

BOROUGH OF CALDWELL

COUNTY OF ESSEX

REPORT OF AUDIT

2022

NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF CALDWELL
COUNTY OF ESSEX
REPORT OF AUDIT
2022

BOROUGH OF CALDWELL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022

<u>Part I - Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-3
<u>Financial Statements</u>	<u>Schedule</u>
<u>Current Fund</u>	
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet – Regulatory Basis	B
Statement of Fund Balance - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of General Capital Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance - Water Utility Operating Fund – Regulatory Basis	D-1
Statement of Capital Fund Balance - Water Utility Capital Fund – Regulatory Basis	D-1A
Statement of Revenue - Water Utility Operating Fund – Regulatory Basis	D-2
Statement of Expenditures - Water Utility Operating Fund – Regulatory Basis	D-3
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance - Sewer Utility Operating Fund – Regulatory Basis	E-1
Statement of Capital Fund Balance - Sewer Utility Capital Fund – Regulatory Basis	E-1A
Statement of Revenue - Sewer Utility Operating Fund – Regulatory Basis	E-2
Statement of Expenditures - Sewer Utility Operating Fund – Regulatory Basis	E-3
<u>Public Assistance Fund</u>	
Comparative Balance Sheet – Regulatory Basis	F
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet – Regulatory Basis	G
	<u>Page</u>
<u>Notes to Financial Statements</u>	1-32

BOROUGH OF CALDWELL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

<u>Part I - Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data:</u>	
Roster of Officials	1
<u>Current Fund</u>	
Schedule of Cash - Treasurer	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Federal and State Grant Fund (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens (Not Applicable)	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Consumer Accounts Receivable (Not Applicable)	A-10
Schedule of 2021 Appropriation Reserves	A-11
Schedule of Regional School District Taxes Payable	A-12
Schedule of Grants Receivable - Federal and State Grant Fund	A-13
Schedule of Unappropriated Reserves - Federal and State Grant Fund	A-14
Schedule of Appropriated Reserves - Federal and State Grant Fund	A-15
Schedule of Special Emergency Notes Payable	A-16
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Analysis of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures	B-6
<u>General Capital Fund</u>	
Schedule of Cash - Treasurer	C-2
Analysis of Cash	C-3
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of Bonds and Notes Authorized but not Issued	C-9
<u>Water Utility Fund</u>	
Schedule of Cash - Treasurer	D-4
Schedule of Cash - Collector	D-4A
Analysis of Cash - Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water Utility Operating Fund	D-6
Schedule of Fixed Capital - Water Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water Utility Capital Fund	D-8
Schedule of 2021 Appropriation Reserves - Water Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water Utility Capital Fund	D-12A
Schedule of Bond Anticipation Notes Payable - Water Utility Capital Fund	D-13
Schedule of Serial Bonds Payable - Water Utility Capital Fund	D-14
Schedule of Bonds and Notes Authorized but not Issued - Water Utility Capital Fund	D-15

BOROUGH OF CALDWELL
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

<u>Part I - Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data (Cont'd):</u>	
<u>Sewer Utility Fund</u>	
Schedule of Cash - Treasurer	E-4
Schedule of Cash - Collector - Sewer Utility Operating Fund	E-4A
Analysis of Cash - Sewer Utility Capital Fund	E-5
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-6
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-7
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-8
Schedule of 2021 Appropriation Reserves - Sewer Utility Operating Fund	E-9
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-10
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-11
Schedule of Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-12A
Schedule of Bond Anticipation Notes Payable - Sewer Utility Capital Fund	E-13
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund	E-14
Schedule of NJ Environmental Infrastructure Trust (NJEIT) Loans Payable - Sewer Utility Capital Fund	E-15
Schedule of Bonds and Notes Authorized but not Issued - Sewer Utility Capital Fund	E-16
<u>Public Assistance Fund</u>	
Schedule of Cash – Treasurer	F-1
 <u>Part II - Single Audit</u>	
Schedule of Expenditures of Federal Awards	<u>Page</u> 1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by NJOMB 15-08	6-8
Schedule of Findings and Questioned Costs	9-10
Summary Schedule of Prior Audit Findings	11
 <u>Part III - Comments and Recommendations</u>	
Comments and Recommendations	1-6
Summary of Recommendations	7

BOROUGH OF CALDWELL

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Caldwell, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Caldwell, in the County of Essex (the "Borough") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2022 and 2021, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *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, 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 audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 2

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 and pervasive.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Borough implemented GASB Statement No. 87, *Leases*, during the year ended December 31, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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, *Government Auditing Standards* and audit requirements prescribed by the Division 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment 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 judgment, 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.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 3

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state 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 New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group 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 data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023 on our consideration of the Borough'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 solely 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 the effectiveness of the Borough's 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's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
October 27, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 2,866,968.78	\$ 1,512,200.22
Change Fund		700.00	700.00
		<u>2,867,668.78</u>	<u>1,512,900.22</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	113,813.96	353,422.80
Revenue Accounts Receivable	A-9	11,690.87	8,977.40
Due from Federal and State Grant Fund	A	297,588.60	103,977.66
		<u>423,093.43</u>	<u>466,377.86</u>
Deferred Charges:			
Special Emergency Authorization		612,145.60	765,182.00
		<u>612,145.60</u>	<u>765,182.00</u>
Total Regular Fund		<u>3,902,907.81</u>	<u>2,744,460.08</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	831,395.69	1,557,645.69
		<u>831,395.69</u>	<u>1,557,645.69</u>
Total Federal and State Grant Fund		<u>831,395.69</u>	<u>1,557,645.69</u>
TOTAL ASSETS		<u>\$ 4,734,303.50</u>	<u>\$ 4,302,105.77</u>

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 300,870.21	\$ 195,165.08
Unencumbered	A-3;A-11	320,322.39	414,453.45
		<u>621,192.60</u>	<u>609,618.53</u>
Accounts Payable - Vendors		9,789.27	7,145.47
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		14,544.34	15,544.34
Marriage License Fees		25.00	1,000.00
DCA Training Fees		1,690.00	9,364.00
County Added and Omitted Taxes Payable		11,141.47	8,259.72
Prepaid Taxes		75,470.84	125,163.93
Tax Overpayments			635.60
Reserve for Litigation		25,000.00	80,000.00
Reserve for Hurricane Sandy Damage		7,033.76	7,033.76
Reserve for Hurricane Ida Damage		1,234,305.34	
Reserve for FEMA Reimbursements		116,887.12	23,371.19
Reserve for Library Storm Damage		7,820.32	7,820.32
Reserve for Revaluation		675.00	675.00
Reserve for Tax Appeals			85,311.04
Reserve for Property Clean-up Liens		151.07	151.07
		<u>2,125,726.13</u>	<u>981,093.97</u>
Special Emergency Note Payable	A-16	612,145.00	765,182.00
Reserve for Receivables and Other Assets	A	423,093.43	466,377.86
Fund Balance	A-1	741,943.25	531,806.25
		<u>3,902,907.81</u>	<u>2,744,460.08</u>
Total Regular Fund			
Federal and State Grant Fund:			
Appropriated Reserves	A-15	397,115.03	759,685.57
Reserve for Encumbrances	A-15	131,801.10	693,982.46
Unappropriated Reserves	A-14	4,890.96	
Due to Current Fund	A	297,588.60	103,977.66
		<u>831,395.69</u>	<u>1,557,645.69</u>
Total Federal and State Grant Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,734,303.50</u>	<u>\$ 4,302,105.77</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2022</u>	<u>2021</u>
Fund Balance Utilized		\$ 485,000.00	\$ 485,000.00
Miscellaneous Revenue Anticipated		3,547,130.28	3,397,839.52
Receipts from:			
Delinquent Taxes		133,788.37	
Current Taxes		31,533,706.57	30,095,982.11
Nonbudget Revenue		291,570.87	202,306.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		209,156.94	190,164.08
Cancellation of Accounts Payable		756.57	
Interfunds Returned			18,293.75
Total Income		<u>36,201,109.60</u>	<u>34,389,586.34</u>
 <u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		12,646,249.53	12,072,686.84
County Taxes		5,912,510.22	5,996,991.65
Regional School District Taxes		16,601,445.00	15,874,066.00
Municipal Open Space Taxes		104,696.87	105,797.36
Refund of Prior Year Taxes		47,460.04	
Interfunds Advanced		193,610.94	13,198.60
Total Expenditures		<u>35,505,972.60</u>	<u>34,062,740.45</u>
Statutory Excess to Fund Balance		695,137.00	326,845.89
 <u>Fund Balance</u>			
Balance January 1		531,806.25	689,960.36
		<u>1,226,943.25</u>	<u>1,016,806.25</u>
Decreased by:			
Utilized as Anticipated Revenue		485,000.00	485,000.00
Balance December 31	A	<u>\$ 741,943.25</u>	<u>\$ 531,806.25</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 485,000.00	\$ 485,000.00	
Miscellaneous Revenue:			
Licenses:			
Alcoholic Beverages	8,130.00	8,130.00	
Other	49,116.00	53,884.00	\$ 4,768.00
Fees and Permits	109,276.10	107,401.10	1,875.00 *
Fines and Costs:			
Municipal Court	99,570.19	137,124.18	37,553.99
Interest and Costs on Taxes	26,072.28	41,814.30	15,742.02
Parking Meters	27,950.75	33,842.96	5,892.21
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland	44,000.00	44,243.97	243.97
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing	287,600.00	287,600.00	
Lease of Municipal Property - Wastewater Treatment Plant	360,000.00	360,000.00	
Cablevision Franchise Fees (N.J.S. 48:5A-30)	116,475.41	116,475.41	
Municipal Relief Fund Aid	35,830.00	35,830.00	
Energy Receipts Tax	686,875.00	686,875.00	
Uniform Construction Code Fees	260,856.00	190,527.00	70,329.00 *
Shared Service Agreements:			
Township of West Caldwell - Welfare Services	8,000.00	8,000.00	
Body Armor Replacement Fund	1,153.64	1,153.64	
Bulletproof Vest Partnership	2,737.00	2,737.00	
Clean Communities Program - 2022	15,267.62	15,267.62	
Recycling Tonnage Grant	7,240.72	7,240.72	
NJ Department of Transportation	675,000.00	675,000.00	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue: (Cont'd)			
Utility Operating Surplus of Prior Year (Water)	\$ 50,000.00	\$ 50,000.00	
Uniform Fire Safety Act	56,886.63	49,388.88	\$ 7,497.75 *
Water Utility Operating Fund - Administration Charges	50,000.00	50,000.00	
Reserve for Open Space Trust to Offset Debt Service	78,000.00	78,000.00	
Reserve for Payment of Debt Service	91,008.00	91,008.00	
American Rescue Plan Act	415,586.50	415,586.50	
	<u>3,562,631.84</u>	<u>3,547,130.28</u>	<u>15,501.56 *</u>
Receipts from Delinquent Taxes	<u>95,992.00</u>	<u>133,788.37</u>	<u>37,796.37</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	8,548,479.49	8,959,428.38	410,948.89
Minimum Library Tax	430,118.10	430,118.10	
	<u>8,978,597.59</u>	<u>9,389,546.48</u>	<u>410,948.89</u>
Budget Totals	13,122,221.43	13,555,465.13	<u>\$ 433,243.70</u>
Nonbudget Revenue		<u>291,570.87</u>	
	<u>\$ 13,122,221.43</u>	<u>\$ 13,847,036.00</u>	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 31,533,706.57
Allocated to County, Local School District and Open Space Taxes	<u>22,618,652.09</u>
Balance for Support of Municipal Budget	8,915,054.48
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>474,492.00</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 9,389,546.48</u></u>

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Interest on Investments and Deposits	\$ 96,344.86	
State of New Jersey - Senior Citizens' and Veterans' Deductions Administrative Reimbursement	490.00	
Federal Emergency Management Agency Reimbursements:		
COVID-19	15,115.55	
Tropical Storm Isaias	17,950.15	
Insurance Claims Reimbursements	2,754.70	
Motor Vehicle Inspection Fees	1,300.00	
Homestead Rebate Administrative Fee	159.00	
Auctioned Items	13,129.98	
Private Use of Public Property	1,000.00	
Forfeited Tax Sale Premium	45,000.00	
Police Outside Duty Administrative Fees	37,426.50	
PSE&G Solar Rent	53,509.00	
Statutory Excess in Reserve for Animal Control Fund Expenditures	2,553.80	
Other Miscellaneous	<u>4,837.33</u>	
		<u><u>\$ 291,570.87</u></u>

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 121,900.00	\$ 131,300.00	\$ 131,287.94	\$ 12.06	
Other Expenses	188,500.00	238,500.00	227,992.52	10,507.48	
Mayor and Council:					
Salaries and Wages	43,000.00	43,000.00	42,000.00	1,000.00	
Other Expenses	5,000.00	5,000.00	4,434.27	565.73	
Municipal Clerk:					
Salaries and Wages	15,600.00	15,900.00	15,858.04	41.96	
Other Expenses	3,000.00	3,000.00	1,493.00	1,507.00	
Elections:					
Other Expenses	3,600.00	8,100.00	8,057.85	42.15	
Financial Administration:					
Salaries and Wages	8,600.00	8,800.00	8,584.59	215.41	
Other Expenses	142,000.00	131,000.00	123,731.94	7,268.06	
Annual Audit	40,600.00	41,400.00	41,400.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	55,700.00	61,700.00	60,060.00	1,640.00	
Other Expenses	13,200.00	13,200.00	5,951.92	7,248.08	
Tax Assessment Administration:					
Salaries and Wages	38,700.00	39,100.00	39,010.42	89.58	
Other Expenses	33,000.00	13,000.00	8,385.19	4,614.81	
Legal Services and Costs:					
Other Expenses	250,000.00	210,000.00	188,709.22	21,290.78	
Engineering Services and Costs:					
Other Expenses	40,000.00	40,000.00	36,000.00	4,000.00	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
LAND USE ADMINISTRATION:					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Other Expenses	\$ 14,600.00	\$ 15,600.00	\$ 15,475.00	\$ 125.00	
Zoning Board of Adjustment:					
Other Expenses	9,000.00	9,000.00	8,822.50	177.50	
Rent Review Board:					
Other Expenses	2,000.00	2,000.00	2,000.00		
PUBLIC SAFETY:					
Police:					
Salaries and Wages	2,240,413.50	2,298,913.50	2,298,820.97	92.53	
Salaries and Wages - American Rescue Plan	415,586.50	415,586.50	415,586.50		
Other Expenses	253,856.55	278,856.55	278,782.51	74.04	
Public Defender:					
Other Expenses	6,000.00	6,000.00	6,000.00		
Parking Meter Maintenance:					
Other Expenses	1,000.00	1,000.00	83.00	917.00	
Office of Emergency Management:					
Salaries and Wages					
Other Expenses	1,500.00	1,500.00	959.48	540.52	
First Aid Squad Contribution:					
Other Expenses	20,000.00	20,000.00	20,000.00		
Fire Department:					
Other Expenses	50,000.00	50,000.00	43,863.39	6,136.61	
Fire Prevention Bureau:					
Salaries and Wages	94,400.00	107,400.00	106,018.59	1,381.41	
Other Expenses	5,000.00	5,000.00	4,885.34	114.66	
Municipal Prosecutor:					
Other Expenses	10,600.00	10,600.00	10,600.00		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
PUBLIC SAFETY: (Cont'd)					
Municipal Court:					
Salaries and Wages	\$ 127,400.00	\$ 128,600.00	\$ 126,893.90	\$ 1,706.10	
Other Expenses	14,925.00	14,925.00	13,306.55	1,618.45	
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	462,600.00	462,600.00	431,062.93	31,537.07	
Other Expenses	35,501.00	35,501.00	35,457.53	43.47	
Recycling:					
Other Expenses	102,000.00	102,000.00	99,000.00	3,000.00	
Solid Waste Collection:					
Other Expenses	786,000.00	786,000.00	777,657.36	8,342.64	
Building and Grounds:					
Other Expenses	91,000.00	76,000.00	36,392.22	39,607.78	
Shade Tree Division:					
Other Expenses	23,500.00	23,500.00	7,380.00	16,120.00	
Vehicle Repair/Maintenance (Including Police):					
Other Expenses	118,000.00	118,000.00	109,655.50	8,344.50	
Snow Removal:					
Other Expenses	25,000.00	60,000.00	46,902.00	13,098.00	
Community Services Act	162,250.00	162,250.00	162,250.00		
HEALTH AND WELFARE:					
Public Health Service (Board of Health):					
Salaries and Wages	68,600.00	70,300.00	70,289.24	10.76	
Other Expenses	71,640.00	71,640.00	58,427.45	13,212.55	
Environmental Commission:					
Other Expenses	3,200.00	3,200.00	2,392.09	807.91	
Animal Control:					
Other Expenses	17,000.00	17,000.00	16,500.00	500.00	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
RECREATION AND EDUCATION:					
Recreation Services and Programs:					
Other Expenses	\$ 3,000.00	\$ 3,000.00	\$ 2,975.00	\$ 25.00	
Other Expenses - CCC	180,000.00	120,000.00	107,719.55	12,280.45	
Senior Citizen and Disabled Resident Transportation:					
Salaries and Wages	44,800.00	40,800.00	38,423.56	2,376.44	
Other Expenses	29,500.00	29,500.00	29,000.00	500.00	
Special Events:					
Other Expenses	1,500.00	1,500.00	95.97	1,404.03	
UNIFORM CONSTRUCTION CODE:					
Salaries and Wages	198,200.00	191,000.00	179,121.82	11,878.18	
Other Expenses	11,900.00	11,900.00	5,985.25	5,914.75	
UTILITY EXPENSES AND BULK PURCHASES:					
Utilities	421,500.00	421,500.00	397,005.79	24,494.21	
Facilities Improvement Program	10,000.00	10,000.00	7,252.00	2,748.00	
INSURANCE:					
Workers Compensation/General Liability	366,950.00	366,950.00	355,626.24	11,323.76	
Employee Group Health	940,200.00	880,200.00	870,137.49	10,062.51	
Total Operations Within "CAPS"	8,442,522.55	8,432,322.55	8,141,763.62	290,558.93	
Detail:					
Salaries and Wages	3,935,500.00	4,015,000.00	3,963,018.50	51,981.50	
Other Expenses	4,507,022.55	4,417,322.55	4,178,745.12	238,577.43	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Budget After Modification	Expended By		Unexpended Balance Canceled
	Budget			Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":	\$ 23,402.50	\$	23,402.50	\$ 23,402.50		
Deferred Charges:						
Prior Year Bills						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	131,500.00		131,500.00	131,121.14	\$ 378.86	
Social Security System (O.A.S.I.)	132,300.00		132,300.00	125,491.77	6,808.23	
Police and Firemen's Retirement System of NJ	681,300.00		681,300.00	681,114.01	185.99	
Defined Contribution Retirement Program	3,100.00		3,100.00	1,400.36	1,699.64	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	971,602.50		971,602.50	962,529.78	9,072.72	
Total General Appropriations for Municipal Purposes Within "CAPS"	9,414,125.05		9,403,925.05	9,104,293.40	299,631.65	
Operations Excluded from "CAPS":						
Refund Tax Appeals:						
Other Expenses	25,000.00		25,000.00	25,000.00		
Length of Service Awards Program	46,000.00		56,200.00	35,959.92	20,240.08	
Municipal Library:						
Other Expenses	430,119.00		430,119.00	429,668.34	450.66	
Shared Service Agreements:						
Township of West Caldwell - Welfare:						
Salaries and Wages	8,000.00		8,000.00	8,000.00		
Township of West Caldwell - Recreation Services:						
Other Expenses	424,000.00		424,000.00	424,000.00		
Community Center						

