

**BOROUGH OF WALLINGTON  
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2023 AND 2022**

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## **INTRODUCTORY SECTION**

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Licensed Public School Accountants

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Regulatory Financial Statements**

**Opinions on Regulatory Basis Financial Statements**

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of Wallington, in the County of Bergen, State of New Jersey (the “Borough”), as of December 31, 2023 and 2022, and the related comparative statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues and expenditures – regulatory basis and comparative statement of general fixed assets group of accounts – regulatory basis for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

**Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and account group of the Borough as of December 31, 2023 and 2022, and each fund’s respective operations and changes in financial position and fund balance – regulatory basis for the years then ended, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) as described in Note 1.

**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 and Unmodified Opinions” section of our audit report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2023 and 2022, or the changes in financial position 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. Our responsibilities under those standards and requirements are further described in the “Auditors’ Responsibility for the Audit of the Financial Statements” section of our report. We are required to be independent of the Borough of Wallington, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our adverse and unmodified audit opinions.

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

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirement of the State of New Jersey for municipal government entities. The effect on financial statements of the variances between the regulatory accounting practices and GAAP, although not reasonably determinable, are presumed to be material.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis (the "financial statements") in accordance with the financial reporting provisions of the Division. 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.

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

## **Auditor's Responsibility 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 not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as 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 generally accepted auditing standards, 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.

## **Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting**

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary schedules and the audit comments and recommendations listed in the table of contents are presented for the purpose of additional analysis as required by the Division and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.



## Report on Supplementary Information as Required by the Uniform Guidance and NJ OMB Circular 15-08

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*; and NJ OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and related notes to the schedules of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards, state financial assistance, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards, state financial assistance, and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2024 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C.  
Certified Public Accountants

July 8, 2024

## **FINANCIAL SECTION**

**CURRENT FUND**

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023 AND 2022

A

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	Reference	<u>At December 31:</u>	
		<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
Current Assets:			
Cash - Collector - Treasurer	A-4	\$ 3,954,503.32	\$ 4,922,758.65
Cash - Change Fund	A-5	100.00	100.00
Cash - Petty Cash	A-6	100.00	100.00
Due from State of NJ - Senior Citizens' and Veterans' Deductions	A-14	423.29	552.74
Federal and State Grants Receivable	A-20	<u>251,982.60</u>	<u>681,805.32</u>
		<u>4,207,109.21</u>	<u>5,605,316.71</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	257,991.22	239,452.32
Tax Title Liens Receivable	A-8	-	-
Due from Capital Fund	C		
Due From Trust Fund	B		
Due From Affordable Housing Fund	B		
Due From Animal Control Fund	B	3,379.80	3,179.40
Due to Payroll Account	B		
Due from Water Operating Fund	D		
Revenue Accounts Receivable	A-10	<u>9,557.62</u>	<u>13,016.46</u>
	Contra	<u>270,928.64</u>	<u>255,648.18</u>
Deferred Charges:			
Special Emergency	A-23	<u>359,302.20</u>	<u>539,069.60</u>
		<u>359,302.20</u>	<u>539,069.60</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 4,837,340.05</u></u>	<u><u>\$ 6,400,034.49</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023 AND 2022

A

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

		At December 31:	
	Reference	<u>2023</u>	<u>2022</u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>			
Liabilities:			
Appropriation Reserves	A-3,12	\$ 1,301,368.67	\$ 966,962.87
Encumbrances Payable	A-12,13	169,305.58	173,656.40
Encumbrance Payable- Grants	A-21	16,042.25	
Reserve for Revaluation	A-11	2,770.00	2,770.00
Reserve for Codification of Ordinances	A-26	4,074.03	10,925.00
Appropriated Reserves for Federal and State Grants	A-21	105,822.18	374,576.46
Unappropriated Reserves for Federal and State Grants	A-22	507,153.50	924,824.05
Reserve for Municipal Relief Funds	A-4	70,245.11	35,129.98
Prepaid Taxes	A-15	134,942.57	317,351.59
County Taxes Payable	A-17	4,880.90	6,561.89
Miscellaneous Fees Payable	A-19	350.00	3,569.00
Accounts Payable	A-29	43,767.96	168,570.55
Due to Other Trust Fund	B-6		15.00
Due to General Capital Fund	C		
Due to Water Utility Operating Fund	D		
Special Emergency Notes Payable	A-24	198,000.00	324,000.00
Amount Due to Library - State Aid	A-25	-	-
Reserve for Insurance Proceeds	A-27	10,604.00	10,604.00
Reserve for Hurricane IDA- FEMA	A-28	42,659.30	127,454.86
Reserve for Tax Appeals	A-30	130,981.75	83,021.75
Tax Overpayments	A-16	-	-
		<u>2,742,967.80</u>	<u>3,529,993.40</u>
Reserve for Receivables	Contra	270,928.64	255,648.18
Fund Balance	A-1	<u>1,823,443.61</u>	<u>2,614,392.91</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 4,837,340.05</u>	<u>\$ 6,400,034.49</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023 AND 2022

