.37
Recreation	474,868.24	939,554.40	854,349.79	560,072.85
Tax Sale Premium	256,000.00		164,000.00	92,000.00
Outside Lien Redemption		133,114.56	94,998.18	38,116.38
Terminal Leave	126,402.08	70,000.00	12,000.00	184,402.08
Insurance Damage	102,142.81	431,832.35	82,473.31	451,501.85
Tree Replacement Program	8,653.31	1,600.00	3,664.50	6,588.81
	<u>\$ 2,246,704.73</u>	<u>3,689,288.28</u>	<u>2,574,989.37</u>	<u>3,361,003.64</u>
	B			B
Receipts	Ref.	3,689,288.28		
Disbursed	B-1		2,574,989.37	
	B-1	<u>3,689,288.28</u>	<u>2,574,989.37</u>	

**Borough of New Providence , N.J.
Schedule of Payroll Deductions Payable**

Trust Funds

Year Ended December 31, 2023

<u>Account</u>	Balance <u>Dec. 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>Dec. 31, 2023</u>
Payroll Agency	\$ 51,801.13	5,685,627.24	5,684,464.28	52,964.09
	<u>\$ 51,801.13</u>	<u>5,685,627.24</u>	<u>5,684,464.28</u>	<u>52,964.09</u>
	<u>B</u>			<u>B</u>

Borough of New Providence, N.J.
Schedule of Construction and Other Deposits

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Total</u>	<u>Performance Bonds</u>	<u>Road Openings</u>	<u>Well Abandonment</u>	<u>Lot Grading</u>	<u>Eggers Court Storm Water Detention</u>
Balance - December 31, 2022	B	\$ 188,645.73	137,227.18	18,512.50	10,500.00	20,406.05	2,000.00
Increased by:							
Receipts	B-1	174,643.01	145,380.51	19,190.00		10,072.50	
		<u>363,288.74</u>	<u>282,607.69</u>	<u>37,702.50</u>	<u>10,500.00</u>	<u>30,478.55</u>	<u>2,000.00</u>
Decreased by:							
Disbursed	B-1	212,345.05	181,606.05	19,817.50		10,921.50	
Balance - December 31, 2023	B	<u>\$ 150,943.69</u>	<u>101,001.64</u>	<u>17,885.00</u>	<u>10,500.00</u>	<u>19,557.05</u>	<u>2,000.00</u>

Borough of New Providence , N.J.

Schedule of Reserve for Unemployment Insurance

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 221,448.57
Increased by:		
Receipts	B-1	<u>23,193.78</u>
		244,642.35
Decreased by:		
Disbursed	B-1	<u>9,974.28</u>
Balance - December 31, 2023	B	<u><u>\$ 234,668.07</u></u>

Schedule of Reserve for Municipal Open Space

Trust Funds

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	\$ 991,827.56
Increased by:		
Interest On Investments	B-1	11,896.23
Tax Levy	B-1	147,140.00
Added Taxes	B-1	<u>716.21</u>
		<u>159,752.44</u>
Balance - December 31, 2023	B	<u><u>\$ 1,151,580.00</u></u>

Exhibit B-11**Borough of New Providence , N.J.****LOSAP Contribution Receivable****Trust Funds****Year Ended December 31, 2023**

	<u>Ref.</u>		
Balance - December 31, 2022	B		\$ 45,300.00
Increased by:			
Borough Contributions	B-12		<u>42,300.00</u>
			87,600.00
Decreased by:			
Received	B-1	<u>45,300.00</u>	<u>45,300.00</u>
Balance - December 31, 2023	B		<u><u>\$ 42,300.00</u></u>

Exhibit B-12

**Schedule of Emergency Services Volunteer Length
of Service Award Program - Net Assets Available for Benefits**

Trust Funds**Year Ended December 31, 2023**

	<u>Ref.</u>		
Balance - December 31, 2022	B		\$ 660,531.79
Increased by:			
Borough Contributions	B-11	42,300.00	
Investment Earnings		<u>114,512.37</u>	
	B-1		<u>156,812.37</u>
			817,344.16
Decreased by:			
Withdrawals		38,775.48	
Administrative Charges		<u>1,925.00</u>	
	B-1		<u>40,700.48</u>
Balance - December 31, 2023	B		<u><u>776,643.68</u></u>