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
State and Federal Programs Offset by Revenue:					
Body Armor Replacement Fund	\$ 1,153.64	\$ 1,153.64	\$ 1,153.64		
Bulletproof Vest Partnership	2,737.00	2,737.00	2,737.00		
Clean Communities Grant	15,267.62	15,267.62	15,267.62		
Recycling Tonnage Grant	7,240.72	7,240.72	7,240.72		
Total Operations Excluded from "CAPS"	959,517.98	969,717.98	949,027.24	\$ 20,690.74	
Detail:					
Salaries and Wages	8,000.00	8,000.00	8,000.00		
Other Expenses	951,517.98	961,717.98	941,027.24	20,690.74	
Capital Improvements - Excluded from "CAPS":					
NJ Department of Transportation	675,000.00	675,000.00	675,000.00		
Total Capital Improvements Excluded from "CAPS"	675,000.00	675,000.00	675,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	940,000.00	940,000.00	940,000.00		
Payment of Bond Anticipation Notes and Capital Notes	108,750.00	108,750.00	108,750.00		
Interest on Bonds	340,000.00	340,000.00	338,610.78		\$ 1,389.22
Interest on Notes	54,100.00	54,100.00	54,100.00		
Capital Lease Obligations					
Interest on Special Emergency Notes	3,200.00	3,200.00	3,109.32		90.68
Total Municipal Debt Service Excluded from "CAPS"	1,446,050.00	1,446,050.00	1,444,570.10		1,479.90

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Municipal - Excluded from "CAPS":					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	\$ 153,036.40	\$ 153,036.40	\$ 153,036.40		
Total Deferred Charges - Municipal - Excluded from "CAPS"	153,036.40	153,036.40	153,036.40		
Total General Appropriations Excluded from "CAPS"	3,233,604.38	3,243,804.38	3,221,633.74	\$ 20,690.74	\$ 1,479.90
Subtotal General Appropriations	12,647,729.43	12,647,729.43	12,325,927.14	320,322.39	1,479.90
Reserve for Uncollected Taxes	474,492.00	474,492.00	474,492.00		
Total General Appropriations	\$ 13,122,221.43	\$ 13,122,221.43	\$ 12,800,419.14	\$ 320,322.39	\$ 1,479.90

Ref.

A

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022
(Continued)

	Analysis of	
	Budget After Modification	Paid or Charged
Adopted Budget	\$ 13,122,221.43	
	\$ 13,122,221.43	
	<u>Ref.</u>	
Cash Disbursed		\$ 11,360,035.74
Reserve for Uncollected Taxes		474,492.00
Reserve for Encumbrances	A	300,870.21
Reserve for Tax Appeals		25,000.00
Deferred Charges:		
Special Emergency Authorization		153,036.40
Due Federal and State Grant Fund:		
Grants		701,398.98
		13,014,833.33
Less: Appropriation Refunds		214,414.19
		\$ 12,800,419.14

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
TRUST FUNDS

BOROUGH OF CALDWELL
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 5,394.00	\$ 5,964.00
Other Trust Funds:			
Cash and Cash Equivalents	B-4	734,017.57	622,475.72
TOTAL ASSETS		\$ 739,411.57	\$ 628,439.72
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State Board of Health		\$ 10.80	\$ 392.40
Reserve for Animal Control Fund Expenditures	B-6	5,383.20	5,571.60
		5,394.00	5,964.00
Other Trust Funds:			
Reserve for:			
State Unemployment Insurance		112,563.62	106,195.72
Open Space		178,569.63	156,304.92
Redevelopment Escrow		9,068.75	13,300.00
Escrow Fees		114,145.46	92,334.06
Tax Sale Premiums		66,600.00	48,000.00
Parking Offense Adjudication Act		24,436.95	23,356.95
Police Outside Duty Traffic Assignment		3,928.94	
Recycling		25,879.92	25,715.56
Law Enforcement		1,287.44	1,298.13
Accumulated Leave		16,247.34	16,247.34
Police Donations		2,647.65	2,547.65
Fire Safety Act Penalty Monies		14,287.58	12,179.58
Storm Recovery		25,898.46	2,030.50
Food Pantry Donations		125,509.30	109,673.70
Community Center Donation		5,178.22	5,523.30
Cannons Swim Team Donations		7,668.31	7,668.31
Environmental Comission Donations		100.00	100.00
		734,017.57	622,475.72
TOTAL LIABILITIES AND RESERVES		\$ 739,411.57	\$ 628,439.72

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$20,725,366.18	\$ 6,813,507.32
Investments		612,145.00	
New Jersey Department of Transportation Grants Receivable		1,040,000.00	
Due from Sewer Utility Operating Fund	E	750,000.00	
Deferred Charges to Future Taxation:			
Funded		34,809,000.00	5,399,000.00
Unfunded	C-4	6,493,500.00	35,003,750.00
<u>TOTAL ASSETS</u>		<u>\$64,430,011.18</u>	<u>\$ 47,216,257.32</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$34,809,000.00	\$ 5,399,000.00
Bond Anticipation Notes Payable	C-7		8,725,000.00
Improvement Authorizations:			
Funded	C-5	21,657,601.37	188,857.63
Unfunded	C-5	6,019,412.46	31,585,512.73
Capital Improvement Fund	C-6	601,903.26	611,403.26
Reserve for Payment of Debt Service		215,798.61	306,806.61
Fund Balance	C-1	1,126,295.48	399,677.09
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$64,430,011.18</u>	<u>\$ 47,216,257.32</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 399,677.09
Increased by:		
Premium on Sale of Bonds		<u>726,618.39</u>
Balance December 31, 2022	C	<u><u>\$ 1,126,295.48</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	2022	2021
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 855,471.25	\$ 752,720.36
		855,471.25	752,720.36
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	45,594.23	43,284.02
		45,594.23	43,284.02
Total Receivables with Full Reserves			
Deferred Charges:			
Deficit in Operations	D-1	24,655.19	
		24,655.19	
Total Operating Fund		925,720.67	796,004.38
Capital Fund:			
Cash and Cash Equivalents	D-4	2,616,594.88	2,629,055.09
Fixed Capital	D-7	4,959,009.03	4,959,009.03
Fixed Capital Authorized and Uncompleted	D-8	7,949,800.00	7,949,800.00
		7,949,800.00	7,949,800.00
Total Capital Fund		15,525,403.91	15,537,864.12
TOTAL ASSETS		\$ 16,451,124.58	\$ 16,333,868.50

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 384,459.82	\$ 247,965.80
Encumbered	D-3;D-9	4,778.03	6,517.30
		<u>389,237.85</u>	<u>254,483.10</u>
Accrued Interest on Bonds		104,367.08	29,333.33
Accrued Interest on Notes			32,603.07
Water Rent Overpayments		1,615.39	1,394.74
		<u>495,220.32</u>	<u>317,814.24</u>
Reserve for Receivables	D	45,594.23	43,284.02
Fund Balance	D-1	384,906.12	434,906.12
		<u>925,720.67</u>	<u>796,004.38</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-14	8,564,000.00	2,750,000.00
Bond Anticipation Notes Payable	D-13		6,089,800.00
Improvement Authorizations:			
Funded	D-10	1,857,151.65	30,973.00
Unfunded	D-10		1,983,617.42
Capital Improvement Fund	D-11	184,250.00	184,250.00
Reserve to Pay Debt Service		9,658.09	10,458.09
Reserve for Amortization	D-12	4,084,009.03	3,809,009.03
Deferred Reserve for Amortization	D-12A	260,800.00	260,000.00
Fund Balance	D-1A	565,535.14	419,756.58
		<u>15,525,403.91</u>	<u>15,537,864.12</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 16,451,124.58</u></u>	<u><u>\$ 16,333,868.50</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Water Rents/Additional Water Billing		\$ 2,069,577.48	\$ 2,164,496.75
Miscellaneous Revenue Anticipated		56,817.82	29,469.90
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		13,083.11	62,760.17
		<u>2,139,478.41</u>	<u>2,256,726.82</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,579,096.75	1,493,882.45
Capital Improvements			100,000.00
Debt Service		527,036.85	477,411.81
Deferred Charges and Statutory Expenditures		58,000.00	71,075.00
		<u>2,164,133.60</u>	<u>2,142,369.26</u>
Excess/(Deficit) in Revenue		(24,655.19)	114,357.56
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>24,655.19</u>	
Excess in Revenue/Statutory Excess to Fund Balance			114,357.56
<u>Fund Balance</u>			
Balance January 1		434,906.12	370,548.56
		<u>434,906.12</u>	<u>484,906.12</u>
Decreased by:			
Utilization as Anticipated Revenue:			
Current Fund Budget		50,000.00	50,000.00
		<u>50,000.00</u>	<u>50,000.00</u>
Balance December 31	D	<u>\$ 384,906.12</u>	<u>\$ 434,906.12</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 419,756.58
Increased by:		
Premium on Sale of Bonds		<u>145,778.56</u>
Balance December 31, 2022	D	<u><u>\$ 565,535.14</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Anticipated	Realized	Excess or Deficit *
Water Rents	\$ 2,164,496.75	\$ 2,069,577.48	\$ 94,919.27 *
Miscellaneous Revenue Not Anticipated		56,817.82	56,817.82
Budget Totals	\$ 2,164,496.75	\$ 2,126,395.30	\$ 38,101.45 *

Analysis of Water Rents

Water Rent Collections	\$ 2,068,182.74
Prior Year Overpayments Applied	1,394.74
	\$ 2,069,577.48

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:

Interest on Investments and Deposits	\$ 18,137.97
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Collector:

Meter Sales	\$ 15,376.45
Penalties/Interest on Water Charges	23,303.40
	38,679.85
	\$ 56,817.82

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 253,800.00	\$ 253,800.00	\$ 193,758.33	\$ 60,041.67	
Other Expenses	1,325,296.75	1,325,296.75	1,000,878.60	324,418.15	
Debt Service:					
Payment of Bond Principal	275,000.00	275,000.00			
Interest on Bonds	242,000.00	242,000.00	241,734.17		\$ 265.83
Interest on Notes	10,400.00	10,400.00	10,302.68		97.32
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures - Contribution to:					
Public Employees' Retirement System	20,700.00	20,700.00	20,700.00		
Social Security System (O.A.S.I.)	15,700.00	15,700.00	15,700.00		
Police and Firemen's Retirement System	21,600.00	21,600.00	21,600.00		
	<u>\$ 2,164,496.75</u>	<u>\$ 2,164,496.75</u>	<u>\$ 1,779,673.78</u>	<u>\$ 384,459.82</u>	<u>\$ 363.15</u>
			D		
Cash Disbursed			1,522,858.90		
Accrued Interest on Bonds			241,734.17		
Accrued Interest on Notes			10,302.68		
Encumbrances Payable			4,778.03		
			<u>\$ 1,779,673.78</u>		

Ref.