A-1

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN  
FUND BALANCE - REGULATORY BASIS**

		<u>For the Years Ended December 31:</u>	
	Reference	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,600,000.00	\$ 960,573.00
Miscellaneous Revenue Anticipated	A-2	2,862,552.97	2,240,751.95
Receipts from Delinquent Taxes	A-2	243,702.32	284,164.80
Receipts from Current Taxes	A-2	31,408,266.66	30,706,794.40
Non-Budget Revenues	A-2	54,412.71	138,564.45
Other Credits to Income:			
Interfunds Returned			84,251.61
Cancelled Grant Receivable	A-21	40,655.31	
Cancelled School Taxes	A-18	2.00	
Cancelled Accounts Payable	A-29		12,796.91
Cancelled Marriage License	A-4	25.00	
Unexpended Balance of Appropriations	A-3	41.52	7,014.23
Unexpended Balance of Appropriation Reserves	A-12	303,961.26	496,369.73
Statutory Excess- Animal License Fund	B-4	3,379.80	3,179.40
		<hr/>	<hr/>
Total revenue and other income		36,516,999.55	34,934,460.48
Expenditures:			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	4,757,600.00	4,183,010.16
Other Expenses	A-3	6,737,434.83	6,032,007.73
Capital Improvements	A-3	80,000.00	80,000.00
Municipal Debt Service	A-3	1,632,150.18	1,269,047.64
Deferred Charges and Statutory Expenditures	A-3	1,517,280.02	1,503,372.30
Judgments	A-3		
Local District School Taxes	A-18	17,616,033.00	17,347,895.00
County Tax	A-17	3,208,408.28	3,026,738.00
County Share of Added and Omitted Taxes	A-17	4,880.90	6,561.89
County Open Space Tax	A-17	140,389.74	126,283.09
Prior Year Senior & Veteran Deductions	A-14	4,250.00	2,472.60
Bank Rec Adjustment/ Cash Variance			15.20
Marriage License State Fee- Adjustment	A-4		25.00
Tax Title Lien Settlement	A-4		10,270.90
PFRS- Retro Payment	A-4		48,138.44
Prior Year Bills	A-4	9,321.50	
Interfunds Established		200.40	
		<hr/>	<hr/>
Total expenditures		35,707,948.85	33,635,837.95
Excess in Revenues Over Expenditures		809,050.70	1,298,622.53
Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-23		
		<hr/>	<hr/>
Statutory Excess to Fund Balance		809,050.70	1,298,622.53
Fund Balance January 1	A	2,614,392.91	2,276,343.38
		<hr/>	<hr/>
Decreased by:		3,423,443.61	3,574,965.91
Utilization as Anticipated Revenue	A-2	1,600,000.00	960,573.00
		<hr/>	<hr/>
Fund Balance December 31	A	\$ 1,823,443.61	\$ 2,614,392.91

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
YEAR ENDED DECEMBER 31, 2023