Borough of New Providence, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	C	\$	9,306,048.60
Increased by Receipts:			
Premium Sale of BAN'S	C-1	130,320.00	
Various Receivables	C-4	10,597.60	
Interfund - Current Fund	C-7	16,643.15	
Bond Anticipation Notes	C-10	9,000,000.00	
Budget Appropriations:			
Capital Improvement Fund	C-12	<u>200,000.00</u>	
			<u>9,357,560.75</u>
			18,663,609.35
Decreased by Disbursements:			
Bond Anticipation Notes	C-10	9,000,000.00	
Interfund Current Fund	C-7	126.41	
Improvement Authorizations	C-11	<u>2,325,563.72</u>	
			<u>11,325,690.13</u>
Balance - December 31, 2023	C	\$	<u><u>7,337,919.22</u></u>

Borough of New Providence, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Fund Balance	C-1	\$ 372,479.08
Interfund - Current Fund	C-7	16,643.15
Due from FEMA	C-4	(7,279.13)
Due from Voluntary Contributions	C-4	(25,195.30)
Due from State & Federal Grant Fund	C-8	(650,000.00)
Capital Improvement Fund	C-12	759,407.63
Various Reserves	C-13	1,731,502.07

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
10-13	Various Capital Improvements	4,375.00
12-08	Various Capital Improvements	180,562.49
12-14	Imp. To Various Fields & Parks	15,083.38
13-03	Various Capital Improvements	88,072.25
13-08	Repairs/Rebuilding detention Basins	3,537.48
14-02	Improve. To the Municipal Center	59,077.20
14-04	Various Capital Improvements	215,352.97
15-03	Various Capital Improvements	538,903.15
16-07	Various Capital Improvements	265,751.08
16-08	Various Recreation & Community Activity Projects	283,365.54
17-06	Various Capital Improvements	1,462,969.01
18-04	Various Capital Improvements	570,502.10
19-04	Various Capital Improvements	574,053.08
20-04	Various Capital Improvements	1,284,740.72
21-07	Various Capital Improvements	1,027,544.96
22-05	Various Capital Improvements	(1,163,001.28)
23-05	Various Capital Improvements	(327,977.41)
23-07	Purchase of Communication Equipment	57,450.00
		<u>\$ 7,337,919.22</u>

Borough of New Providence, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2023

	Balance Dec. 31, 2022	Grants/ Contributions	Decrease	Balance Dec. 31, 2023
Federal Emergency Management Agency				
Ord. 13-08 Repairs/Rebuilding Detention Basins	\$ 7,279.13			7,279.13
Voluntary Contribution				
Ord. 13-07 Renovation and Reconstruction of Basketball Courts - Community Pool	16,000.00		4,000.00	12,000.00
Ord. 12-14 Improvements to Various Fields Streetscape Contribution	19,792.90		6,597.60	13,195.30
	<u>\$ 43,072.03</u>	<u></u>	<u>10,597.60</u>	<u>32,474.43</u>
	C		C-2	C/C-3

Borough of New Providence, N.J.

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

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	C	\$ 15,480,000.00
Decreased by:		
Paid by Current Year Budget Appropriations:		
Serial Bonds	C-9	<u>1,870,000.00</u>
Balance - December 31, 2023	C	\$ <u><u>13,610,000.00</u></u>

Borough of New Providence, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Funded	Balance Dec. 31, 2023	Analysis of Balance - Dec. 31, 2023		
						Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
16-07	Various Capital Improvements	311,777.50			311,777.50	311,777.50		
16-08	Various Recreation & Community Activity Projects	170,000.00			170,000.00	170,000.00		
17-06	Various Capital Improvements	2,288,212.50			2,288,212.50	2,288,212.50		
18-04	Various Capital Improvements	1,190,000.00			1,190,000.00	1,190,000.00		
19-04	Various Capital Improvements	387,000.00			387,000.00	387,000.00		
20-04	Various Capital Improvements	2,360,000.00			2,360,000.00	2,360,000.00		
21-07	Various Capital Improvements	2,293,010.00			2,293,010.00	2,293,010.00		
22-05	Various Capital Improvements	2,760,000.00			2,760,000.00		1,163,001.28	1,596,998.72
23-05	Various Capital Improvements		2,728,500.00		2,728,500.00		327,977.41	2,400,522.59
		<u>\$ 11,760,000.00</u>	<u>2,728,500.00</u>		<u>14,488,500.00</u>	<u>9,000,000.00</u>	<u>1,490,978.69</u>	<u>3,997,521.31</u>
		C	C-11/C-14		C			
						Improvement Authorizations Unfunded		
						Less: Unexpended Proceeds of Bond Anticipation Notes - Ord. #		
						C-11	9,166,029.18	
						16-07	265,751.08	
						16-08	170,000.00	
						17-06	1,462,969.01	
						18-04	570,502.10	
						19-04	387,000.00	
						20-04	1,284,740.72	
						21-07	1,027,544.96	
								5,168,507.87
								<u>3,997,521.31</u>