D

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31,	
		2022	2021
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 22,956.78	\$ 258,385.69
		<u>22,956.78</u>	<u>258,385.69</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	2,543,467.26	1,170,742.68
Total Receivables with Full Reserves		<u>2,543,467.26</u>	<u>1,170,742.68</u>
Deferred Charges:			
Deficit in Operations	E-1	1,370,883.60	732,953.15
Emergency Authorization	E-1	116,600.00	
		<u>1,487,483.60</u>	<u>732,953.15</u>
Total Operating Fund		<u>4,053,907.64</u>	<u>2,162,081.52</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	2,418,886.49	2,557,802.22
Fixed Capital	E-7	45,796,418.83	45,316,118.83
Fixed Capital Authorized and Uncompleted	E-8	4,207,000.00	4,687,300.00
Total Capital Fund		<u>52,422,305.32</u>	<u>52,561,221.05</u>
TOTAL ASSETS		<u>\$ 56,476,212.96</u>	<u>\$ 54,723,302.57</u>

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31,	
		2022	2021
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 102,098.03	\$ 57,260.08
Encumbered	E-3;E-9	206,207.88	497,560.02
		<u>308,305.91</u>	<u>554,820.10</u>
Due to General Capital Fund	C	750,000.00	
Prepaid Sewer Rents		1,046.57	1,060.42
Accrued Interest on Bonds		47,018.13	
Accrued Interest on Notes			22,284.38
Accrued Interest on Loans		51,791.66	60,895.83
		<u>1,158,162.27</u>	<u>639,060.73</u>
Reserve for Receivables	E	2,543,467.26	1,170,742.68
Fund Balance	E-1	<u>352,278.11</u>	<u>352,278.11</u>
Total Operating Fund		<u>4,053,907.64</u>	<u>2,162,081.52</u>
Capital Fund:			
Bond Anticipation Notes Payable	E-13		3,475,000.00
Serial Bonds Payable	E-14	3,629,000.00	
New Jersey Environmental Infrastructure Trust			
Loans Payable	E-15	4,483,500.34	5,339,284.73
Improvement Authorizations:			
Funded	E-10	1,873,538.04	182,118.98
Unfunded	E-10		2,071,217.76
Capital Improvement Fund	E-11	433,215.54	433,215.54
Reserve for Amortization	E-12	41,157,699.63	40,301,915.24
Deferred Reserve for Amortization	E-12A	732,000.00	732,000.00
Fund Balance	E-1A	<u>113,351.77</u>	<u>26,468.80</u>
Total Capital Fund		<u>52,422,305.32</u>	<u>52,561,221.05</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 56,476,212.96</u>	<u>\$ 54,723,302.57</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2022	2021
<u>Revenue and Other Income Realized</u>			
Sewer Rents		\$ 4,116,767.82	\$ 4,213,721.20
Interest Income		11,763.81	137.53
Sewer Connection Fees		72,202.00	
Sewer Application Fees		3,000.00	750.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		122,273.78	15,746.20
 Total Income		<u>4,326,007.41</u>	<u>4,230,354.93</u>
 <u>Expenditures</u>			
Operating		3,952,955.12	3,567,880.73
Capital Improvements			170,000.00
Debt Service		1,094,282.74	1,064,568.57
Deferred Charges and Statutory Expenditures		766,253.15	160,858.78
 Total Expenditures		<u>5,813,491.01</u>	<u>4,963,308.08</u>
 Deficit in Revenue		<u>(1,487,483.60)</u>	<u>(732,953.15)</u>
 Adjustments before Fund Balance:			
Included Above Which is by Statute a			
Deferred Charge to the Budgets of Succeeding Years:			
Operating Deficit	E	1,370,883.60	732,953.15
Emergency Authorization	E	116,600.00	
		<u>1,487,483.60</u>	<u>732,953.15</u>
 <u>Fund Balance</u>			
Balance January 1		352,278.11	427,278.11
		<u>352,278.11</u>	<u>427,278.11</u>
Decreased by:			
Surplus Anticipated in Current Fund			75,000.00
 Balance December 31	E	<u>\$ 352,278.11</u>	<u>\$ 352,278.11</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 26,468.80
Increased by:		
Premium on Sale of Bonds		<u>86,882.97</u>
Balance December 31, 2022	E	<u><u>\$ 113,351.77</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Sewer Rents	\$ 4,213,721.20	\$ 4,116,767.82	\$ 96,953.38 *
Additional Sewer Rents	1,484,087.07		1,484,087.07 *
Budget Totals	5,697,808.27	4,116,767.82	1,581,040.45 *
Nonbudget Revenue		86,965.81	86,965.81
	<u>\$ 5,697,808.27</u>	<u>\$ 4,203,733.63</u>	<u>\$ 1,494,074.64 *</u>

Analysis of Sewer Rents/Additional Sewer Rents

Collected in Sewer Utility Operating Fund	\$ 4,115,707.40
Prepaid Sewer Rents Applied	<u>1,060.42</u>
	<u>\$ 4,116,767.82</u>

Analysis of Nonbudget Revenue

Interest Income	\$ 11,763.81
Sewer Connection Fees	72,202.00
Sewer Application Fees	<u>3,000.00</u>
	<u>\$ 86,965.81</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2022

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 142,700.00	\$ 148,700.00	\$ 146,481.27	\$ 2,218.73	
Other Expenses	3,693,655.12	3,804,255.12	3,704,375.82	99,879.30	
Debt Service:					
Interest on Bonds	95,000.00	94,952.47	94,036.26		\$ 916.21
Interest on Notes	7,200.00	7,200.00	7,198.95		1.05
NJ Environmental Infrastructure Trust:					
Payment of Loan Principal and Interest	993,000.00	993,047.53	993,047.53		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	10,400.00	10,400.00	10,400.00		
Police and Firemen's Retirement System	14,400.00	14,400.00	14,400.00		
Social Security System (O.A.S.I.)	8,500.00	8,500.00	8,500.00		
Deferred Charges:					
Deficit in Operations in Prior Year	732,953.15	732,953.15	732,953.15		
	<u>\$ 5,697,808.27</u>	<u>\$ 5,814,408.27</u>	<u>\$ 5,711,392.98</u>	<u>\$ 102,098.03</u>	<u>\$ 917.26</u>
Ref.				E	
Adopted Budget		\$ 5,697,808.27			
Emergency Authorization		<u>116,600.00</u>			
		<u>\$ 5,814,408.27</u>			
Cash Disbursed			\$ 4,639,241.31		
Accrued Interest on Bonds			94,036.26		
Accrued Interest on Loans			137,045.83		
Accrued Interest on Notes			7,198.95		
Encumbrances Payable			206,207.88		
Deferred Charges			732,953.15		
			<u>5,816,683.38</u>		
Less: Appropriation Refunds			<u>105,290.40</u>		
			<u>\$ 5,711,392.98</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2022</u>	<u>2021</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 52,991.20	\$ 53,013.41
TOTAL ASSETS		<u>\$ 52,991.20</u>	<u>\$ 53,013.41</u>
<u>RESERVES</u>			
Reserve for Public Assistance		\$ 52,991.20	\$ 53,013.41
TOTAL RESERVES		<u>\$ 52,991.20</u>	<u>\$ 53,013.41</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CALDWELL
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31,	
	2022	2021
<u>ASSETS</u>		
Land and Land Improvements	\$ 22,963,159.00	\$ 22,896,159.00
Buildings and Building Improvements	42,623,900.00	41,685,658.00
Machinery and Equipment	5,061,255.00	4,812,541.00
Construction in Progress	2,787,112.00	387,037.00
<u>TOTAL ASSETS</u>	\$ 73,435,426.00	\$ 69,781,395.00
 <u>RESERVES</u>		
Reserve for General Fixed Assets	\$ 73,435,426.00	\$ 69,781,395.00
<u>TOTAL RESERVES</u>	\$ 73,435,426.00	\$ 69,781,395.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Caldwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The operations of the State funded welfare program were transferred to the County effective July 1, 2011.

General Fixed Assets Account Group – Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E “General Fixed Assets”.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the Operating Funds when it is budgeted and in the Capital Funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

The cash basis of accounting is followed in the Trust and Capital Funds.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded or budgeted; inventories would not be reflected as expenditures at the time of purchase; investments would be generally stated at fair value; lease assets and payable as well as the related expense would be recorded for leases for which the Borough is a lessee, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Borough is a lessor, a financed purchases payable would be recorded for financed purchases agreements under which the Borough acquires and owns a fixed asset; fixed assets purchased by the Utility Capital Funds would be depreciated and the Borough's net OPEB liability and net pension liability and related deferred inflows and outflows, where applicable, would be recorded.

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or through financed purchases agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

Inventories of Supplies – 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.

General Fixed Assets Account Group – In accordance with the New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at historical cost as estimated by the independent appraisal company which conducted the inventory of the Borough's assets in 2011. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Fund and Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water Utility and Sewer Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Sewer and Water Utility Operating, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt

	December 31,		
	2022	2021	2020
<u>Issued:</u>			
General:			
Bonds and Notes	\$ 34,809,000.00	\$ 14,124,000.00	\$ 8,821,900.00
Water Utility:			
Bonds and Notes	8,564,000.00	8,839,800.00	5,114,800.00
Sewer Utility:			
Bonds and Loans	8,112,500.34	8,814,284.73	6,795,532.63
Total Issued	<u>51,485,500.34</u>	<u>31,778,084.73</u>	<u>20,732,232.63</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	6,493,500.00	26,278,750.00	7,893,750.00
Water Utility:			
Bonds and Notes			2,565,000.00
Sewer Utility:			
Bonds and Notes	1,218.86	155,218.86	3,055,218.86
Total Authorized but not Issued	<u>6,494,718.86</u>	<u>26,433,968.86</u>	<u>13,513,968.86</u>
Less:			
Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
General:			
Reserve to Pay Debt Service	215,798.61	306,806.61	381,806.61
Water Utility:			
Reserve to Pay Debt Service	9,658.09	10,458.09	10,458.09
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 57,754,762.50</u>	<u>\$ 57,894,788.89</u>	<u>\$ 33,853,936.79</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 3.901%.

	Gross Debt	Deductions	Net Debt
Regional School District Debt	\$ 6,435,179.64	\$ 6,435,179.64	
Water Utility Debt	8,564,000.00	7,809,234.00	\$ 754,766.00
Sewer Utility Debt	8,113,719.20		8,113,719.20
General Debt	41,302,500.00	215,798.61	41,086,701.39
	<u>\$ 64,415,398.84</u>	<u>\$ 14,460,212.25</u>	<u>\$ 49,955,186.59</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Serial Bonds:				
General Capital Fund	\$ 5,399,000.00	\$ 30,350,000.00	\$ 940,000.00	\$ 34,809,000.00
Water Utility	2,750,000.00	6,089,000.00	275,000.00	8,564,000.00
Sewer Utility		3,629,000.00		3,629,000.00
Special Emergency Notes:				
Current Fund	765,182.00	612,145.00	765,182.00	612,145.00
Bond Anticipation Notes:				
General Capital Fund	8,725,000.00		8,725,000.00	
Water Utility	6,089,800.00		6,089,800.00	
Sewer Utility	3,475,000.00		3,475,000.00	
NJEIT Loans Payable:				
Sewer Utility	5,339,284.73		855,784.39	4,483,500.34
Total	<u>\$ 32,543,266.73</u>	<u>\$ 40,680,145.00</u>	<u>\$ 21,125,766.39</u>	<u>\$ 52,097,645.34</u>
	Balance 12/31/2020	Additions	Retirements	Balance 12/31/2021
Serial Bonds:				
General Capital Fund	\$ 6,541,900.00		\$ 1,142,900.00	\$ 5,399,000.00
Water Utility	3,090,000.00		340,000.00	2,750,000.00
Sewer Utility	54,580.00		54,580.00	
Special Emergency Notes:				
Current Fund		\$ 765,182.00		765,182.00
Bond Anticipation Notes:				
General Capital Fund	2,280,000.00	8,725,000.00	2,280,000.00	8,725,000.00
Water Utility	2,024,800.00	6,089,800.00	2,024,800.00	6,089,800.00
Sewer Utility	575,000.00	3,475,000.00	575,000.00	3,475,000.00
NJEIT Loans Payable:				
Sewer Utility	6,165,952.63		826,667.90	5,339,284.73
Total	<u>\$ 20,732,232.63</u>	<u>\$ 19,054,982.00</u>	<u>\$ 7,243,947.90</u>	<u>\$ 32,543,266.73</u>

Net Debt: \$49,955,186.59 divided by Average Equalized Valuations of \$1,280,425,805 of Real Property = 3.901%.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property	\$ 44,814,903.18
Net Debt	<u>49,955,186.59</u>
Remaining Borrowing Power	<u><u>\$ (5,140,283.41)</u></u>

Calculation of "Self-Liquidating Purpose", Water Utility
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 2,126,395.30
Deductions:	
Operating and Maintenance Cost	\$ 1,637,096.75
Debt Service	<u>527,036.85</u>
Total Deductions	<u>2,164,133.60</u>
Deficit in Revenue	<u><u>\$ (37,738.30)</u></u>

Calculation of "Self-Liquidating Purpose", Sewer Utility
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 4,203,733.63
Deductions:	
Operating and Maintenance Cost	\$ 3,986,255.12
Debt Service	<u>1,094,282.74</u>
Total Deductions	<u>5,080,537.86</u>
Deficit in Revenue	<u><u>\$ (876,804.23)</u></u>

If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less. Should the Borough need to issue additional debt Local Finance Board approval would be required as the debt limit of 3.5% has been exceeded.

The foregoing information is in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

At December 31, 2022, the Borough had capital debt issued and outstanding described as follows:

General Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
2011 General Improvement Bonds	07/15/26	3.25%-3.65%	\$ 1,184,000.00
2015 Refunding Bonds	07/01/24	4.00%	730,000.00
2019 General Improvement Bonds	09/01/29	2.00%-4.000%	2,545,000.00
2022 General Improvement Bonds	01/15/40	2.125%-4.000%	10,350,000.00
2022 Redevelopment Bonds	01/15/52	2.125%-4.000%	20,000,000.00
			<u>\$ 34,809,000.00</u>

Water Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
Water Utility Bonds	09/01/31	2.00%-4.00%	\$ 2,475,000.00
2022 Water Utility Bonds	01/15/52	2.125%-4.000%	6,089,000.00
			<u>\$ 8,564,000.00</u>

Sewer Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
2022 Sewer Utility Bonds	01/15/52	2.125%-4.000%	\$ 3,629,000.00

Sewer Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>
Wastewater Treatment Plant Upgrades:			
Trust Loan 1	08/01/27	3.40-5.00%	\$ 2,328,000.00
Trust Loan 2	08/01/27	3.00-5.00%	190,000.00
Fund Loan 1	08/01/27	0.00%	1,949,073.10
Fund Loan 2	08/01/23	0.00%	16,427.24
			<u>\$ 4,483,500.34</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

At December 31, 2022, the Borough had capital debt issued and outstanding described as follows: (Cont'd)

Current Fund Special Emergency Notes

Purpose	Maturity Date	Interest Rate	Balance Dec. 31, 2022
Special Emergency Note Payable	10/10/2023	2.00%	<u>\$ 612,145.00</u>
TOTAL DEBT ISSUED AND OUTSTANDING			<u>\$ 52,097,645.34</u>

Environmental Infrastructure Loans

The Borough of Caldwell entered into four loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$15,905,000.00, which represents direct obligations of the Borough. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

At December 31, 2022, the Borough has borrowed or "drawn down" \$15,701,968.00 for these projects. The difference or unexpended proceeds of the "Trust" loan is being retired by NJ Environmental Infrastructure Trust from funds on hand, and any unexpended proceeds of the "Fund" is being reduced from future debt service payments. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account.

The Borough will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. Also, an annual administrative fee of fifteen hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and
Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar Year	General		Water Utility	
	Principal	Interest	Principal	Interest
2023	\$ 1,455,000.00	\$ 1,027,403.50	\$ 389,000.00	\$ 246,430.00
2024	1,490,000.00	971,453.50	390,000.00	230,850.00
2025	1,560,000.00	905,463.50	410,000.00	214,850.00
2026	1,584,000.00	844,063.50	425,000.00	198,150.00
2027	1,710,000.00	773,250.00	440,000.00	180,850.00
2028-2032	7,550,000.00	2,986,450.00	2,110,000.00	690,400.00
2033-2037	6,775,000.00	1,969,731.25	1,100,000.00	478,775.00
2038-2042	5,435,000.00	1,219,331.26	1,100,000.00	350,625.00
2043-2047	3,625,000.00	706,421.88	1,100,000.00	214,362.50
2048-2052	3,625,000.00	237,890.65	1,100,000.00	72,187.50
	<u>\$ 34,809,000.00</u>	<u>\$ 11,641,459.04</u>	<u>\$ 8,564,000.00</u>	<u>\$ 2,877,480.00</u>

Calendar Year	Sewer Utility		
	Principal	Interest	Total
2023	\$ 927,519.32	\$ 225,505.00	\$ 4,270,857.82
2024	945,087.72	199,925.00	4,227,316.22
2025	968,313.13	172,975.00	4,231,601.63
2026	998,208.57	144,675.00	4,194,097.07
2027	1,023,371.60	115,875.00	4,243,346.60
2028-2032	650,000.00	377,975.00	14,364,825.00
2033-2037	650,000.00	282,912.50	11,256,418.75
2038-2042	650,000.00	207,187.50	8,962,143.76
2043-2047	650,000.00	126,668.75	6,422,453.13
2048-2052	650,000.00	42,656.25	5,727,734.40
	<u>\$ 8,112,500.34</u>	<u>\$ 1,896,355.00</u>	<u>\$ 67,900,794.38</u>

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2022 included in the 2023 adopted budget for the Current, Water Utility Operating and Sewer Utility Operating Funds is as follows - \$700,000, \$114,451.45 and \$-0-, respectively.

Note 4: Regional School District 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 of Caldwell has elected not to defer school taxes.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

(Continued)

Note 5: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee’s 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).

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.nj.gov/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. 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 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State’s pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers’ contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Borough contributions to PERS amounted to \$162,221.14 for 2022. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$4,884 to the PERS for normal pension benefits on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Pension Liabilities and Pension Expense

At June 30, 2022, the Borough's liability was \$2,321,183 for its proportionate share of the 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 July 1, 2021 which was rolled forward to June 30, 2022. 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 members, actuarially determined. At June 30, 2022, the Borough's proportion was .015%, which was a decrease of 0.001% from its proportion measured as of June 30, 2021. The Borough has rolled forward the net pension liability as of June 30, 2022 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2022.