A-2

STATEMENT OF REVENUES - REGULATORY BASIS

	Reference	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	A-1	\$ 1,600,000.00	\$ 1,600,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		15,300.00	14,440.00	(860.00)
Other		12,650.00	12,366.00	(284.00)
Fees and Permits - Other		43,000.00	41,695.00	(1,305.00)
Fines and Costs - Municipal Court		151,000.00	140,118.89	(10,881.11)
Interest and Costs on Taxes		57,000.00	62,792.22	5,792.22
Interest on Investments and Deposits		233,333.50	312,070.07	78,736.57
Energy Receipts Tax		678,109.00	678,109.16	0.16
Municipal Relief Aid		35,129.98	35,129.98	-
Uniform Construction Code Fees		127,000.00	162,147.40	35,147.40
Uniform Fire Safety Act		25,500.00	22,195.00	(3,305.00)
CATV Franchise Fee		87,701.83	87,701.83	-
Cell Tower Rental Fee		56,000.00	72,627.88	16,627.88
Other Rental Revenue		222,000.00	236,029.90	14,029.90
Utility Operating Surplus				-
Accrued Interest on Bonds				-
Reserve for Debt Service Payments		466,333.70	466,333.70	-
Premium on Bonds				-
Premium on BANS				-
Grants:				
American Rescue Plan Funds		435,000.00	435,000.00	-
Recycling Tonnage Grant		17,884.23	17,884.23	-
Drive Sober Get Pulled Over-Chapt. 159		7,000.00	7,000.00	-
Reserve for Body Armor Grant		1,842.93	1,842.93	-
Municipal Alliance Grant		4,507.18	4,507.18	-
Clean Communities Grant		20,161.60	20,161.60	-
Safe & Security Grant		32,400.00	32,400.00	-
Total Miscellaneous Revenues	A-1,Next Pg.	2,728,853.95	2,862,552.97	133,699.02
Receipts from Delinquent Taxes	A-1,Next Pg.	239,428.37	243,702.32	4,273.95
Subtotal General Revenues		4,568,282.32	4,706,255.29	137,972.97
Amount to be Raised by Taxes for Support of Municipal Budget Local Tax for Municipal Purposes	Next Pg.	10,656,182.71	10,938,554.74	282,372.03
Total General Revenues - Adopted	A-3	\$ 15,224,465.03	15,644,810.03	\$ 420,345.00
Non-Budget Revenues	A-1,Next Pg.		54,412.71	
			\$ 15,699,222.74	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
YEAR ENDED DECEMBER 31, 2023

A-2

**STATEMENT OF REVENUES - REGULATORY BASIS  
(CONTINUED)**

	Reference	2023
<b><u>ANALYSIS OF REALIZED REVENUES</u></b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-1	\$ 31,408,266.66
Allocated to School and County Taxes	A-17,18	20,969,711.92
Balance for Support of Municipal Appropriations		<u>10,438,554.74</u>
 Add: Appropriation "Reserve for Uncollected Taxes"	 A-3	 <u>500,000.00</u>
 Amount for Support of Municipal Budget Appropriations	 Prev. Pg.	 <u>\$ 10,938,554.74</u>
<b><u>RECEIPTS FROM DELINQUENT TAXES</u></b>		
Tax Title Liens Received in Trust Fund	B-6	-
Delinquent Tax	A-7	243,702.32
	A-1, Prev. Pg.	<u>\$ 243,702.32</u>
<b><u>MISCELLANEOUS REVENUES</u></b>		
Revenue Accounts Receivable	A-4,10	\$ 2,308,627.05
Municipal Relief Funds	A	35,129.98
Unappropriated Grant Reserves	A-22	489,404.53
Grants Receivable	A-20	29,391.41
	A-1, Prev. Pg.	<u>\$ 2,862,552.97</u>
<b><u>ANALYSIS OF NON-BUDGET REVENUES</u></b>		
Miscellaneous Revenues Not Anticipated:		
Miscellaneous Refunds		\$ 388.02
Senior & Vet 2% Fee		622.59
Polling Rental		120.00
Tax Bill Copies		2.00
Death Certificate Copies		710.00
Marriage License Copies		820.00
Bank Charges/ Refunds/Bounced Check Fees		440.00
Photo Copies		7.00
Clear Mattress Bags		115.00
Streets and Roads (Bus)		3,452.00
SNJ Unclaimed Funds		669.47
JIF Rewards		1,000.00
DMV Inspections		350.00
Prior Year Voided Checks		13,944.74
SWAT Team		3,000.00
Bid Spec Fee		100.00
Restitution		1,951.87
PCBC Class Action Settlement		17,414.03
Scrap Metal		467.85
LexisNexis		365.00
OPRA Copies		155.70
Carfax		795.00
ADS SUI Refunds		7,522.44
	A-1	<u>\$ 54,412.71</u>

See independent auditor's report and the notes to the financial statements.



BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT:					
Mayor and Council					
Salaries and Wages	\$ 23,000.00	\$ 23,000.00	\$ 22,500.48	\$ 499.52	\$ -
Other Expenses	5,000.00	8,000.00	3,132.24	4,867.76	-
General Administration					
Salaries and Wages	100,000.00	57,000.00	56,538.30	461.70	-
Municipal Clerk / Elections					
Salaries and Wages	132,500.00	120,500.00	118,104.70	2,395.30	-
Other Expenses	85,000.00	85,000.00	66,407.70	18,592.30	-
Financial Administration					
Salaries and Wages	82,000.00	79,500.00	77,244.98	2,255.02	-
Other Expenses	120,000.00	142,000.00	93,180.20	48,819.80	-
Grant Writer					
Other Expenses	40,000.00	40,000.00	39,999.96	0.04	-
Revenue Administration					
Salaries and Wages	83,000.00	73,000.00	69,209.65	3,790.35	-
Other Expenses	12,000.00	12,000.00	8,337.72	3,662.28	-
Assessment Administration					
Salaries and Wages	18,000.00	17,800.00	17,509.92	290.08	-
Other Expenses	5,000.00	5,000.00	2,030.65	2,969.35	-
Legal Services & Costs					
Other Expenses	170,000.00	190,000.00	148,716.47	41,283.53	-

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
OPERATIONS - WITHIN "CAPS" (CONT'D)					
Engineering Services and Costs					
Other Expenses	\$ 65,000.00	\$ 65,000.00	\$ 36,047.26	\$ 28,952.74	\$ -
Planning Board					
Salaries and Wages	4,000.00	3,500.00	2,925.00	575.00	-
Other Expenses	50,000.00	50,000.00	36,053.13	13,946.87	-
Zoning Board of Adjustment					
Salaries and Wages	4,000.00	3,000.00	1,565.00	1,435.00	-
Other Expenses	25,000.00	25,000.00	12,983.70	12,016.30	-
Insurance					
Unemployment Insurance	35,000.00	35,000.00	153.00	34,847.00	-
Employee Group Insurance	1,352,000.00	1,462,000.00	1,453,395.46	8,604.54	-
Health Benefit Waiver	20,000.00	22,200.00	21,666.64	533.36	-
General Liability	12,000.00	9,000.00	6,566.00	2,434.00	-
Liability (South Bergen JIF)	167,496.00	150,496.00	67,703.46	82,792.54	-
Worker's Compensation (South Bergen JIF)	110,462.00	82,162.00	8,547.47	73,614.53	-
PUBLIC SAFETY FUNCTIONS:					
Police					
Salaries and Wages	3,515,000.00	3,515,000.00	3,357,140.42	157,859.58	-
Salaries and Wages- ARP Funded	435,000.00	435,000.00	435,000.00	-	-
Other Expenses	197,000.00	197,000.00	167,174.93	29,825.07	-
Police Outside Dispatcher	-	-	-	-	-
Fire					
Other Expenses	170,000.00	170,000.00	169,835.54	164.46	-

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS - WITHIN "CAPS" (CONT'D)					
EMS					
Other Expenses	\$ 38,000.00	\$ 38,000.00	\$ 37,847.97	\$ 152.03	\$ -
Clothing Allowance	18,000.00	20,500.00	18,638.00	1,862.00	-
Uniform Fire Safety					
Salaries and Wages	17,500.00	14,300.00	13,365.45	934.55	-
Other Expenses	700.00	700.00		700.00	-
Fire Prevention Bureau					
Other Expenses	10,000.00	10,000.00	2,922.19	7,077.81	-
Emergency Management Services					
Other Expenses	1,000.00	1,000.00		1,000.00	-
Municipal Prosecutor					
Other Expenses	15,000.00	15,000.00	12,500.00	2,500.00	-
PUBLIC SAFETY FUNCTIONS:					
Streets and Roads Maintenance					
Salaries and Wages	255,000.00	255,000.00	238,219.52	16,780.48	-
Other Expenses	125,000.00	135,000.00	128,047.21	6,952.79	-
Shade Tree					
Other Expenses	25,000.00	25,000.00	23,965.00	1,035.00	-
Solid Waste Collection (Garbage and Trash, Recycling)					
Salaries and Wages	5,500.00	5,500.00	5,388.04	111.96	-
Other Expenses	1,035,710.00	1,030,710.00	787,690.49	243,019.51	-
Buildings and Grounds					
Other Expenses	135,000.00	135,000.00	124,327.59	10,672.41	-