Exhibit C-7**Borough of New Providence, N.J.****Schedule of Interfund - Current Fund****General Capital Fund****Year Ended December 31, 2023**

		<u>Ref.</u>	
Balance - December 31, 2022	Due to	C	\$ 126.41
Increased by:			
Interest Earned not Turned Over		C-2	<u>16,643.15</u>
			<u>16,643.15</u>
			16,769.56
Decreased by:			
Disbursed		C-2	<u>126.41</u>
Balance - December 31, 2023	- Due to	C, C-3	\$ <u><u>16,643.15</u></u>

Exhibit C-8**Schedule of Interfund - State & Federal Grant Fund****General Capital Fund****Year Ended December 31, 2023**

		<u>Ref.</u>	
Balance - December 31, 2022	- Due From	C	\$ <u><u>650,000.00</u></u>
Balance - December 31, 2023	- Due From	C, C-3	\$ <u><u>650,000.00</u></u>

Borough of New Providence, N.J.
Schedule of General Serial Bonds Payable

General Capital Fund									
Year Ended December 31, 2023									
Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2023		Interest Rate	Balance Dec. 31, 2022	Decreased	Balance Dec. 31, 2023	
			Date	Amount					
General Improvement Bonds	5/15/2012	8,910,000.00	5/15/2024-25	620,000.00	2.000%	\$ 3,100,000.00	620,000.00	2,480,000.00	
			5/15/2026	620,000.00	2.125%				
			5/15/2027	620,000.00	2.200%				
General Improvement Bonds	7/10/2015	9,980,000.00	3/1/2024	825,000.00	4.000%	6,380,000.00	825,000.00	5,555,000.00	
			3/1/2025	950,000.00	4.000%				
			3/1/2026-28	950,000.00	3.000%				
			3/1/2029	930,000.00	3.000%				
General Improvement Bonds	9/5/2019	7,300,000.00	9/1/2024	375,000.00	4.000%	6,000,000.00	425,000.00	5,575,000.00	
			9/1/2025	375,000.00	4.000%				
			9/1/2026	525,000.00	4.000%				
			9/1/2027	550,000.00	4.000%				
			9/1/2028	750,000.00	4.000%				
			9/1/2029-32	750,000.00	2.000%				
						\$ 15,480,000.00	1,870,000.00	13,610,000.00	C