For the year ended December 31, 2022, the Borough recognized actual pension expense in the amount of \$162,221.14.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions

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

This actuarial valuation used the following actuarial assumptions:

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%			

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 a 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 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 Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the below 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 Markets Equity	13.50%	8.38%
Emerging Markets 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 upon 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 in determining the total pension liability.

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The table on the following page presents the Borough's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed in the table on the following page, as well as what the Borough's proportionate share of the net pension 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.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	June 30, 2022		
	At 1%	At Current	At 1%
	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
Borough's proportionate share of the Net Pension Liability	\$ 2,982,040	\$ 2,321,183	\$ 1,758,767

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's 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. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service 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 CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State 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 local participating employers 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. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Borough contributions to PFRS amounted to \$717,114.01 for the year ended December 31, 2022. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$153,570 to the PFRS for normal pension benefits on behalf of the Borough, which is more than the contractually required contribution of \$142,318.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2022, the Borough's liability for its proportionate share of the net pension liability was \$6,931,147. 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 July 1, 2021 which was rolled forward to June 30, 2022. 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 members, actuarially determined. At June 30, 2022, the Borough's proportion was .0605%, which was a decrease of .0004% from its proportion measured as of June 30, 2021.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

The Borough has rolled forward the net pension liability as of June 30, 2022 with no adjustments. The State of New Jersey Police and Firemen’s Retirement System (PFRS)’ valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

Additionally, the State’s proportionate share of the net pension liability attributable to the Borough is \$1,233,541 as of June 30, 2022. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the Borough 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 members, actuarially determined. At June 30, 2022, the State's proportion was .0605%, which was a decrease of .0004% from its proportion measured as of June 30, 2021 which is the same proportion as the Borough’s.

Borough's Proportionate Share of the Net Pension Liability	\$ 6,931,147
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,233,541</u>
Total Net Pension Liability	<u>\$ 8,164,688</u>

For the year ended December 31, 2022, the Borough recognized total pension expense of \$717,114.01.

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 16.25% based on years of service
Thereafter	Not Applicable
Investment Rate of Return	7.00%

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 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.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Actuarial Assumptions (Cont'd)

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 Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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' 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 Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Assets	3.00%	7.60%
Real Estate	8.00%	11.19%
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 – PFRS

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 upon 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 CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 5: Pension Plans (Cont'd)

B. Police and Firemen’s Retirement System (PFRS) (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State’s proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State’s proportionate share of the net pension liability attributable to the Borough) 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 were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 11,202,833	\$ 8,164,688	\$ 563,542

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

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 Chapter 103, 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.

For DCRP, the Borough recognized pension expense of \$1,400.36 for the year ended December 31, 2022. Employee contributions to DCRP amounted to \$2,212.94 for the year ended December 31, 2022.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 6: Accrued Sick and Vacation Benefits

The Borough policy allows Borough employees to accrue sick and vacation time. The current cost of such unpaid compensation upon termination or separation from the Borough would approximate \$767,157.80. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. This amount is partially funded in the Reserve for Accumulated Leave of \$16,247.34 reflected on the Other Trust Funds' balance sheet as of December 31, 2022.

Note 7: Deferred Compensation Plan

The Borough of Caldwell offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by the Hartford Group, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation plan is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 8: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes and other municipal charges in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after January 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10. In accordance with P.L. 1997, c.99, the Borough held an accelerated tax sale.

	2022	2021	2020
<u>Tax Rate</u>	\$ 3.023	\$ 2.878	\$ 2.803

Apportionment of Tax Rate

Municipal:			
Local	0.859	0.798	0.794
Open Space	0.010	0.010	0.010
County	0.565	0.567	0.546
Regional School	1.589	1.503	1.453

Assessed Valuations

2022	\$ 1,044,996,397.00		
2021		\$ 1,056,514,800.00	
2020			\$ 1,034,348,700.00

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020
(Continued)

Note 8: Selected Tax Rate Information (Cont'd)

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 31,649,845.23	\$ 31,533,706.57	99.63%
2021	30,459,412.66	30,095,982.11	98.80%
2020	29,253,344.18	29,252,051.92	99.99%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 9: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Deposits:

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following pages.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Deposits: (Cont'd)

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

If the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Borough to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 9: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2022, cash and cash equivalents and investments of the Borough of Caldwell consisted of following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking and Savings Accounts</u>	<u>Investment</u>	<u>Total</u>
Current	\$ 700.00	\$ 2,866,968.78		\$ 2,867,668.78
Animal Control		5,394.00		5,394.00
Other Trust		734,017.57		734,017.57
General Capital		20,725,366.18	\$ 612,145.00	21,337,511.18
Water Utility Operating		855,471.25		855,471.25
Water Utility Capital		2,616,594.88		2,616,594.88
Sewer Utility Operating		22,956.78		22,956.78
Sewer Utility Capital		2,418,886.49		2,418,886.49
Public Assistance		52,991.20		52,991.20
	<u>\$ 700.00</u>	<u>\$ 30,298,647.13</u>	<u>\$ 612,145.00</u>	<u>\$ 30,911,492.13</u>

The carrying amount of the Borough's cash and cash equivalents and investments at December 31, 2022, was \$30,911,492.13 and the bank balance was \$31,382,635.54. There was an investment of \$612,145.00 from the General Capital Fund to the Current Fund issued by the Borough's Current Fund in a Special Emergency Notes Payable at 2.00% interest, due on October 10, 2013.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 10: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through the State of New Jersey Health Benefits Plan.

Property and Liability

The Borough is a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing low cost general liability, property and workers compensation insurance coverage to its members.

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

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2022 audit report of the Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2021 is as follows:

Total Assets	\$ 67,014,327
Net Position	\$ 369,628
Total Revenue	\$ 35,838,488
Total Expenses	\$ 35,819,772
Change in Net Position	\$ 18,716
Member Dividends	\$ -0-

Financial statements for the Fund are available at the office of the Fund's Executive Director:

Garden State Municipal Joint Insurance Fund
900 Route 9 North, Suite 503
Woodbridge, NJ 07095-1003
(800) 446-7647

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 10: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

The following is a summary of Borough contributions, employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years.

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ -0-	\$ 6,367.90	\$ -0-	\$ -0-	\$ 112,563.62
2021	-0-	982.22	-0-	23,676.54	106,195.72
2020	130,000.00	-0-	-0-	3,433.38	128,890.04

Note 11: Interfund Receivables and Payables

The following interfund balances remained on the balance sheets at December 31, 2022:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 297,588.60	
Federal and State Grant Fund		\$ 297,588.60
General Capital Fund	750,000.00	
Sewer Utility Operating Fund		750,000.00
	<u>\$ 1,047,588.60</u>	<u>\$ 1,047,588.60</u>

The Current Fund interfund receivable and Federal and State Grant Fund interfund payable is due to the normal timing difference between the disbursement and receipt of grant funds. The General Capital Fund interfund receivable and Sewer Utility Operating Fund interfund payable represents an advancement for cash flow purposes.

Note 12: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 13: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, personnel issues and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on its financial position. There is one pending case involving personnel issues which is in the earlier stages of investigation for which mediation will be scheduled.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 13: Contingent Liabilities (Cont'd)

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 14: Open Space Trust Reserve

The Borough established an Open Space Trust Fund in 2000. The Borough has levied a tax equal to one cent per \$100 of total Borough equalized real property valuation. The tax has remained one cent since the approval by the voters to establish the open space tax. The intention of the Borough is to use this funding for open space and recreation purposes. The funds are being held in the Open Space Fund Reserve on the Other Trust Funds balance sheet. The balance in the Reserve for Open Space at December 31, 2022 is \$178,569.63.

Note 15: Fixed Assets

The following is a summarization of general fixed assets for the year ended December 31, 2022 and 2021:

	Balance Dec. 31, 2021	Additions	Deletions	Adjustments/ Transfers	Balance Dec. 31, 2022
Land and Land Improvements	\$ 22,896,159.00	\$ 67,000.00			\$ 22,963,159.00
Buildings and Building Improvements	41,685,658.00	503,104.00		\$ 435,138.00	42,623,900.00
Machinery and Equipment	4,812,541.00	406,489.00	\$ 157,775.00		5,061,255.00
Construction in Progress	387,037.00	2,746,862.00		(346,787.00)	2,787,112.00
	<u>\$ 69,781,395.00</u>	<u>\$ 3,723,455.00</u>	<u>\$ 157,775.00</u>	<u>\$ 88,351.00</u>	<u>\$ 73,435,426.00</u>
	Balance Dec. 31, 2020	Additions	Deletions	Transfers	Balance Dec. 31, 2021
Land and Land Improvements	\$ 22,541,079.00	\$ 355,080.00			\$ 22,896,159.00
Buildings and Building Improvements	41,366,689.00	452,791.00	\$ 173,149.00	\$ 39,327.00	41,685,658.00
Machinery and Equipment	4,732,710.00	124,831.00	45,000.00		4,812,541.00
Construction in Progress	169,311.00	257,053.00		(39,327.00)	387,037.00
	<u>\$ 68,809,789.00</u>	<u>\$ 1,189,755.00</u>	<u>\$ 218,149.00</u>	<u>\$ -0-</u>	<u>\$ 69,781,395.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 16: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of succeeding year. At December 31, 2022, the following deferred charges are shown on the balance sheets of the Current Fund, Water Utility Operating Fund, and Sewer Utility Operating Fund:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Required</u> <u>2023 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Years' Budgets</u>
Current Fund:			
Special Emergency Authorization	\$ 612,145.60	\$ 153,036.40	\$ 459,109.20
Water Utility Operating Fund:			
Deficit in Operations	24,655.19	24,655.19	
Sewer Utility Operating Fund:			
Emergency Authorization	116,600.00	116,600.00	
Deficit in Operations	<u>1,370,883.60</u>	<u>1,370,883.60</u>	
	<u>\$2,124,284.39</u>	<u>\$1,665,175.19</u>	<u>\$ 459,109.20</u>

The appropriations in the 2023 budget are not less than that required by statute.

Note 17: Post-Employment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Benefits Provided (Cont'd)

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.

In accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

The coverage applies to the employee and dependents. In the event of an employee's death, coverage ceases. In order to be eligible for this benefit, the employee must have a minimum of twenty-five (25) years of full-time service with the Borough.

Contributions

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 provided 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.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

At June 30, 2022, the Borough had a liability of \$10,639,192 for its proportionate share of the net OPEB liability. At June 30, 2022, the Borough's proportion was .065789% which was a decrease of .007588% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022 the Borough's OPEB benefit as determined by the State of New Jersey Division of Pensions and Benefits was \$589,222.

The Borough's actual post retirement payments in 2022 for 29 retired employees were \$435,123.13.

Actuarial Assumptions and Other Inputs

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

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

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

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

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

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021 and July 1, 2014 – June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is 6.25% for fiscal year 2023 and decreases to a 4.50% long term trend rate in 2030. For PPO post 65 medical benefits, the trend rate is -1.89% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For HMO Post 65 medical benefits, the trend rate is -1.99% in fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For prescription drug benefits, the trend rate is 8.00% for fiscal year 2023 and decreases to a 4.50% trend rate in 2030 and later.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond 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.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 17: Post-Employment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Sensitivity of the Net OPEB Liability Attributable to the Borough to Changes in the Discount Rate

The following presents the net OPEB Liability of the Borough as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Borough 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		
	At 1% Decrease (2.54%)	At Current Discount Rate (3.54%)	At 1% Increase (4.54%)
Borough's proportionate share of the Net OPEB Liability	\$ 12,332,965	\$ 10,639,192	\$ 9,276,393

Sensitivity of the Net OPEB Liability Attributable to the Borough to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the Borough as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Borough would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's proportionate share of the Net OPEB Liability	\$ 9,025,547	\$ 10,639,192	\$ 12,705,817

Note 18: Leases

The Borough implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the current year.

The Borough entered into an agreement for the lease of the Caldwell Wastewater Treatment Plant on June 1, 2014 for a term of 5 years. The lessee had the ability to extend the lease on a month-to-month basis not to exceed 40 years. Effective January 1, 2022, the Borough approved an extension of the agreement on a month-to-month basis which was in effect until September 30, 2023. The rent in the first year of the term was \$25,000 per month (or \$300,000 annually) which increased 3% annually. The rent paid by the lessee in 2022 was \$360,000. The Borough entered into a new lease agreement with a different lessee for a term of 5 years effective October 1, 2023. The rent will be \$50,000 per month under the new lease agreement.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Note 18: Leases (Cont'd)

The Borough entered into an agreement for the lease of a solar facility to PSE&G on April 9, 2015 for a term of 20 years. The lease payment for operation of the facility amounts to \$0.045 per kilowatt hour of output. The rent in the first year of the term was \$24,394.53. The rent received in 2022 was \$53,509.

The Borough entered into a lease agreement for 3 temporary office trailers. The lease term is for 2 years, with an option to extend for an additional year. The lease payments are due monthly with a monthly lease payment of \$15,000. The Township is required to return the equipment at the end of the lease term.

Note 19: Tax Abatement

As of September 6, 2022, the Borough provides a tax abatement to a nonprofit housing corporation for its senior citizen housing development in the Borough pursuant to the Borough contained in Section 18 of the Limited Dividend Law (N.J.S.A. 55:16-18), Section 30 of the HFA Law (N.J.S.A. 55:14J-30) and a resolution of the Mayor and Borough Council and with the approval of the New Jersey Housing Finance Agency (NJHFA) as provided under Section 30(b) of the NJHFA law. In consideration of the full abatement of taxes, the nonprofit housing corporation is required to pay to the Borough an annual service charge for municipal services in an amount not exceeding the tax on the property on which the abatement is received. The tax abatement per the agreement became effective upon the date that a first mortgage upon the development was first executed and shall continue for a period of not more than thirty years therefrom nor less than the term of the related NJHFA mortgage. The annual service charge made by the nonprofit housing corporation will be in an amount not exceeding 9% of the annual gross revenues of the housing development as detailed in the tax abatement agreement. The housing corporation shall also pay an administrative fee of 1% of the annual service charge to be paid annually for the term of the agreement.

In the event that a breach of the agreement by either the Borough or the nonprofit housing corporation or a dispute arises between the two parties either party may apply to the Superior Court, Chancery Division to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the Limited Dividend Laws and the HFA Law.

The Borough recognized revenue in the amount of \$287,600.00 from this annual service charge or payment in lieu of taxes which is recorded as an anticipated miscellaneous revenue in the Current Fund. The taxes which would have been paid on this property for 2022 without the abatement would have been \$498,383.87 of which \$143,266.82 would have been for the local municipal tax, minimum library tax and municipal open space tax.

SUPPLEMENTARY DATA

BOROUGH OF CALDWELL
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2022

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
John Kelley	Mayor		
Jeffrey Gates	Council President		
Ricardo Alonso	Councilman		
Barbara Buechner	Councilwoman		
Henderson Cole	Councilman		
Frances DePalma-Iozzi	Councilwoman		
Jonathan Lace	Councilman		
Thomas Banker	Administrator	**	**
Chris Battaglia	Chief Financial Officer	**	**
Brittany Heun	Deputy Clerk	**	**
Kim Conlon	Deputy Clerk	**	**
Jonathan A. .Rosenbluth	Municipal Judge	**	**
Francine T. Paserchia	Municipal Clerk	**	**
Brad Taylor	Tax Collector	**	**
Leanne O'Hern	Court Administrator	**	**
Vincent J. Nuzzi	Municipal Attorney (to 2/20/22)		
Brian Block	Municipal Attorney (from 2/21/22 to 4/5/22)		
Mary Kate Serratelli	Municipal Attorney (from 4/5/22)		

** There is Blanket Crime Coverage in the amount of \$1,000,000 with the Garden State Municipal Joint Insurance Fund covering all Borough employees, including statutory positions. The bond coverage was examined and appeared to be properly executed.