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS - WITHIN "CAPS" (CONT'D)					
HEALTH AND HUMAN SERVICES:					
Board of Health					
Salaries and Wages	\$ 52,000.00	\$ 52,000.00	\$ 47,832.53	\$ 4,167.47	\$ -
Other Expenses	18,000.00	18,000.00	10,505.74	7,494.26	-
Animal Control Services					
Other Expenses	19,000.00	19,000.00	12,736.93	6,263.07	-
PARK AND RECREATION FUNCTIONS:					
Board of Recreation Commissioners (R.S. 40-17,1)					
Salaries and Wages	15,000.00	15,000.00	13,872.75	1,127.25	-
Other Expenses	40,000.00	40,000.00	26,737.61	13,262.39	-
Senior Citizens					
Other Expenses	3,000.00	5,000.00	2,880.40	2,119.60	-
Maintenance of Parks					
Other Expenses	20,000.00	23,000.00	18,394.23	4,605.77	-
Celebration of Public Events					
Other Expenses	27,000.00	32,000.00	24,118.30	7,881.70	-
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES					
Construction Code Official					
Salaries and Wages	73,500.00	73,500.00	72,771.50	728.50	-
Other Expenses	4,000.00	6,000.00	5,663.49	336.51	-
Municipal Court					
Salaries and Wages	15,000.00	15,000.00	15,000.00	-	-
Public Defender					
Other Expenses	5,000.00	5,000.00	-	5,000.00	-
UTILITIES:					
Electricity	175,000.00	175,000.00	117,052.90	57,947.10	-
Street Lighting	120,000.00	120,000.00	93,967.68	26,032.32	-
Communications	65,000.00	65,000.00	58,516.30	6,483.70	-
Sewerage Processing and Disposal - Other Expenses	40,000.00	40,000.00	39,543.20	456.80	-
Gasoline	31,050.00	31,050.00	-	31,050.00	-
TOTAL OPERATIONS WITHIN "CAPS"	9,441,418.00	9,497,418.00	8,452,175.00	1,045,243.00	-
Detail:					
Salaries and Wages	4,830,000.00	4,757,600.00	4,564,188.24	193,411.76	-
Other Expenses (Including Contingent)	4,611,418.00	4,739,818.00	3,887,986.76	851,831.24	-

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BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Over-expenditure of Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Deficit in Payroll	16,967.62	16,967.62	16,967.62	-	-
Social Security System (O.A.S.I.)	150,000.00	150,000.00	136,222.89	13,777.11	-
Public Employees' Retirement System	177,578.00	121,578.00	93,149.00	28,429.00	-
Public Employees' Retirement System Adjustment	10,000.00	10,000.00	-	10,000.00	-
Police and Firemen's Retirement System	1,038,967.00	1,038,967.00	1,038,967.00	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>1,393,512.62</u>	<u>1,337,512.62</u>	<u>1,285,306.51</u>	<u>52,206.11</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	<u>10,834,930.62</u>	<u>10,834,930.62</u>	<u>9,730,412.76</u>	<u>1,104,517.86</u>	<u>-</u>

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Passaic Valley Sewerage Commission	\$ 723,000.00	\$ 723,000.00	\$ 721,878.07	\$ 1,121.93	\$ -
East Rutherford Sewer Fees	5,000.00	5,000.00		5,000.00	-
Maintenance of Free Public Library					-
Salaries and Wages	228,000.00	228,000.00	205,035.67	22,964.33	-
Other Expense	237,238.09	237,238.09	205,410.02	31,828.07	-
911 Interlocal Services Agreement (County of Bergen)	5,700.00	5,700.00	5,667.50	32.50	-
Length of Service Award Program (LOSAP)	135,000.00	135,000.00		135,000.00	-
Tax Appeals	50,000.00	50,000.00	50,000.00	-	-
Shared Services Municipal Court	128,000.00	128,000.00	127,144.02	855.98	-
Shared Services Board of Health	27,000.00	27,000.00	26,952.00	48.00	-
Employee Group Insurance	73,000.00	73,000.00	73,000.00	-	-
PERS	15,678.00	15,678.00	15,678.00	-	-
PFPS	112,868.00	112,868.00	112,868.00	-	-
Solid Waste Collection	114,290.00	114,290.00	114,290.00	-	-
Gasoline	48,950.00	48,950.00	41,881.25	7,068.75	-
Workmen's Comp Insurance	8,970.00	8,970.00	8,970.00	-	-
Total Other Operations Excluded from "CAPS"	1,912,694.09	1,912,694.09	1,708,774.53	203,919.56	-
Public and Private Programs Offset by Revenues					
Matching Funds For Grants	1,126.80	1,126.80	1,126.80	-	-
Recycling Tonnage	17,884.23	17,884.23	17,884.23	-	-
Drive Sober or Get Pulled Over	7,000.00	7,000.00	7,000.00	-	-
Municipal Alliance	4,507.18	4,507.18	4,507.18	-	-
Reserve for Body Armor Grant	1,842.93	1,842.93	1,842.93	-	-
Reserve for Clean Communities	20,161.60	20,161.60	20,161.60	-	-
Reserve for Safe & Secure Community	32,400.00	32,400.00	32,400.00	-	-
Total Public and Private Programs Offset by Revenues	84,922.74	84,922.74	84,922.74	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	1,997,616.83	1,997,616.83	1,793,697.27	203,919.56	-
Detail:					
Salaries and Wages					
Other Expenses	1,997,616.83	1,997,616.83	1,793,697.27	203,919.56	-