-99-

Borough of New Providence, N.J.
Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2022		2023 Authorizations	Paid or Charged	Balance Dec. 31, 2023	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
General Improvements:									
10-13	Various Capital Improvements	08-23-10	666,000.00	4,375.00				4,375.00	
12-08	Various Capital Improvements	05-29-12	2,441,500.00	193,685.24			13,122.75	180,562.49	
12-14	Imp. To Various Fields & Parks	10-22-12	300,000.00	15,083.38				15,083.38	
13-03	Various Capital Improvements	05-28-13	2,486,000.00	76,204.75			(11,867.50)	88,072.25	
13-08	Repairs/Rebuilding detention Basins	08-26-13	800,000.00	3,541.98			4.50	3,537.48	
14-02	Improve. To the Municipal Center	03-31-14	210,000.00	66,512.16			7,434.96	59,077.20	
14-04	Various Capital Improvements	04-28-14	2,529,500.00	216,257.97			905.00	215,352.97	
14-06	Supp. To Ord. 17-08 & 13-05 Var. Cap. Imp.	07-28-14	350,000.00	14,015.04			14,015.04		
15-03	Various Capital Improvements	04-17-15	3,631,600.00	576,731.17			37,828.02	538,903.15	
16-07	Various Capital Improvements	04-11-16	2,237,000.00		275,594.46		9,843.38		265,751.08
16-08	Various Recreation & Community Activity Projects								
		05-23-16	2,600,000.00	114,330.54	170,000.00		965.00	113,365.54	170,000.00
17-06	Various Capital Improvements	05-18-17	3,089,100.00		1,659,608.96		196,639.95		1,462,969.01
18-04	Various Capital Improvements	05-21-18	2,485,000.00		684,828.44		114,326.34		570,502.10
19-04	Various Capital Improvements	05-06-19	2,300,000.00	421,048.57	387,000.00		233,995.49	187,053.08	387,000.00
20-04	Various Capital Improvements	05-26-20	2,484,000.00		1,462,093.04		177,352.32		1,284,740.72
21-07	Various Capital Improvements	05-11-21	2,472,200.00		1,393,986.62		366,441.66		1,027,544.96
22-05	Various Capital Improvements	05-24-22	2,913,516.00		2,239,953.12		642,954.40		1,596,998.72
23-05	Various Capital Improvements	08-15-23	2,872,575.00			2,872,575.00	472,052.41		2,400,522.59
23-07	Purchase of Communication Equipment	09-19-23	107,000.00			107,000.00	49,550.00	57,450.00	
				C		C-2		C	
				\$	1,701,785.80	8,273,064.64	2,325,563.72	1,462,832.54	9,166,029.18
								C	
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund									
				Ref.		2,979,575.00		2,728,500.00	
				C-6/C-14		251,075.00		2,979,575.00	
				C-12					

Borough of New Providence, N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2023

	<u>Ref.</u>		
Balance - December 31, 2022	C	\$	810,482.63
Increased by:			
Budget Appropriation	C-2	<u>200,000.00</u>	<u>200,000.00</u>
			1,010,482.63
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-11	<u>251,075.00</u>	
Balance - December 31, 2023	C/C-3	\$	<u><u>759,407.63</u></u>

Borough of New Providence, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2023</u>
Debt Service	\$ 1,506,502.07			1,506,502.07
Redwood ERC Sewer Project	<u>225,000.00</u>	<u> </u>	<u> </u>	<u>225,000.00</u>
	<u>\$ 1,731,502.07</u>	<u> </u>	<u> </u>	<u>1,731,502.07</u>
	C			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, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>
<u>General improvements:</u>					
22-05	Various Capital Improvements	\$ 2,760,000.00			2,760,000.00
23-05	Various Capital Improvements		<u>2,728,500.00</u>		<u>2,728,500.00</u>
		\$ <u>2,760,000.00</u>	<u>2,728,500.00</u>		<u>5,488,500.00</u>
		<u>Footnote C</u>	<u>C-11</u>		<u>Footnote C</u>

BOROUGH OF NEW PROVIDENCE

PART II

LETTER ON INTERNAL CONTROL AND COMPLIANCE

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkott, CPA, RMA, PSA
Matthew B. Wielkott, CPA, PSA
Paul J. Cuva, CPA, RMA, PSA
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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, 2023 and the related notes to the financial statements, and have issued our report thereon dated April 29, 2024, 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

April 29, 2024





WIELKOTZ & COMPANY ^{LLC}

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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



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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control over Compliance

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

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

Honorable Mayor and
Members of the Borough Council
Borough of New Providence
Page 4.

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

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

James Cerullo

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

Wielkottz & Company, LLC

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

April 29, 2024

BOROUGH OF NEW PROVIDENCE, N.J.