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ 1,512,200.22
Increased by Receipts:		
Tax Collector		\$ 31,635,377.60
Revenue Accounts Receivable		2,803,917.00
Miscellaneous Revenue Not Anticipated		291,570.87
Due to/from Federal and State Grant Fund:		
Grants Receivable		1,427,648.98
Unappropriated Grant Reserves		4,890.96
Due from/to State of New Jersey:		
Senior Citizens' and Veterans' Deductions		24,500.00
Marriage Licenses		700.00
DCA Training Fees		11,184.00
Reserve for Hurricane Ida Damage		1,234,305.34
Reserve for FEMA Reimbursements		93,515.93
Appropriation Refunds		214,414.19
Special Emergency Note Payable		612,145.00
Accounts Payable		3,400.37
		38,357,570.24
		39,869,770.46

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH
(Continued)

	<u>Ref.</u>	
Decreased by Disbursements:		
2022 Appropriation Expenditures	\$	11,360,035.74
2021 Appropriation Reserve Expenditures		400,461.59
Regional School District Taxes		16,601,445.00
County Taxes		5,909,628.47
Due from Federal and State Grant Fund:		
Appropriated Reserves Expenditures		1,626,150.88
Due to Other Trust Funds:		
Open Space Tax Levy		104,696.87
Due to State of New Jersey:		
Marriage Licenses		1,675.00
DCA Training Fees		18,858.00
Refund of Prior Year Revenue		47,460.04
Reserve for Tax Appeals		110,311.04
Reserve for Litigation		55,000.00
Special Emergency Note Payable		765,182.00
Tax Overpayment Refunds		1,897.05
		\$ 37,002,801.68
Balance December 31, 2022	A	\$ 2,866,968.78

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2022

Increased by Receipts:

Taxes Receivable	\$ 31,516,831.01	
2023 Prepaid Taxes	75,470.84	
Interest and Costs on Taxes	41,814.30	
Tax Overpayments	<u>1,261.45</u>	
		\$ 31,635,377.60

Decreased by:

Payments to Municipal Treasurer		<u>\$ 31,635,377.60</u>
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SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Balance
	Dec. 31, 2021	2021	2022			Dec. 31, 2022
2021	\$ 353,422.80		\$ 133,788.37		\$ 219,634.43	
2022		\$ 31,649,845.23	\$ 31,383,042.64	\$ 25,500.00	2,324.70	\$ 113,813.96
	\$ 353,422.80	\$ 31,649,845.23	\$ 31,516,831.01	\$ 25,500.00	\$ 221,959.13	\$ 113,813.96
<u>Ref.</u>	A					A

Analysis of 2022 Property Tax Levy

Tax Yield:

General Purpose Tax \$ 31,590,242.11
 Added and Omitted Taxes 59,603.12

\$ 31,649,845.23

Tax Levy:

Regional School District Taxes

16,601,445.00

County Taxes:

General Tax 5,901,368.75

Due County for Added and Omitted Taxes 11,141.47

5,912,510.22

Municipal Open Space Taxes

104,499.64

Additional Open Space - Municipal

197.23

104,696.87

22,618,652.09

Local Tax for Municipal Purposes Levied

8,548,479.49

Municipal Library Taxes

430,118.10

Add: Additional Tax Levied

52,595.55

9,031,193.14

\$ 31,649,845.23

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued In</u> <u>2022</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Licenses:				
Alcoholic Beverages		\$ 8,130.00	\$ 8,130.00	
Other		53,884.00	53,884.00	
Fees and Permits		107,401.10	107,401.10	
Fines and Costs:				
Municipal Court	\$ 8,977.40	139,837.65	137,124.18	\$ 11,690.87
Parking Meters		33,842.96	33,842.96	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland		44,243.97	44,243.97	
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing		287,600.00	287,600.00	
Lease of Municipal Property - Wastewater Treatment Plant		360,000.00	360,000.00	
Cablevision Franchise Fees (N.J.S. 48:5A-30)		116,475.41	116,475.41	
Energy Receipts Tax		686,875.00	686,875.00	
Municipal Relief Fund Aid		35,830.00	35,830.00	
Uniform Construction Code Fees		190,527.00	190,527.00	
Shared Service Agreements:				
Township of West Caldwell - Welfare Services		8,000.00	8,000.00	
Water Utility Operating Surplus of Prior Year		50,000.00	50,000.00	
Uniform Fire Safety Act		49,388.88	49,388.88	
Water Utility Operating Fund - Administration Charges		50,000.00	50,000.00	
Reserve for Open Space Trust to Offset Debt Service		78,000.00	78,000.00	
Reserve for Payment of Debt Service		91,008.00	91,008.00	
American Rescue Plan Act		415,586.50	415,586.50	
	<u>\$ 8,977.40</u>	<u>\$ 2,806,630.47</u>	<u>\$ 2,803,917.00</u>	<u>\$ 11,690.87</u>
<u>Ref.</u>	A			A

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
General Administration:				
Salaries and Wages	\$ 953.43	\$ 1,209.35	\$ 1,209.35	
Other Expenses	20,226.86	5,226.86	1,774.19	\$ 3,452.67
Mayor and Council:				
Salaries and Wages	1,000.00	1,000.00		1,000.00
Other Expenses	3,980.12	3,980.12		3,980.12
Municipal Clerk:				
Salaries and Wages	321.30	443.43	443.43	
Other Expenses	949.00	949.00		949.00
Elections:				
Other Expenses	3,600.00	3,600.00		3,600.00
Financial Administration:				
Salaries and Wages	2,560.00	2,560.00	148.20	2,411.80
Other Expenses	16,187.40	16,187.40	14,893.08	1,294.32
Annual Audit	10,200.00	10,200.00	10,000.00	200.00
Collection of Taxes:				
Salaries and Wages	4,379.77	4,379.77		4,379.77
Other Expenses	8,059.50	8,059.50	6,630.00	1,429.50
Assessment of Taxes:				
Salaries and Wages	0.97	1,103.13	1,103.13	
Other Expenses	23,481.24	23,481.24	2,461.44	21,019.80
Legal Services and Costs:				
Other Expenses	19,348.25	44,348.25	40,802.82	3,545.43
Engineering Services and Costs:				
Other Expenses	20,000.00	10,000.00	6,000.00	4,000.00
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Other Expenses	1,192.48	1,792.48	1,700.00	92.48
Zoning Board of Adjustment:				
Other Expenses	3,353.34	3,853.34	3,800.00	53.34
Rent Review Board:				
Other Expenses	1,500.00	1,500.00		1,500.00
Police:				
Salaries and Wages	5,364.51	5,364.51	3,185.46	2,179.05
Other Expenses	13,273.41	13,273.41	11,699.94	1,573.47
Public Defender:				
Other Expenses	1,950.00	1,950.00		1,950.00
Parking Meter Maintenance:				
Other Expenses	1,000.00	1,000.00		1,000.00
Office of Emergency Management:				
Salaries and Wages	1.00	1.00		1.00
Other Expenses	1,181.86	1,181.86	751.55	430.31
Fire Department:				
Other Expenses	14,537.06	14,537.06	8,787.74	5,749.32
Fire Prevention Bureau:				
Salaries and Wages	3,013.82	3,013.82	1,993.09	1,020.73
Other Expenses	1,542.28	1,542.28	1,142.29	399.99
Municipal Court:				
Salaries and Wages	371.22	3,916.26	3,916.26	
Other Expenses	2,423.78	2,423.78	102.19	2,321.59
Streets and Roads Maintenance:				
Salaries and Wages	5,891.33	5,891.33	3,921.70	1,969.63
Other Expenses	9,578.77	9,578.77	5,745.71	3,833.06
Recycling:				
Other Expenses	3,000.04	3,000.04		3,000.04

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

(Continued)

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Solid Waste Collection:				
Other Expenses	\$ 31,271.08	\$ 31,271.08	\$ 31,271.08	
Building and Grounds:				
Other Expenses	50,162.90	50,162.90	32,076.91	\$ 18,085.99
Shade Tree Division:				
Other Expenses	10,140.00	10,140.00	1,795.00	8,345.00
Vehicle Repair/Maintenance (Including Police):				
Other Expenses	25,771.51	25,771.51	23,216.52	2,554.99
Snow Removal:				
Other Expenses	23,867.96	23,867.96		23,867.96
Community Services Act	24,727.14	24,727.14	24,727.14	
Board of Health:				
Salaries and Wages	1,542.63	1,542.63	1,339.46	203.17
Other Expenses	27,055.12	27,055.12	14,018.75	13,036.37
Environmental Commission:				
Other Expenses	2,142.46	2,142.46	200.00	1,942.46
Animal Control:				
Other Expenses	7,697.00	7,803.00	7,803.00	
Recreation:				
Other Expenses	295.00	295.00		295.00
Senior Citizens' Transportation:				
Salaries and Wages	2,540.45	2,540.45	1,813.03	727.42
Other Expenses	500.00	500.00		500.00
Special Events:				
Other Expenses	209.98	209.98		209.98
Uniform Construction Code:				
Salaries and Wages	1,164.63	4,435.63	4,435.63	
Other Expenses	428.58	428.58	44.69	383.89
Utility Expenses and Bulk Purchases:				
Utilities	18,651.71	38,651.71	35,034.66	3,617.05
Facilities Improvement Program	1,150.00	1,150.00		1,150.00
Insurance:				
Worker's Compensation/General Liability	13,111.61	13,111.61		13,111.61
Group Insurance for Employees	49,023.70	49,023.70	22,702.80	26,320.90
Statutory Expenditures:				
Social Security System (O.A.S.I.)	5,219.61	5,219.61		5,219.61
Unemployment Insurance	40,499.00	8,152.36		8,152.36
Defined Contribution Retirement Program	3,096.76	3,096.76		3,096.76
Length of Service Awards Program	27,600.00	27,600.00	27,600.00	
Municipal Library:				
Other Expenses	23,703.21	23,703.21	23,703.21	
Community Center:				
Other Expenses	13,623.75	16,468.14	16,468.14	
	<u>\$ 609,618.53</u>	<u>\$ 609,618.53</u>	<u>\$ 400,461.59</u>	<u>\$ 209,156.94</u>

Ref.

Analysis of Balance December 31, 2021:

Encumbered	A	\$ 195,165.08
Unencumbered	A	<u>414,453.45</u>
		<u>\$ 609,618.53</u>

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2021	A	\$ -0-
Increased by:		
Levy - School Year 2022		<u>16,601,445.00</u>
		16,601,445.00
Decreased by:		
Payments to Regional School District		<u>16,601,445.00</u>
Balance December 31, 2022	A	<u><u>\$ -0-</u></u>

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2021	2022 Budget Revenue Realized	Cash Received	Balance Dec. 31, 2022
Body Armor Grant:				
2022	\$ 29.92	\$ 1,153.64	\$ 1,153.64	\$ 29.92
Bulletproof Vest Program:				
2013	1,995.10			1,995.10
2014	1,937.20			1,937.20
2015				
2022		2,737.00	2,737.00	
Clean Communities:				
2022		15,267.62	15,267.62	
Recycling Tonnage Grant		7,240.72	7,240.72	680.20
Hurricane Irene Disaster National Emergency Grant	680.20			
Drive Sober or Get Pulled Over:				
Holiday Crackdown - 2013	200.00			200.00
NJ Transportation Trust Fund Authority Act:				
Municipal Aid:				
2013 - Hatfield, Erwin and Elm Streets	57,500.00			57,500.00
2015 - Brookside Avenue	6,967.27			6,967.27
2017 - Wakefield Place and Ward Place	235,000.00			235,000.00
2018 - Various Streets	600,000.00		450,000.00	150,000.00
2021 - Various Streets	580,000.00		435,000.00	145,000.00
2022 - Various Streets		675,000.00	506,250.00	168,750.00
ANJEC Open Space Stewardship Project Grant - 2016	500.00			500.00
Community Stewardship Incentive Grant	3,000.00			3,000.00
Sustainable Jersey Small Grant Program	10,000.00		10,000.00	
Preserve NJ Historic Preservation Grant	15,000.00			15,000.00
Body-Worn Camera Grant Program	44,836.00			44,836.00
	<u>\$ 1,557,645.69</u>	<u>\$ 701,398.98</u>	<u>\$ 1,427,648.98</u>	<u>\$ 831,395.69</u>
<u>Ref.</u>	A	Federal State Local	\$ 2,737.00 1,414,911.98 10,000.00	A
			<u>\$ 1,427,648.98</u>	

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2022

	Balance Dec. 31, 2021	Cash Received	Balance Dec. 31, 2022
Body Armor Grant: 2022		\$ 1,574.34	\$ 1,574.34
Bulletproof Vest Program: 2022		3,316.62	3,316.62
	<u>\$ -0-</u>	<u>\$ 4,890.96</u>	<u>\$ 4,890.96</u>
<u>Ref.</u>	A		A
Federal		3,316.62	
State		1,574.34	
		<u>\$ 4,890.96</u>	

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2021	Encumbrances Payable Returned	Transfer from 2022 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2022
Body Armor Grant:						
2020	\$ 255.13			\$ 255.13		\$ 458.29
2021	1,604.89			1,146.60		1,153.64
2022			\$ 1,153.64			
NJ Transportation Trust Fund Authority Act:						
Municipal Aid:						
2015 - Brookside Avenue	6,967.27					6,967.27
2017 - Wakefield Place and Ward Place		\$ 72,568.46		12,681.36	\$ 59,887.10	
2018 - Various Streets	370,793.17			370,793.17		
2021 - Various Streets		580,000.00		555,000.00	25,000.00	
2022 - Various Streets			675,000.00	675,000.00		
Clean Communities:						
Prior Years	2,065.36			2,065.36		8,726.34
2006	1,998.93			1,998.93		11,349.13
2007	8,972.00			245.66		11,169.10
2011	11,349.13					13,113.43
2012	11,169.10					12,296.49
2013	13,113.43					14,949.38
2014	12,296.49					17,072.03
2015	14,949.38					14,503.76
2016	17,072.03					13,881.78
2017	14,503.76					15,491.28
2018	13,881.78					13,968.79
2019	15,491.28					14,872.45
2020	13,968.79					15,267.62
2021	14,872.45					
2022			15,267.62			
Green Communities:						
Prior Years	3,000.00					3,000.00
2013	1,931.58					1,931.58

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2021	Encumbrances Payable Returned	Transfer from 2022 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2022
Alcohol Education and Rehabilitation Grant:						
2012	\$ 1,790.55					\$ 1,790.55
2013	4,116.43					4,116.43
2014	2,540.45					2,540.45
2015	2,298.39					2,298.39
2016	1,933.81					1,933.81
2017						
2018	146.46					146.46
2019	321.50					321.50
Bulletproof Vest Partnership Grant:						
2016	1,654.67			\$ 1,654.67		
2017	3,540.00			3,540.00		
2018	885.00			885.00		
2019	885.00			885.00		
2022			\$ 2,737.00			2,737.00
Drive Sober or Get Pulled Over:						
Holiday Crackdown - 2013	200.00					200.00
Fire Prevention Grant - 2017	500.00					500.00
Sustainable Jersey Small Grant Program - 2017	8.76					8.76
NJHCN - Caldwell Health Initiative - 2019	1,736.66					1,736.66
Preserve NJ Historic Preservation Grant	15,000.00					15,000.00
U.S. Census Grant	3,000.00					3,000.00
Safety Incentive Grant	3,000.00					3,000.00
County of Essex - CARES Grant (COVID-19)	142,294.70					142,294.70

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2021	Encumbrances Payable Returned	Transfer from 2022 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2022
Municipal Alliance for Alcohol and Drug Abuse:						
Municipal Share:						
2014	\$ 2,750.00					\$ 2,750.00
2019	5,500.00				\$ 5,500.00	
Recycling Tonnage Grant:						
2021	11,905.24					11,905.24
2022	3,422.00	\$ 41,414.00	\$ 7,240.72		41,414.00	7,240.72
Body-Worn Camera Grant Program						
	<u>\$ 759,685.57</u>	<u>\$ 693,982.46</u>	<u>\$ 701,398.98</u>	<u>\$ 1,626,150.88</u>	<u>\$ 131,801.10</u>	<u>\$ 397,115.03</u>
Ref:	A	A			A	A
Federal				\$ 6,964.67		
State				1,619,186.21	\$ 126,301.10	
Local Grants					5,500.00	
				<u>\$ 1,626,150.88</u>	<u>\$ 131,801.10</u>	