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	80,000.00	80,000.00	80,000.00	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,110,000.00	1,110,000.00	1,110,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes				-	-
Interest on Bonds	374,050.00	374,050.00	374,050.00	-	-
Interest on Notes				-	-
Green Trust Loan Program:					
Loan Repayments for Principal and Interest				-	-
Interest on Emergency Notes				-	-
Interest on Special Emergency Notes	8,100.00	8,100.00	8,077.50	-	22.50
2022 Refunding Note Principal	133,333.50	133,333.50	133,333.00	-	0.50
2022 Refunding Note Interest	6,666.68	6,666.68	6,648.16	-	18.52
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,632,150.18	1,632,150.18	1,632,108.66	-	41.52
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Emergency Authorizations				-	-
Special Emergency Authorization- 5 Years (N.J.S.A. 40A:4-55)	179,767.40	179,767.40	179,767.40	-	-
	179,767.40	179,767.40	179,767.40	-	-
JUDGMENTS	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE-EXCLUDED FROM "CAPS"	3,889,534.41	3,889,534.41	3,692,642.08	196,850.81	41.52
SUBTOTAL GENERAL APPROPRIATIONS	14,724,465.03	14,724,465.03	13,423,054.84	1,301,368.67	41.52
Reserve for Uncollected Taxes	500,000.00	500,000.00	500,000.00	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 15,224,465.03	\$ 15,224,465.03	\$ 13,923,054.84	\$ 1,301,368.67	\$ 41.52
Reference	A-2	A-1, 2, Below	Below	A	A-1
Adopted Budget	\$15,217,465.03				
Chapter 159	7,000.00				
	\$15,224,465.03	Above			
Reference					
Cash Expended	A-4		\$13,789,767.43		
Reserve for Uncollected Taxes	A-2		500,000.00		
Budget Offsets	A-4		(850,708.31)		
Grants Appropriated	A-21		84,922.74		
Reserve for Tax Appeals	A-30		50,000.00		
Deferred Charges- Emergency	A-23		179,767.40		
Encumbrance Payable	A-13		169,305.58		
	Above		\$13,923,054.84		

See independent auditor's report and the notes to the financial statements.

## **TRUST FUNDS**



BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023 AND 2022

B

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		At December 31:	
	Reference	2023	2022
<b>ASSETS</b>			
Animal License Fund:			
Cash	B-1	\$ 9,618.00	\$ 10,071.00
		<u>9,618.00</u>	<u>10,071.00</u>
Other Trust Funds:			
Cash	B-1	1,479,674.71	1,286,416.19
Due from Current Fund-Trust Fund	B-6	-	15.00
Deferred Charges- Deficit in Payroll Account	B-12	<u>1,998.03</u>	<u>16,967.62</u>
Total Assets		<u>1,481,672.74</u>	<u>1,303,398.81</u>
Length of Service Awards			
Investments	B-2	1,960,642.62	1,568,173.86
Contributions Receivable	B-11	<u>1,960,642.62</u>	<u>100,857.79</u>
		<u>1,960,642.62</u>	<u>1,669,031.65</u>
<b>TOTAL ASSETS</b>		<u>\$ 3,451,933.36</u>	<u>\$ 2,982,501.46</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023 AND 2022