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2023

Name of Federal Agency or Department	Federal Program	C.F.D.A. Account No.	Total Grant Award Amount	Original Grant Period		Balance Jan. 1, 2023	Receipts	Expended	Balance Dec. 31, 2023	Memo Cumulative Total Expenditures
				From	To					
Department of Housing and Urban Development	Community Development Block Grant									
<u>Pass Through Funds:</u>										
	Senior Citizen High Risk Health	14.218	14,750.00	9/1/2023	8/31/2024	(1,030.00)	4,979.47	3,505.00	(3,505.00)	3,505.00
	Senior Citizen High Risk Health	14.218	5,000.00	9/1/2022	8/31/2023	(2,077.50)	8,229.50	3,949.47	0.00	4,979.47
	Senior Service Programs	14.218	8,250.00	9/1/2022	8/31/2023		50,000.00	6,152.00		8,229.50
	Senior Citizen Facility Improvements	14.218	50,000.00	9/1/2022	8/31/2023			50,000.00		50,000.00
	Senior Citizen Facility Improvements	14.218	30,000.00	9/1/2023	8/31/2024			30,000.00	(30,000.00)	30,000.00
	Senior Citizen Facility Generator	14.218	125,000.00	9/1/2023	8/31/2024			9,147.00	(9,147.00)	9,147.00
Federal Highway Administration Pass thru State of N.J.	Safe Routes to School	20.20	482,000.00							
	Safe Routes to School	20.20	430,000.00							
	Safe Routes to School	20.20	223,000.00							
	Safe Routes to School - Design 2016	20.20	183,491.76			(93,770.00)		68,264.86	(162,034.86)	162,034.86
	Safe Routes to School - Design 2018	20.20	214,832.78			(82,301.69)		47,013.15	(129,314.84)	129,314.84
	Safe Routes to School - Design 2023	20.20	211,266.11							
U.S. Department of Treasury Pass thru State of N.J.	COVID ARP Fiscal Recovery Funding Firefighter Grant	21.027 21.027	1,422,969.00 29,000.00	3/11/2021	12/31/2024	1,335,731.86		946,426.24 6,618.57	389,305.62 (6,618.57)	1,033,663.38 6,618.57
U.S. Department of Health and Human Services Pass thru State of N.J.	National OPIOD Settlement	93.788				5,310.17	8,711.56	107.49	13,914.24	107.49
U.S. Department of Transportation Pass thru State of N.J. Dept. of Law & Public Safety	Distracted Driving Grant	20.616	7,000.00				6,300.00	6,300.00		6,300.00
U.S. Department of Justice Pass thru State of N.J.	Bulletproof Vest Partnership Program	16.607 16.607 16.607 16.607	1,986.06 3,254.39 504.99 1,651.37			1,481.07 3,254.39 504.99		1,481.07 1,316.68	1,937.71 504.99	1,986.06 1,316.68
							1,651.37		1,651.37	
						1,167,103.29	79,871.90	1,180,281.53	66,693.66	1,447,202.85