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Date Authorized	Purpose	Date of		Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
		Issue	Maturity					
12/15/20	COVID-19	10/12/21	10/12/22	0.41%	\$ 765,182.00	\$ 612,145.00	\$ 765,182.00	\$ 612,145.00
		10/11/22	10/10/23	2.00%				
					<u>\$ 765,182.00</u>	<u>\$ 612,145.00</u>	<u>\$ 765,182.00</u>	<u>\$ 612,145.00</u>
				<u>Ref.</u>	C			A
				Renewed		\$ 612,145.00	\$ 612,145.00	
				Paid by Cash			0.60	
				Paid by Budget Appropriation			153,036.40	
						<u>\$ 612,145.00</u>	<u>\$ 765,181.40</u>	

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
TRUST FUNDS

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2021	\$ 5,964.00	\$ 622,475.72
Increased by Receipts:		
Dog License Fees	\$ 2,489.40	
Late Fees	150.00	
State Registration Fees	387.60	
Reserve for:		
Law Enforcement		\$ 533.02
Open Space:		
Interest Earned		563.26
Open Space Tax Levy		104,696.87
Open Space Receipt		8,700.00
State Unemployment Insurance		6,367.90
Escrow Fees		26,675.00
Tax Sale Premiums		63,600.00
Parking Offense Adjudication Act		1,080.00
Police Outside Duty Traffic Assignment		189,281.49
Recycling		2,713.00
Police Donations		100.00
Storm Recovery		23,867.96
Fire Safety Act Penalty Monies		2,108.00
Food Pantry Donations		24,965.43
Community Center Donation		1,014.70
	3,027.00	456,266.63
	8,991.00	1,078,742.35

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:		
Administrative Expenses	\$ 274.00	
State Board of Health	769.20	
Due to Current Fund:		
Statutory Excess in Reserve for	2,553.80	
Animal Control Fund Expenditures		
Reserve for:		
Law Enforcement		\$ 543.71
Open Space		91,695.42
Redevelopment Escrow		4,231.25
Escrow Fees		4,863.60
Tax Sale Premiums		45,000.00
Recycling Fees		2,548.64
Police Outside Duty Traffic Assignment		185,352.55
Food Pantry Donations		9,129.83
Community Center Donation		1,359.78
	\$ 3,597.00	\$ 344,724.78
Balance December 31, 2022	\$ 5,394.00	\$ 734,017.57

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2022

NOT APPLICABLE

BOROUGH OF CALDWELL
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2021	B	\$ 5,571.60
Increased by:		
Animal Control License Fees:		
Dog Licenses		\$ 2,489.40
Late Fees		150.00
		2,639.40
		8,211.00
Decreased by:		
Animal Control Expenditures (R.S. 4:19-15.11):		
Cash Disbursed		274.00
Statutory Excess Paid to Current Fund		2,553.80
		2,827.80
Balance December 31, 2022	B	\$ 5,383.20

License Fees Collected

<u>Year</u>	<u>Amount</u>
2021	\$ 2,616.60
2020	2,766.60
	5,383.20
Maximum Allowable Reserve	\$ 5,383.20

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 6,813,507.32
Increased by:		
Capital Fund Balance:		
Premium on Serial Bonds Issued		\$ 726,618.39
Serial Bonds Issued		30,350,000.00
Budget Appropriation - Payment of Bond Anticipation Notes		108,750.00
		<u>31,185,368.39</u>
		<u>37,998,875.71</u>
Decreased by:		
Investments - Special Emergency Note Payable		
Sold to Current Fund		612,145.00
Due to Sewer Utility Operating Fund:		
Interfund Advanced		750,000.00
Reserve for Payment of Debt Service:		
Anticipated as Current Year Revenue:		91,008.00
Bond Anticipation Notes Redemption		8,725,000.00
Improvement Authorization Expenditures		7,095,356.53
		<u>17,273,509.53</u>
Balance December 31, 2022	C	<u><u>\$ 20,725,366.18</u></u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Serial Bonds Issued	Paid by Budget Appropriation	Balance Dec. 31, 2022	Analysis of Balance Dec. 31, 2022	
							Expenditures	Unexpended Improvement Authorizations
1353-18	Various Capital Improvements	\$ 2,280,000.00		\$ 2,171,250.00	\$ 108,750.00			
1362-19	Road Improvements to Gould Place, Wakefield Place and Ward Place	190,000.00		190,000.00				
1367-19	Various Capital Improvements	1,187,500.00		1,187,500.00				
1368-19	Planning/Design Borough Hall	71,250.00		71,250.00				
1389-20	Various Capital Improvements	6,445,000.00		6,445,000.00				
1408-21	Acquisition of Police SUVs	285,000.00		285,000.00				
1411-21	Redevelopment Project	17,000,000.00		17,000,000.00				
1417-21	Various Road Improvements	475,000.00				\$ 475,000.00	\$ 474,087.54	\$ 912.46
1419-21	Stormwater System	570,000.00				570,000.00		570,000.00
1422-21	Redevelopment Project	6,500,000.00		3,000,000.00		3,500,000.00		3,500,000.00
1429-22	Various Capital Improvements		\$ 1,948,500.00			1,948,500.00		1,948,500.00
		<u>\$ 35,003,750.00</u>	<u>\$ 1,948,500.00</u>	<u>\$ 30,350,000.00</u>	<u>\$ 108,750.00</u>	<u>\$ 6,493,500.00</u>	<u>\$ 474,087.54</u>	<u>\$ 6,019,412.46</u>

Ref. C C

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations		Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund		Other Financing Sources	Funded
1295-14	Various Capital Improvements	06/17/14	\$ 1,539,900.00	\$ 87,926.49		\$		\$ 49,530.00	\$ 87,926.49	
1309-15	Various Road Improvements	07/07/15	950,000.00	70,931.14				497,933.27	21,401.14	
1353-18	Various Capital Improvements	07/17/18	2,400,000.00	\$ 1,272,650.37				55,105.25	774,717.10	
1367-19	Various Capital Improvements	08/06/19	1,250,000.00	459,501.99					404,396.74	
1368-19	Planning and Design for Borough Hall	08/06/19	75,000.00	67,285.00				1,324,036.83	67,285.00	
1389-20	Various Capital Improvements	06/02/20	6,640,000.00	5,487,484.01				131,471.16	4,163,447.18	
1408-21	Acquisition of Police SUVs	04/20/21	300,000.00	161,128.83				4,658,925.92	29,657.67	
1411-21	Redevelopment Project	06/22/21	17,000,000.00	16,882,937.59				183,612.48	12,224,011.67	\$ 912.46
1417-21	Various Road Improvements	09/28/21	500,000.00	184,524.94					30,000.00	570,000.00
1419-21	Stormwater System	10/12/21	600,000.00	570,000.00					3,000,000.00	3,500,000.00
1422-21	Redevelopment Project	12/14/21	6,500,000.00	6,500,000.00				194,741.62	854,758.38	1,948,500.00
1429-22	Various Capital Improvements	07/19/22	2,998,000.00				\$ 1,948,500.00		\$ 1,040,000.00	
				\$ 188,857.63	\$ 31,585,512.73		\$ 1,948,500.00	\$ 7,095,356.53	\$ 21,657,601.37	\$ 6,019,412.46
				C	C				C	C

Ref. N.J. Department of Transportation Grant Receivable \$ 1,040,000.00
\$ 1,040,000.00

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2021	C	\$ 611,403.26
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>9,500.00</u>
Balance December 31, 2022	C	<u><u>\$ 601,903.26</u></u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
			Outstanding Dec. 31, 2022	Amount	Date					
2011 General Improvement Bonds	07/27/11	\$ 3,519,000.00	\$ 300,000.00	07/15/23	3.25%	\$ 1,459,000.00	\$ 1,184,000.00			
			285,000.00	07/15/24	3.40%					
			300,000.00	07/15/25	3.50%					
			299,000.00	07/15/26	3.65%					
2015 Refunding Bonds	09/23/15	3,300,000.00	340,000.00	07/01/23	4.00%	1,075,000.00	730,000.00	345,000.00		
			390,000.00	07/01/24	4.00%					
2019 General Improvement Bonds	08/27/19	3,291,000.00	335,000.00	09/01/23	4.00%					
			335,000.00	09/01/24	4.00%					
			375,000.00	09/01/25	4.00%					
			375,000.00	09/01/26	4.00%					
			375,000.00	09/01/27	4.00%					
			375,000.00	09/01/28	2.00%					
			375,000.00	09/01/29	2.00%					
			305,000.00	01/15/23	4.000%					
			305,000.00	01/15/24	4.000%					
2022 General Improvement Bonds	01/18/22	10,350,000.00	610,000.00	01/15/25	4.000%		\$10,350,000.00			
			610,000.00	01/15/26	4.000%					
			610,000.00	01/15/27	4.000%					
			610,000.00	01/15/28	4.000%					
			610,000.00	01/15/29	4.000%					
			610,000.00	01/15/30	3.000%					
			610,000.00	01/15/31	3.000%					
			610,000.00	01/15/32	3.000%					
			610,000.00	01/15/33	3.000%					
			610,000.00	01/15/34	3.000%					
			610,000.00	01/15/35	2.125%					
			610,000.00	01/15/36	2.125%					
			610,000.00	01/15/37	2.250%					
		610,000.00	01/15/38	2.250%						
		600,000.00	01/15/39	2.375%						
		600,000.00	01/15/40	2.375%						

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2021	Issued	Matured	Balance Dec. 31, 2022
			Outstanding Dec. 31, 2022	Amount					
2022 Redevelopment Bonds	01/18/22	\$20,000,000.00	01/15/23	\$ 175,000.00	4.000%				
			01/15/24	175,000.00	4.000%				
			01/15/25	275,000.00	4.000%				
			01/15/26	300,000.00	4.000%				
			01/15/27	725,000.00	4.000%				
			01/15/28	750,000.00	4.000%				
			01/15/29	750,000.00	4.000%				
			01/15/30	750,000.00	3.000%				
			01/15/31	750,000.00	3.000%				
			01/15/32	750,000.00	3.000%				
			01/15/33	750,000.00	3.000%				
			01/15/34	750,000.00	3.000%				
			01/15/35	750,000.00	2.125%				
			01/15/36	750,000.00	2.125%				
			01/15/37	725,000.00	2.250%				
			01/15/38	725,000.00	2.250%				
			01/15/39	725,000.00	2.375%				
			01/15/40	725,000.00	2.375%				
			01/15/41	725,000.00	2.500%				
			01/15/42	725,000.00	2.500%				
			01/15/43	725,000.00	2.500%				
			01/15/44	725,000.00	2.500%				
			01/15/45	725,000.00	2.500%				
			01/15/46	725,000.00	2.500%				
			01/15/47	725,000.00	2.625%				
			01/15/48	725,000.00	2.625%				
			01/15/49	725,000.00	2.625%				
			01/15/50	725,000.00	2.625%				
			01/15/51	725,000.00	2.625%				
			01/15/52	725,000.00	2.625%				
						\$ 5,399,000.00			
						\$20,000,000.00			20,000,000.00
						\$30,350,000.00	\$ 940,000.00		\$34,809,000.00
									C
									C

Ref.

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Funded by Budget Appropriation	Serial Bonds Issued	Bond Anticipation Notes Matured	Balance Dec. 31, 2022
1353-18	Various Capital Improvements			\$ 108,750.00	\$ 2,171,250.00	\$ 2,280,000.00	
1362-19	Road Improvements to Gould Place, Wakefield Place and Ward Place	\$ 190,000.00			190,000.00		
1367-19	Various Capital Improvements	1,187,500.00			1,187,500.00		
1368-19	Planning/Design Borough Hall	71,250.00			71,250.00		
1389-20	Various Capital Improvements				6,445,000.00	6,445,000.00	
1408-21	Acquisition of Police SUVs	285,000.00			285,000.00		
1411-21	Redevelopment Project	17,000,000.00			17,000,000.00		
1417-21	Various Road Improvements	475,000.00					\$ 475,000.00
1419-21	Stormwater System	570,000.00					570,000.00
1422-21	Redevelopment Project	6,500,000.00			3,000,000.00		3,500,000.00
1429-22	Various Capital Improvements		\$ 1,948,500.00				1,948,500.00
		<u>\$ 26,278,750.00</u>	<u>\$ 1,948,500.00</u>	<u>\$ 108,750.00</u>	<u>\$ 30,350,000.00</u>	<u>\$ 8,725,000.00</u>	<u>\$ 6,493,500.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2021	D	\$ 752,720.36	\$ 2,629,055.09
Increased by Receipts:			
Water Utility Collector		2,108,477.98	
Interest on Investments		18,137.97	
Serial Bonds Proceeds			6,089,000.00
Capital Fund Balance:			
Premiums on Sale of Bonds			145,778.56
		<u>2,126,615.95</u>	<u>6,234,778.56</u>
		2,879,336.31	8,863,833.65
Decreased by Disbursements:			
2022 Appropriation Expenditures		1,522,858.90	
2021 Appropriation Reserve Expenditures		241,399.99	
Bond Anticipation Notes Matured			6,089,800.00
Accrued Interest on Bonds		166,700.42	
Accrued Interest on Notes		42,905.75	
Fund Balance Anticipated in Current Fund		50,000.00	
Improvement Authorizations			157,438.77
		<u>2,023,865.06</u>	<u>6,247,238.77</u>
Balance December 31, 2022	D	<u>\$ 855,471.25</u>	<u>\$ 2,616,594.88</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2022

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents	\$ 2,068,182.74
Miscellaneous Revenue	38,679.85
	<u>2,106,862.59</u>

Water Rent Overpayments	<u>1,615.39</u>
-------------------------	-----------------

\$ 2,108,477.98

Decreased by:

Paid to Treasurer

\$ 2,108,477.98

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2021	Receipts		Disbursements			Transfers		Balance Dec. 31, 2022
		Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	From	To		
Capital Fund Balance	\$ 419,756.58		\$ 145,778.56						\$ 565,535.14
Capital Improvement Fund	184,250.00								184,250.00
Reserve to Pay Debt Service	10,458.09					\$ 800.00			9,658.09
Ord. No.	<u>Improvement Description</u>								
1296-14;									
1299-14	9,328.06			\$ 3,720.00					5,608.06
1323-16	21,644.94								21,644.94
1326-17	32,949.16	\$ 2,024,000.00		153,718.77	\$ 2,024,800.00		\$ 800.00		32,949.16
1387-20	450,668.26	2,565,000.00			2,565,000.00				296,949.49
1409-21	1,500,000.00	1,500,000.00			1,500,000.00				1,500,000.00
	<u>\$ 2,629,055.09</u>	<u>\$ 6,089,000.00</u>	<u>\$ 145,778.56</u>	<u>\$ 157,438.77</u>	<u>\$ 6,089,800.00</u>	<u>\$ 800.00</u>	<u>\$ 800.00</u>	<u>\$ 800.00</u>	<u>\$ 2,616,594.88</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 43,284.02
Increased by:		
Billings		<u>2,071,887.69</u>
		2,115,171.71
Decreased by:		
Prior Year Overpayments Applied		\$ 1,394.74
Collections		<u>2,068,182.74</u>
		<u>2,069,577.48</u>
Balance December 31, 2022	D	<u><u>\$ 45,594.23</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2021	D	<u>\$ 4,959,009.03</u>
Balance December 31, 2022	D	<u><u>\$ 4,959,009.03</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2021	Dec. 31, 2022
1296-14;	Water Main Improvements	07/01/14	\$ 290,000.00		
1299-14		11/06/14	310,000.00	\$ 600,000.00	\$ 600,000.00
1323-16	Water Main Extension	12/06/16	125,000.00	125,000.00	125,000.00
1326-17	Water System Improvements	02/07/17	3,024,800.00	3,024,800.00	3,024,800.00
1387-20	Water System Improvements	04/21/20	2,700,000.00	2,700,000.00	2,700,000.00
1409-21	Water System Improvements	04/20/21	1,500,000.00	<u>1,500,000.00</u>	<u>1,500,000.00</u>
				<u>\$ 7,949,800.00</u>	<u>\$ 7,949,800.00</u>
			<u>Ref.</u>	D	D

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 2,272.93	\$ 2,437.96	\$ 2,437.96	
Other Expenses	251,810.17	251,645.14	238,962.03	\$ 12,683.11
Statutory Expenditures:				
Contribution to:				
Defined Contribution Retirement Plan	<u>400.00</u>	<u>400.00</u>		<u>400.00</u>
	<u>\$ 254,483.10</u>	<u>\$ 254,483.10</u>	<u>\$ 241,399.99</u>	<u>\$ 13,083.11</u>
<u>Analysis of Balance December 31, 2021:</u>				
	<u>Ref.</u>			
Appropriation Reserves:				
Unencumbered	D \$ 247,965.80			
Encumbered	D <u>6,517.30</u>			
	<u>\$ 254,483.10</u>			