B

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

		At December 31:	
	Reference	2023	2022
LIABILITIES, RESERVE AND FUND BALANCE			
Animal License Fund:			
Due to Current Fund	A,B-4	\$ 3,379.80	\$ 3,179.40
Due to State of New Jersey	B-5	25.80	24.60
Reserve for Animal License Expenditures	B-3	6,212.40	6,867.00
		<u>9,618.00</u>	<u>10,071.00</u>
Other Funds:			
Due to Current Fund- Other Trust	B-6		
Due to Current Fund -Payroll Account	B-1	-	-
Reserve for Payroll Withholdings Payable	B-12	-	86,949.73
Reserve for Escrow Deposits	B-8	57,539.48	56,633.23
Tax Lien Redemptions & Tax Sale Premiums Payable	B-9	162,565.13	155,105.65
Miscellaneous Reserves	B-10	1,086,990.79	775,711.05
Reserve for Unemployment Compensation Insurance Claims	B-7	174,577.34	228,999.15
		<u>1,481,672.74</u>	<u>1,303,398.81</u>
Length of Service Awards			
Reserve for LOSAP Benefits	B-11	1,960,642.62	1,669,031.65
TOTAL LIABILITIES, RESERVES AND FUND BALANCE			
		<u>\$ 3,451,933.36</u>	<u>\$ 2,982,501.46</u>

See independent auditor's report and the notes to the financial statements.

## **GENERAL CAPITAL FUND**

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023 AND 2022

C

**COMPARATIVE BALANCE SHEETS- REGULATORY BASIS**

ASSETS	Reference	At December 31:	
		2023	2022
Cash	C-2,C-3	\$ 1,190,306.77	\$ 3,287,786.70
Grants/ Other Funding Sources Receivable	C-4	1,397,614.27	1,720,639.27
Due from Current Fund	A,C-7		
Due From Library	C-6	200,000.00	
Deferred Charges to Future Taxation:			
Funded	C-5	9,427,000.00	10,537,000.00
Unfunded	C-6	358,334.00	266,667.00
<b>TOTAL ASSETS</b>		<b>\$ 12,573,255.04</b>	<b>\$ 15,812,092.97</b>
<b>LIABILITIES, RESERVE AND FUND BALANCE</b>			
General Serial Bonds	C-13	\$ 9,427,000.00	\$ 10,537,000.00
Bond Anticipation Notes	C-12	133,334.00	266,667.00
Due to Current Fund	A,C-7		
Improvement Authorizations			
Funded	C-8	688,550.31	926,650.82
Unfunded	C-8	62,657.48	
Reserve for Premium on Bond Anticipation Notes	C-18		
Capital Improvement Fund	C-9	105,964.00	25,964.00
Encumbrances Payable	C-15	1,089,393.51	3,178,786.21
Reserve for Purchase of Fire Equipment	C-14	8,099.75	8,099.75
Reserve for Payment of Bonds/BANS	C-10	300,254.23	766,587.93
Reserve for Grants Receivable	C-4		
Reserve for FEMA- Crescent Rd/Hathaway St. Parks	C-16	655,664.50	
Fund Balance	C-1	102,337.26	102,337.26
<b>TOTAL LIABILITIES, RESERVE AND FUND BALANCE</b>		<b>\$ 12,573,255.04</b>	<b>\$ 15,812,092.97</b>

Bonds and notes authorized but not issued on December 31, 2023 and 2022  
on Exhibit C-17 is \$225,000 and \$0 respectively.

C-1

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	Reference	
Balance December 31, 2022	C	\$ 102,337.26
Increased by:		
Decreased by:		102,337.26
Balance December 31, 2023	C	\$ 102,337.26

See independent auditor's report and the notes to the financial statements.

**WATER UTILITY FUND – OPERATING AND CAPITAL FUNDS**

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND  
DECEMBER 31, 2023 AND 2022**