BOROUGH OF NEW PROVIDENCE, N.J.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE YEAR ENDED DECEMBER 31, 2023

State Funding Department	State Program	State Grant (Award) No.	Grant Award Amount	Balance Jan. 1, 2023	Receipts	Expended	Balance Dec. 31, 2023	Memo Cumulative Total Expenditures
Department of Environmental Protection	Clean Communities Program	4900-765-042-4900	25,351.89	10,017.08		10,017.08	*	25,351.89
	Clean Communities Program	4900-765-042-4900	28,474.78	28,474.78		28,474.78	*	28,474.78
	Clean Communities Program	4900-765-042-4900	31,937.92		31,937.92	8,221.33	23,716.59	8,221.33
	Clean Communities Program	4900-765-042-4900						
	Recycling Tonnage Grant	4900-752-042-4900	16,261.13	13,730.26		13,730.26	*	16,261.13
	Recycling Tonnage Grant	4900-752-042-4900	15,523.63		15,523.63	7,400.41	8,123.22	7,400.41
	Stormwater Assistance Grant	4850-100-042-4850	15,000.00		15,000.00		15,000.00	*
Department of Law and Public Safety	Body Armor Fund	1020-718-066-1020	2,865.97	880.96		880.96	*	2,865.97
	Body Armor Fund	1020-718-066-1020	2,682.30	2,682.30		2,682.30	*	2,682.30
	Body Armor Fund	1020-718-066-1020	2,095.95	2,095.95		2,027.71	68.24	2,027.71
	Body Armor Fund	1020-718-066-1020	1,444.14	1,444.14		1,444.14	*	1,444.14
	Body Armor Fund	1020-718-066-1020	1,896.65	1,896.65		1,896.65	*	1,896.65
	Body Armor Fund	1020-718-066-1020	2,163.69		2,163.69	2,163.69	*	2,163.69
	Drunk Driving Enforcement Fund	6400-100-078-6400	4,689.55	4,357.50		932.94	3,424.56	1,264.99
Department of Agriculture	Drunk Driving Enforcement Fund	6400-100-078-6400	2,883.22	2,883.22		2,883.22	*	2,883.22
	Body Worn Camera Grant	21-BWC-361 DEL 1&2	71,330.00	(14,266.00)		14,266.00	(28,532.00)	42,798.00
	Spotted Lantern Fly Grant		15,000.00				*	*
Division of Highway Safety	Pedestrian Safety Enforcement & Education	1160-100-131	10,000.00				*	9,900.00
							*	*
Pass Through County of Union	Municipal Alliance on Alcoholism and Drug Abuse	23-ALL-103	11,109.00			1,000.00	(1,000.00)	8,453.25
	Municipal Alliance on Alcoholism and Drug Abuse	22-ALL-103	10,394.00	(850.00)	9,856.63	9,006.63	*	9,856.63
	Youth Leadership Alliance		3,646.00		3,196.00	3,196.00	*	3,196.00
Department of Community Affairs	Alcohol, Education & Rehab Fund	9735-760-098-Y900	211.10	84.94		84.94	*	211.10
		9735-760-098-Y900	64.34	64.34		64.34	*	64.34
		9735-760-098-Y900	1,025.25	1,025.25		1,025.25	*	1,025.25
		9735-760-098-Y900	1,768.24	1,768.24		425.47	1,342.77	425.47
		9735-760-098-Y900	1,917.14	1,917.14		1,917.14	*	1,917.14
		9735-760-098-Y900	1,297.95		1,297.95	1,297.95	*	1,297.95
NJEDA	Local Recreational Improvement Grant		70,000.00				*	*
	HDSRF - Public Entity Grant	not known	74,015.00	(74,015.00)	74,015.00		*	74,015.00
Department of Transportation	Municipal Aid Program - Various Roads - 2023	6320-480-078-6320	252,750.00			12,637.50	(12,637.50)	12,637.50
	Various Roads - 2022	6320-480-078-6320	360,000.00	(1,030.00)	270,000.00	358,970.00	(90,000.00)	360,000.00
	Various Roads - 2021	6320-480-078-6320	385,000.00	(84,047.17)		2,240.00	(86,287.17)	349,705.59
				(100,885.42)	422,990.82	477,283.90	(155,178.50)	966,838.64

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

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Capital Fund	\$0.00	\$373,847.50	\$373,847.50
Grant Fund	469,496.53	103,436.40	572,932.93
Current Fund	<u>710,785.00</u>	<u>0.00</u>	<u>710,785.00</u>
	<u>\$1,180,281.53</u>	<u>\$477,283.90</u>	<u>\$1,657,565.43</u>

NOTE 4. DE MINIMIS DIRECT COST RATE

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

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

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no

2. Were significant deficiencies identified that are
not considered to be material weaknesses? yes X no

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

Federal Awards Section

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

Auditee qualified as low-risk auditee? X yes no

Type of auditors' report on compliance for major programs Unmodified

Internal Control over compliance:

1. Material weakness(es) identified? yes X no

2. Were significant deficiencies identified that were
not considered to be material weaknesses? yes X no

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
<u>21.027</u> (A)	<u>Local Fiscal Recovery Funds - American Rescue Plan Act</u>
<u> </u>	<u> </u>

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

State Awards Section

Not Applicable

**BOROUGH OF NEW PROVIDENCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

Section II - Schedule of Financial Statement Findings

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

None

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

Schedule of Prior Year Findings

None

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:

Sanitary Sewer Lining
DeCorso Senior Center Re-Roofing

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, 2023 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 October 26, 2022 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2023	3
2022	3
2021	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, 2023, is not yet known, but a separate report will be rendered if any irregularities are developed. In addition we utilized analytical review procedures to ascertain the validity of the receivables.

COMMENTS

Other Comments

None.

RECOMMENDATIONS

None.

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,

A handwritten signature in black ink that reads "James Cerullo". The script is cursive and fluid.

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

A handwritten signature in black ink that reads "Wielkotz & Company, LLC". The script is cursive and elegant.

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