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2021		Paid or Charged	Balance Dec. 31, 2022 Funded
				Funded	Unfunded		
1296-14; 1299-14	Water Main Improvements	07/01/14 11/06/14	\$ 290,000.00 310,000.00	\$ 9,328.06		\$ 3,720.00	\$ 5,608.06
1323-16	Water Main Extension	12/06/16	125,000.00	21,644.94			21,644.94
1326-17	Water System Improvements	02/07/17	3,024,800.00		\$ 32,949.16		32,949.16
1387-20	Water System Improvements	04/21/20	2,700,000.00		450,668.26	153,718.77	296,949.49
1409-21	Water System Improvements	04/20/21	1,500,000.00		1,500,000.00		1,500,000.00
				\$ 30,973.00	\$ 1,983,617.42	\$ 157,438.77	\$ 1,857,151.65

Ref. D D D

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 184,250.00
Balance December 31, 2022	D	<u>\$ 184,250.00</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 3,809,009.03
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		<u>275,000.00</u>
Balance December 31, 2022	D	<u>\$ 4,084,009.03</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2021	D	\$ 260,000.00
Increased by:		
Paid by Reserve to Pay Debt Service		<u>800.00</u>
Balance December 31, 2022	D	<u><u>\$ 260,800.00</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Improvement Description	Ordinance No.	Amount of Original Note	Date of		Maturity	Interest Rate	Balance Dec. 31, 2021	Matured
			Issue	Original Note				
1326-17	Water System Improvements	\$ 2,024,800.00	04/04/19	04/01/21	04/01/22	1.50%	\$ 2,024,800.00	\$ 2,024,800.00
1387-20	Water System Improvements	2,565,000.00	09/03/21	09/03/21	02/01/22	0.75%	2,565,000.00	2,565,000.00
1409-21	Water System Improvements	1,500,000.00	09/03/21	09/03/21	02/01/22	0.75%	1,500,000.00	1,500,000.00
							<u>\$ 6,089,800.00</u>	<u>\$ 6,089,800.00</u>
						<u>Ref.</u>	<u>D</u>	
						Serial Bonds Issued		\$ 6,089,000.00
						Reserve to Pay Debt Service		800.00
								<u>\$ 6,089,800.00</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds					Matured	Balance Dec. 31, 2022
			Outstanding						
			Date	Amount	Int. Rate	Balance Dec. 31, 2021	Issued		
Water Utility Bonds	08/27/19	\$3,130,000.00	09/01/23	\$ 275,000.00	4.00%				
			09/01/24	275,000.00	4.00%				
			09/01/25	275,000.00	4.00%				
			09/01/26	275,000.00	4.00%				
			09/01/27	275,000.00	4.00%				
			09/01/28	275,000.00	2.00%				
			09/01/29	275,000.00	2.00%				
			09/01/30	275,000.00	2.00%				
			09/01/31	275,000.00	2.00%	\$ 2,750,000.00	\$ 275,000.00	\$ 2,475,000.00	
2022 Water Utility Bonds	1/18/2022	6,089,000.00	01/15/23	114,000.00	4.000%				
			01/15/24	115,000.00	4.000%				
			01/15/25	135,000.00	4.000%				
			01/15/26	150,000.00	4.000%				
			01/15/27	165,000.00	4.000%				
			01/15/28	180,000.00	4.000%				
			01/15/29	190,000.00	4.000%				
			01/15/30	205,000.00	3.000%				
			01/15/31	215,000.00	3.000%				
			01/15/32	220,000.00	3.000%				
			01/15/33	220,000.00	3.000%				
			01/15/34	220,000.00	3.000%				
			01/15/35	220,000.00	2.125%				
			01/15/36	220,000.00	2.125%				
			01/15/37	220,000.00	2.250%				
			01/15/38	220,000.00	2.250%				
			01/15/39	220,000.00	2.375%				
			01/15/40	220,000.00	3.375%				
			01/15/41	220,000.00	2.500%				
			01/15/42	220,000.00	2.500%				
			01/15/43	220,000.00	2.500%				

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Matured	Balance Dec. 31, 2022	
			Date	Amount	Int. Rate			
2022 General Obligation Bonds	1/18/2022	\$6,089,000.00	01/15/44	\$ 220,000.00	2.500%			
			01/15/45	220,000.00	2.500%			
			01/15/46	220,000.00	2.500%			
			01/15/47	220,000.00	2.625%			
			01/15/48	220,000.00	2.625%			
			01/15/49	220,000.00	2.625%			
			01/15/50	220,000.00	2.625%			
			01/15/51	220,000.00	2.625%			
			01/15/52	220,000.00	2.625%			
						\$ 6,089,000.00	\$ 6,089,000.00	
							\$ 2,750,000.00	\$ 2,750,000.00
							\$ 6,089,000.00	\$ 8,564,000.00

Ref

D

D

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2021	Bond Anticipation Notes Matured	Serial Bonds Issued	Funded by Reserve to Pay Debt Service	Balance Dec. 31, 2022
1326-17	Water System Improvements		\$ 2,024,800.00	\$ 2,024,000.00	\$ 800.00	
1387-20	Water System Improvements		2,565,000.00	2,565,000.00		
1409-21	Water System Improvements		1,500,000.00	1,500,000.00		
		\$ -0-	\$ 6,089,800.00	\$ 6,089,000.00	\$ 800.00	\$ -0-

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2021	E	\$ 258,385.69	\$ 2,557,802.22
Increased by Receipts:			
Sewer Collector		\$ 4,191,955.97	
Interest Income		11,763.81	
Appropriation Refunds		105,290.40	
Due to General Capital Fund - Interfund Advanced		750,000.00	
Serial Bonds Issued		\$ 3,629,000.00	
Capital Fund Balance:			
Premium on Sale of Bonds		86,882.97	3,715,882.97
		<u>5,059,010.18</u>	<u>3,715,882.97</u>
		5,317,395.87	6,273,685.19
Decreased by Disbursements:			
2022 Appropriation Expenditures		4,639,241.31	
2021 Appropriation Reserve Expenditures		432,546.32	
Accrued Interest on Bonds		47,018.13	
Accrued Interest on Loans		146,150.00	
Accrued Interest on Notes		29,483.33	
Bond Anticipation Notes Matured			3,475,000.00
Improvement Authorizations			379,798.70
		<u>5,294,439.09</u>	<u>3,854,798.70</u>
Balance December 31, 2022	E	\$ 22,956.78	\$ 2,418,886.49

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2022

Increased by Receipts:

Sewer Connection Fees	\$ 72,202.00	
Sewer Application Fees	3,000.00	
Consumer Accounts Receivable:		
Sewer Rents/Additional Sewer Rents	4,115,707.40	
Prepaid Sewer Rents	<u>1,046.57</u>	
		\$ 4,191,955.97

Decreased by:

Paid to Treasurer		<u>\$ 4,191,955.97</u>
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BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2021		Receipts			Disbursements			Balance/ (Deficit) Dec. 31, 2022	
				Serial Bonds	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes				
	Capital Fund Balance	\$	26,468.80		\$	86,882.97				\$	113,351.77
	Capital Improvement Fund		433,215.54								433,215.54
1175-06	Sewer Utility Improvements		60,725.39	\$	16,000.00			\$	77,445.39		(720.00)
1177-07	Wastewater Treatment Plant Upgrades		(138,498.86)		138,000.00						(498.86)
1298-14	Passaic Avenue Sewer Overflow		1,027.25								1,027.25
1315-15	Final Settling Tank Sludge Collection System Upgrades		120,366.34								120,366.34
1357-18	Improvements to the Passaic Ave Sewer Interceptor and System		267,906.19		575,000.00				\$	575,000.00	267,906.19
1369-19	Wastewater Treatment Plant Upgrades and Sewer Main Reconstruction		266,301.00		1,000,000.00			47,521.75		1,000,000.00	218,779.25
1388-20	Various Sewer Improvements		1,520,290.57		1,900,000.00			254,831.56		1,900,000.00	1,265,459.01
			<u>\$ 2,557,802.22</u>		<u>\$ 3,629,000.00</u>		<u>\$ 86,882.97</u>	<u>\$ 379,798.70</u>		<u>\$ 3,475,000.00</u>	<u>\$ 2,418,886.49</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 1,170,742.68
Increased by:		
Billings		<u>5,489,492.40</u>
		6,660,235.08
Decreased by:		
Prepaid Rents Applied	\$	1,060.42
Collected in Sewer Utility Operating Fund		<u>4,115,707.40</u>
		<u>4,116,767.82</u>
Balance December 31, 2022	E	<u><u>\$ 2,543,467.26</u></u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 45,316,118.83
Increased by:		
Additions by Ordinance		<u>480,300.00</u>
Balance December 31, 2022	E	<u>\$ 45,796,418.83</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2021	Costs to Fixed Capital	Balance Dec. 31, 2022
		Date	Amount			
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 480,300.00	\$ 480,300.00	
1298-14	Passaic Avenue Sewer Overflow	08/05/14	32,000.00	32,000.00		\$ 32,000.00
1315-15	Final Settling Tank Sludge Collection System Upgrades	11/05/15	600,000.00	600,000.00		600,000.00
1357-18	Improvements to the Passaic Ave Sewer Interceptor and System	11/06/18	575,000.00	575,000.00		575,000.00
1369-19	Wastewater Treatment Plant Upgrades and Sewer Main Reconstruction	09/17/19	1,000,000.00	1,000,000.00		1,000,000.00
1388-20	Various Sewer Improvements	04/21/20	2,000,000.00	2,000,000.00		2,000,000.00
				<u>\$ 4,687,300.00</u>	<u>\$ 480,300.00</u>	<u>\$ 4,207,000.00</u>
			<u>Ref.</u>	<u>E</u>		<u>E</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 2,619.31	\$ 2,619.31	\$ 1,373.35	\$ 1,245.96
Other Expenses	<u>552,200.79</u>	<u>552,200.79</u>	<u>431,172.97</u>	<u>121,027.82</u>
	<u>\$ 554,820.10</u>	<u>\$ 554,820.10</u>	<u>\$ 432,546.32</u>	<u>\$ 122,273.78</u>

Ref.

Analysis of Balance December 31, 2021:

Appropriation Reserves:

Unencumbered	E	\$ 57,260.08
Encumbered	E	<u>497,560.02</u>
		<u>\$ 554,820.10</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2021		Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded		Funded	Unfunded
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 60,725.39	\$ 16,720.00	\$ 77,445.39		
1298-14	Passaic Avenue Sewer Overflow	08/05/14	32,000.00	1,027.25			\$ 1,027.25	
1315-15	Final Settling Tank Sludge Collection System Upgrades	11/05/15	600,000.00	120,366.34			120,366.34	
1357-18	Improvements to the Passaic Ave Sewer Interceptor and System	11/06/18	575,000.00		267,906.19		267,906.19	
1369-19	Wastewater Treatment Plant Upgrades and Sewer Main Reconstruction	09/17/19	1,000,000.00		266,301.00	47,521.75	218,779.25	
1388-20	Various Sewer Improvements	04/21/20	2,000,000.00		1,520,290.57	254,831.56	1,265,459.01	
				<u>\$ 182,118.98</u>	<u>\$ 2,071,217.76</u>	<u>\$ 379,798.70</u>	<u>\$ 1,873,538.04</u>	<u>\$ -0-</u>

Ref. E E E E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 433,215.54
Balance December 31, 2022	E	<u><u>\$ 433,215.54</u></u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 40,301,915.24
Increased by:		
Paid by Sewer Utility Operating Budget:		
New Jersey Environmental Infrastructure Trust Loans		<u>855,784.39</u>
Balance December 31, 2022	E	<u>\$ 41,157,699.63</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ord. No.	Improvement Description	Ord. Date	Balance Dec. 31, 2021	Balance Dec. 31, 2022
1298-14	Passaic Avenue Sewer Overflow	08/05/14	\$ 32,000.00	\$ 32,000.00
1315-15	Final Settling Tank Sludge Collection System Upgrades	11/05/15	600,000.00	600,000.00
1388-20	Various Sewer Improvements	04/21/20	100,000.00	100,000.00
		<u>Ref.</u>	<u>\$ 732,000.00</u>	<u>\$ 732,000.00</u>
		E	E	E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Original Note	Issue of Original Note	Date of		Interest Rate	Balance Dec. 31, 2021	Matured	Balance Dec. 31, 2022
				Issue	Maturity				
1357-18	Improvements to the Passaic Avenue Sewer Interceptor and System	\$ 575,000.00	04/04/19	04/01/21	04/01/22	1.50%	\$ 575,000.00	\$ 575,000.00	
1369-19	Wastewater Treatment Plant Upgrades and Sewer Main Reconstruction	1,000,000.00	04/01/21	04/01/21	04/01/22	1.50%	1,000,000.00	1,000,000.00	
1388-20	Various Sewer Improvements	1,900,000.00	09/03/21	09/03/21	02/01/22	0.75%	1,900,000.00	1,900,000.00	
							<u>\$ 3,475,000.00</u>	<u>\$ 3,475,000.00</u>	<u>\$ -0-</u>
						<u>Ref.</u>	<u>E</u>	<u>E</u>	
					Serial Bonds Issued			<u>\$ 3,475,000.00</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Issued	Balance Dec. 31, 2022
			Date	Amount			
2022 Sewer Utility Bonds	01/18/22	\$ 3,629,000.00	01/15/23	\$ 69,000.00	4.000%		
			01/15/24	75,000.00	4.000%		
			01/15/25	75,000.00	4.000%		
			01/15/26	80,000.00	4.000%		
			01/15/27	80,000.00	4.000%		
			01/15/28	130,000.00	4.000%		
			01/15/29	130,000.00	4.000%		
			01/15/30	130,000.00	3.000%		
			01/15/31	130,000.00	3.000%		
			01/15/32	130,000.00	3.000%		
			01/15/33	130,000.00	3.000%		
			01/15/34	130,000.00	3.000%		
			01/15/35	130,000.00	2.125%		
			01/15/36	130,000.00	2.125%		
			01/15/37	130,000.00	2.250%		
			01/15/38	130,000.00	2.250%		
			01/15/39	130,000.00	2.375%		
			01/15/40	130,000.00	2.375%		
			01/15/41	130,000.00	2.500%		
			01/15/42	130,000.00	2.500%		
			01/15/43	130,000.00	2.500%		
			01/15/44	130,000.00	2.500%		
			01/15/45	130,000.00	2.500%		
			01/15/46	130,000.00	2.500%		
			01/15/47	130,000.00	2.625%		
			01/15/48	130,000.00	2.625%		
			01/15/49	130,000.00	2.625%		
			01/15/50	130,000.00	2.625%		
			01/15/51	130,000.00	2.625%		
			01/15/52	130,000.00	2.625%		
						<u>\$ 3,629,000.00</u>	<u>\$ 3,629,000.00</u>
						<u>\$ 3,629,000.00</u>	<u>\$ 3,629,000.00</u>

Ref.

E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2021	E	\$ 5,339,284.73
Decreased by:		
Principal Matured:		
Paid by Sewer Utility Operating Budget		<u>855,784.39</u>
Balance December 31, 2022	E	<u>\$ 4,483,500.34</u>

Schedule of Principal and Interest Payments Outstanding December 31, 2022
Trust Loan - 2007 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 2,328,000.00
30	02/01/23		\$ 58,200.00	2,328,000.00
31	08/01/23	\$ 419,000.00	58,200.00	1,909,000.00
32	02/01/24		47,725.00	1,909,000.00
33	08/01/24	444,000.00	47,725.00	1,465,000.00
34	02/01/25		36,625.00	1,465,000.00
35	08/01/25	464,000.00	36,625.00	1,001,000.00
36	02/01/26		25,025.00	1,001,000.00
37	08/01/26	488,000.00	25,025.00	513,000.00
38	02/01/27		12,825.00	513,000.00
39	08/01/27	513,000.00	12,825.00	-0-
		<u>\$ 2,328,000.00</u>	<u>\$ 360,800.00</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal Payments Outstanding December 31, 2022
Fund Loan - 2007 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 1,949,073.10
30	02/01/23	\$ 37,750.96	1,911,322.14
31	08/01/23	350,341.12	1,560,981.02
32	02/01/24	31,108.41	1,529,872.61
33	08/01/24	359,979.31	1,169,893.30
34	02/01/25	23,708.82	1,146,184.48
35	08/01/25	365,604.31	780,580.17
36	02/01/26	16,016.17	764,564.00
37	08/01/26	374,192.40	390,371.60
38	02/01/27	7,957.21	382,414.39
39	08/01/27	382,414.39	-0-
		<u>\$ 1,949,073.10</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal Payments Outstanding December 31, 2022
Fund Loan - 2013 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
			\$ 16,427.24
20	02/01/23	\$ 9,579.54	6,847.70
21	08/01/23	6,847.70	-0-
		<u>\$ 16,427.24</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2022
Trust Loan - 2015 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
				\$ 190,000.00
14	02/01/23		\$ 3,950.00	190,000.00
15	08/01/23	\$ 35,000.00	3,950.00	155,000.00
16	02/01/24		3,075.00	155,000.00
17	08/01/24	35,000.00	3,075.00	120,000.00
18	02/01/25		2,200.00	120,000.00
19	08/01/25	40,000.00	2,200.00	80,000.00
20	02/01/26		1,200.00	80,000.00
21	08/01/26	40,000.00	1,200.00	40,000.00
22	02/01/27		600.00	40,000.00
23	08/01/27	40,000.00	600.00	-0-
		<u>\$ 190,000.00</u>	<u>\$ 22,050.00</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2021	Bonds Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2022
1175-06	Sewer Utility Improvements	\$ 16,720.00	\$ 16,000.00		\$ 720.00
1177-07	Wastewater Treatment Plant Upgrades	138,498.86	138,000.00		498.86
1357-18	Improvements to the Passaic Ave Sewer Intercepter and System		575,000.00	\$ 575,000.00	
1369-19	Wastewater Treatment Plant Upgrades and Sewer Main Reconstruction		1,000,000.00	1,000,000.00	
1388-20	Various Sewer Improvements		1,900,000.00	1,900,000.00	
		<u>\$ 155,218.86</u>	<u>\$ 3,629,000.00</u>	<u>\$ 3,475,000.00</u>	<u>\$ 1,218.86</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2022
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. I</u>	<u>Total</u>
Balance December 31, 2021	F	\$ 53,013.41	\$ 53,013.41
Increased by Receipts:			
Donations		9,180.00	9,180.00
Interest Earned		190.09	190.09
		<u>62,383.50</u>	<u>62,383.50</u>
Decreased by Disbursements:			
Ineligible Assistance		<u>9,392.30</u>	<u>9,392.30</u>
Balance December 31, 2022	F	<u>\$ 52,991.20</u>	<u>\$ 52,991.20</u>

BOROUGH OF CALDWELL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2022

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2022

Federal Department	Federal Program	Assistance Listing #	State Account/Project Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO	
					From	To			Cumulative Total Expenditures	Amount Provided to Subrecipients
U.S. Department of Homeland Security: (Passed through N.J. Department of Law and Public Safety)	Disaster Grants - Public Assistance - FEMA: Tropical Storm Isaias	97.036	066-1200-100- C73-069820	\$ 111,753.69	08/04/20	08/04/20	\$ 17,950.15	\$ 17,950.15	* \$ 111,753.69	
	Disaster Grants - Public Assistance - FEMA: Hurricane Ida	97.036	066-1200-100- C84-069910	93,515.93	08/26/21	09/04/21	93,515.93	93,515.93	* 93,515.93	
	Disaster Grants - Public Assistance - FEMA: Covid-19	97.036	066-1200-100- C50-063710	15,115.55	03/03/20	12/31/22	15,115.55	15,115.55	* 15,115.55	
Total U.S. Department of Homeland Security							126,581.63	126,581.63	220,385.17	
U.S. Department of Justice	Bulletproof Vest Partnership	16.607	N/A	1,654.67	01/01/16	12/31/22		1,654.67	1,654.67	
		16.607	N/A	3,540.00	01/01/17	12/31/22		3,540.00	3,540.00	
		16.607	N/A	885.00	01/01/18	12/31/22		885.00	885.00	
		16.607	N/A	885.00	01/01/19	12/31/22		885.00	885.00	
		16.607	N/A	2,737.00	01/01/22	12/31/23	2,737.00			
		16.607	N/A	3,316.62	01/01/23	12/31/23	3,316.62			
							6,033.62	6,964.67	6,964.67	
U.S. Department of Treasury: (Passed through N.J. Department of Community Affairs)	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8030- 687-046010	831,172.99	03/03/21	12/31/24	415,586.50	415,586.50	831,172.99	
Total U.S. Department of Treasury							415,586.50	415,586.50	831,172.99	
TOTAL FEDERAL AWARDS							\$ 548,221.75	\$ 549,132.80	\$ 1,058,522.83	\$ -0-

* - Expended in Prior Year

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2022

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
Department of Environmental Protection	Clean Communities Grant	765-042-4900-004-178900	\$ 12,225.00	01/01/05	12/31/22		\$ 2,065.36	\$ 12,225.00
			7,335.00	01/01/06	12/31/22		1,998.93	7,335.00
			8,972.00	01/01/07	12/31/23		245.66	245.66
			\$ 15,267.62	01/01/22	12/31/23	\$ 15,267.62		\$ 19,805.66
	Recycling Tonnage Grant	752-042-4900-004-178840	7,240.72	01/01/22	12/31/23	7,240.72		
						7,240.72		
						22,508.34	4,309.95	19,805.66
Total Department of Environmental Protection								
Department of Law and Public Safety	Body Armor Replacement Fund	066-1020-718-001-090160	3,318.16	01/01/20	12/31/22		255.13	3,318.16
			1,604.89	01/01/21	12/31/22		1,146.60	1,146.60
			1,153.64	01/01/22	12/31/22	1,153.64		
			1,574.34	01/01/23	12/31/23	1,574.34		4,464.76
						1,153.64	1,401.73	
						1,153.64	1,401.73	4,464.76
Total Department of Law and Public Safety								
Department of Transportation	Municipal Aid: 2017 - Wakefield Place and Ward Place 2018 - Central, Francis and Kirkwood Places 2019 - Crane and Harrison Streets and Hillside Avenue 2020 - Birkendene Road, Leaycraft Lane, Lockward Road and Thomas Street	480-078-6320-AM2-601000	235,000.00	1/1/2017	12/31/23		12,681.36	175,112.90
		480-078-6320-AM2-605178	600,000.00	05/11/18	12/31/22	450,000.00	370,793.17	600,000.00
		480-078-6320-ANP-605179	675,000.00	01/01/22	12/31/22	506,250.00	675,000.00	675,000.00
		480-078-6320-AN8-606280	580,000.00	01/01/21	12/31/23	435,000.00	555,000.00	555,000.00
					1,391,250.00	1,613,474.53	2,005,112.90	
Total Department of Transportation								
TOTAL STATE AWARDS			\$ 1,414,911.98			\$ 1,619,186.21	\$ 2,029,383.32	

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF CALDWELL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2022

A. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) includes the federal and state grant activity of the Borough of Caldwell under programs of the federal and state governments for the year ended December 31, 2022. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. STATE LOANS OUTSTANDING

The Borough of Caldwell has the following loans outstanding as of December 31, 2022:

Sewer Utility Capital Fund:

New Jersey Environmental Infrastructure Trust Loans	<u>\$ 4,483,500.34</u>
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Currently, the Borough is in the process of repaying the loan balances on the 2007, 2013 and 2015 loans. At December 31, 2022, the Borough has received and expended \$15,701,968.00 of the \$15,956,500.00 loan funds. Loan funds are for the upgrades to the wastewater treatment system. There were no current year receipts or expenditures on the loans.

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*

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Caldwell, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), 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 various funds of the Borough of Caldwell, in the County of Essex (the "Borough") as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated October 27, 2023. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2022-001, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements 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 financial statements. 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*.

The Borough's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
October 27, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481



Mount Arlington, NJ
 Newton, NJ
 Bridgewater, NJ
 973.298.8500
 nisivoccia.com
 Independent Member
 BKR International

Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance Required by NJOMB 15-08

Independent Auditors' Report

The Honorable Mayor and Members
 of the Borough Council
 Borough of Caldwell
 Caldwell, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Borough of Caldwell's (the "Borough's") compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on the Borough's major state program for the year ended December 31, 2022. The Borough's major state program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended December 31, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough 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 the major state program. Our audit does not provide a legal determination of the Borough compliance with the compliance requirements referred to above.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Caldwell, New Jersey
Page 2

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state 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 or state 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 or state 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.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Caldwell, New Jersey
Page 3

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

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

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 New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
October 27, 2023

Nisivoccia LLP
NISIVOCCIA LLP

Heidi A. Wohlleb

Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major state program disclosed during the audit as reported in the Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance required by NJOMB 15-08.
- The auditor's report on compliance for the major state program for the Borough expresses an unmodified opinion on the major state program.
- The Borough was not subject to the single audit provisions of the Uniform Guidance for the year ended December 31, 2022 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The Borough's program tested as a major state program for the current year consisted of the following state program:

<u>State Program:</u>	<u>State Account No.</u>	<u>Budgetary Expenditures</u>
Department of Transportation		
Municipal Aid Program:		
2017 - Wakefield Place and Ward Place	480-078-6320-AM2-601000	\$ 12,681.36
2018 - Central, Francis and Kirkwood Places	480-078-6320-AM2-605178	370,793.17
2019 - Crane and Harrison Streets and Hillside Avenue	480-078-6320-ANP-605179	675,000.00
2020 - Birkendene Road, Leaycraft Lane, Lockward Road and Thomas Street	480-078-6320-AN8-606280	555,000.00

- The Borough was not determined to be a "low-risk" auditee for state programs.
- The threshold for distinguishing between Type A and Type B state programs was \$750,000.

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2022
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2022-001

Segregation of Duties

Criteria

Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Condition

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments or offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the Tax Collector is responsible for collecting, depositing and posting all cash receipts to the Borough's finance software. Finally, the Chief Financial Officer is responsible for the preparation of the general ledger and bank reconciliations with limited oversight review.

Cause

This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures.

Effect or Potential Effect

Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

Recommendation

It is recommended that consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.

Management's Response

The finding was evaluated, however, due to budgetary constraints, no resolution can be made at this time.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.

BOROUGH OF CALDWELL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2022

The Borough's prior year audit finding 2021-001 regarding segregation of duties was not resolved in 2022 due to budgetary constraints and is therefore included as current year finding 2022-001.

BOROUGH OF CALDWELL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "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 therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Collection of Interest on Delinquent Taxes, Utility Rents and Assessments

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

On January 5, 2022, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

"BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ pursuant to R.S. 54:4-67, as amended and supplemented, that the rate of interest to be charged for the non-payment of taxes or assessments on or after the date when they become delinquent shall be as follows:

1. No interest shall be charged if payment of any installment so due is made within ten (10) days of the date the same shall be payable; and
2. Upon expiration of the ten (10) day period as aforesaid, the rate of interest shall be eight (8) percent on the first \$1,500.00 of the delinquency and eighteen (18) percent thereafter on any amount in excess of \$1,500; and
3. A penalty shall be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year in the amount of 6% of the delinquency.

FURTHER, BE IT RESOLVED that

4. Any water or sewer account remaining unpaid after due date on each billing shall be subject to a penalty of ten (10) percent of the unpaid balance."

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

Delinquent Taxes and Tax Title Liens

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

Year	Number of Liens
2022	-0-
2021	-0-
2020	-0-

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 as follows:

Type	Number Mailed
Payment of 2022 and 2023 Taxes	20
Payment of 2022 and 2023 Water Rents	10
Payment of 2022 and 2023 Sewer Rents	10
Unpaid Taxes	15
Unpaid Water Rents	15
Unpaid Sewer Rents	15

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed by the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough maintains encumbrance, fixed assets and general ledger accounting systems.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2022.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

	Balance			Balance
	Dec. 31, 2021	Receipts	Disbursements	Dec. 31, 2022
Municipal Treasurer:				
Fines and Costs	\$ 8,977.40	\$ 139,837.65	\$ 137,124.18	\$ 11,690.87
P.O.A.A. Fines	72.00	1,214.00	1,080.00	206.00
State Treasurer	4,450.36	62,763.16	62,335.54	4,877.98
County Treasurer	1,065.00	17,443.00	17,494.50	1,013.50
Conditional Dismissal		75.00	75.00	
Weights and Measures		600.00	600.00	
Restitution		1,000.00	1,000.00	
Cash Bail		1,450.00	1,450.00	
	<u>\$ 14,564.76</u>	<u>\$ 224,382.81</u>	<u>\$ 221,159.22</u>	<u>\$ 17,788.35</u>

Sewer Utility Operating Fund

The Borough is in the process of executing formal written sewer fees contracts with the various municipalities in which sewer rates and terms are established to help ensure collection of sewer billings. Three of the five municipalities have signed a contract. It is recommended that the Borough continue to implement formal written contracts with the remaining two municipalities for sewer fees.

There was an operating deficit in the Sewer Utility Operating Fund of \$1,370,883.60 due to a shortfall in sewer rents revenue. This was due to certain municipalities not paying the full amount of the sewer rents billed. It is recommended that every effort be made to ensure that an operating deficit in the Sewer Utility Operating Fund does not occur.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Sewer Utility Operating Fund (Cont'd)

Management's Response

The Borough is in the process of executing formal contracts with the remaining municipalities. The Borough has made a concerted effort over the last few years to obtain the signed contracts from the various municipalities with minimal success. The Borough is in litigation with certain municipalities with regard to the unpaid sewer rents billed.

Purchase Orders

During the review of the purchase orders processed during the year it was noted that not all purchase orders were approved prior to the order of goods and services. It is recommended that purchase orders are approved prior to the order of goods and services.

Management's Response

The Borough will make every effort to ensure that the proper purchasing procedures are followed.

Water Utility Operating Fund

There was an operating deficit in the Water Utility Operating Fund of \$24,655.19 due to a shortfall in water rents revenue. It is recommended that every effort be made to ensure that an operating deficit in the Water Utility Operating Fund does not occur.

Management's Response

The Borough will make every effort to ensure that an operating deficit in the Water Utility Operating Fund does not occur.

Sewer Utility Capital Fund

Two ordinances have deficit cash balances over five years at December 31, 2022. This situation arises when expenditures are made from an ordinance without the respective debt being issued. Management is aware of this situation and moving forward with plans to fully fund these ordinances. No formal recommendation is judged to be necessary.

Management Suggestions

Older Federal and State Grant Reserves

There are various appropriated reserves and receivable balances in the federal and state grant fund which have been on the Borough's records for several years. It is suggested that these older grant appropriated reserve and receivable balances be reviewed for possible cancellation.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions (Cont'd)

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, is effective for the year ended December 31, 2023. This statement addresses issues related to public-private and public-public partnership agreements (PPP's). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA's). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset or a period of time.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA's), is effective for the year ended December 31, 2023. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor) information technology software, alone or in combination with tangible capital assets as specified in the related contract for a period of time. It is likely that a SBITA software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

It is possible that the Borough will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Borough ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Borough ensures that these funds are separately accounted for in the Borough's accounting records and that any applicable Borough policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Status of Prior Year Recommendations

The prior year recommendations regarding segregation of duties, formal sewer contracts, the Sewer Utility Operating Fund operating deficit, and purchase orders not being approved prior to the order of goods or services were not resolved during 2022 and are included as current year recommendations. The prior year recommendations regarding the approval of the Equivalent Dwelling Unit rate utilized in the annual sewer billings in the Borough’s minutes, the Clerk’s cashbook, Board of Health collections and State fees collected on dog licenses were resolved in the current year.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS

It is recommended that:

- 1. Consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.

- 2. Sewer Operating Utility:
 - a. The Borough continue to implement formal written contracts with the remaining municipalities for sewer fees.

 - b. Every effort be made to ensure that an operating deficit in the Sewer Utility Operating Fund does not occur.

- 3. Purchase orders are approved prior to the order of goods and services.

- 4. Every effort be made to ensure that an operating deficit in the Water Utility Operating Fund does not occur.

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