**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**

D

		At December 31,	
	Reference	2023	2022
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 221,231.39	\$ 572,421.70
Change Fund	D-8	100.00	100.00
		<u>221,331.39</u>	<u>572,521.70</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-9	332,139.15	325,465.73
Water Utility Liens Receivable	D-10	-	-
Total Receivables with Full Reserves		<u>332,139.15</u>	<u>325,465.73</u>
Deferred Charges:			
Deficit in Operations	D-1	152,768.86	-
Over-expenditure of Appropriations	D-3	1,345.50	80,566.98
		<u>154,114.36</u>	<u>80,566.98</u>
Total Assets Water Utility Fund		<u>\$ 707,584.90</u>	<u>\$ 978,554.41</u>
Capital Fund:			
Cash and Cash Equivalents	D-4,7	257,946.78	430,603.11
Fixed Capital	D-12	8,823,594.13	8,823,594.13
Fixed Capital Authorized and Uncompleted	D-13	1,055,000.00	1,055,000.00
Total Capital Fund		<u>10,136,540.91</u>	<u>10,309,197.24</u>
<b>TOTAL ASSETS</b>		<u>\$ 10,844,125.81</u>	<u>\$ 11,287,751.65</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund			
Liabilities:			
Appropriation Reserves	D-3, D-14	\$ 187,357.47	\$ -
Reserve for Encumbrances	D-23	12,128.78	202,869.75
Equipment Reserve	D-15	3,862.00	3,862.00
Accrued Interest Payable	D-22	39,666.67	43,678.89
Water Rent Overpayments	D-16	10,631.67	10,519.45
		<u>253,646.59</u>	<u>260,930.09</u>
Reserve for Receivables	D	332,139.15	325,465.73
Fund Balance	D-1	121,799.16	392,158.59
Total Operating Fund		<u>707,584.90</u>	<u>978,554.41</u>
Capital Fund			
Liabilities:			
Serial Bonds Payable	D-30	4,660,000.00	4,990,000.00
Improvement Authorizations - Funded	D-18	213,155.02	224,689.17
Improvement Authorizations - Unfunded	D-18	2,972.00	2,972.00
Capital Improvement Fund	D-19	59.00	59.00
Reserve for Preliminary Study	D-19	27,673.92	27,673.92
Reserve for Amortization	D-20	5,099,364.13	4,769,364.13
Deferred Reserve for Amortization	D-21	35,800.00	35,800.00
Reserve for Payment of Bond Anticipation Notes	D-24	-	159,099.83
Encumbrance Payable	D-27	6,960.48	8,982.83
Fund Balance	D-5	90,556.36	90,556.36
Total Capital Fund		<u>10,136,540.91</u>	<u>10,309,197.24</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 10,844,125.81</u>	<u>\$ 11,287,751.65</u>
Bonds and Notes Authorized But Not Issued	D-29	<u>\$ 83,430.00</u>	<u>\$ 83,430.00</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - OPERATING FUND  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS**

D-1

	Reference	December 31,	
		<u>2023</u>	<u>2022</u>
<b><u>REVENUE AND OTHER INCOME REALIZED</u></b>			
Fund Balance Utilized	D-2	\$ 270,359.43	\$ 262,146.58
Water Rents	D-2	2,034,517.99	2,184,819.44
Fire Hydrant Service	D-2	79,559.91	98,829.61
Miscellaneous Anticipated Revenues	D-2	17,711.66	10,967.89
Reserve for Debt Service	D-2	159,099.83	
BAN Premium	D-2		24,157.76
Reserve for Bond Premium	D-2		5,382.03
Accrued Interest on Bonds	D-2		7,471.39
Other Credits to Income:			
Other Misc. Revenue not Anticipated	D-4		
Lapsed Appropriations	D-3	-	38.83
Unexpended Balance of Appropriation Reserves	D-14	856.39	58,098.31
	D-23	-	
		<u>2,562,105.21</u>	<u>2,651,911.84</u>
<b><u>EXPENDITURES</u></b>			
Budgetary and Emergency Appropriations:			
Operating	D-3	2,010,000.00	1,770,762.66
Debt Service	D-3	523,292.28	118,350.00
Statutory Expenditures, Deferred Charges and Surplus	D-3	180,566.98	368,407.67
Prior Year Voided Checks- Adjustment	D-4	1,014.81	23,312.00
		<u>2,714,874.07</u>	<u>2,280,832.33</u>
Excess in revenue		(152,768.86)	371,079.51
Deficit in Operations	D	152,768.86	
Fund Balance, beginning	D	392,158.59	283,225.66
Decreased by: Utilized by Water Operating Budget	D-2	<u>270,359.43</u>	<u>262,146.58</u>
Fund Balance, ending	D	<u>\$ 121,799.16</u>	<u>\$ 392,158.59</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**WATER UTILITY FUND - OPERATING FUND**  
**YEAR ENDED DECEMBER 31, 2023**

**STATEMENT OF REVENUES - REGULATORY BASIS**

				<b>D-2</b>
	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	D-1	\$ 270,359.43	\$ 270,359.43	\$ -
Water Rents	D-1	2,175,000.00	2,034,517.99	(140,482.01)
Fire Hydrant Service	D-1	98,500.00	79,559.91	(18,940.09)
Miscellaneous	D-1	10,900.00	17,711.66	6,811.66
Reserve for Debt Service	D-1	159,099.83	159,099.83	-
		-	-	-
		<u>\$ 2,713,859.26</u>	<u>\$ 2,561,248.82</u>	<u>\$ (152,610.44)</u>
		D-3	Below, D-1	
 Fund Balance Utilized	 D-1		 \$ 270,359.43	
Water Collections	D-4,9		2,103,558.45	
Overpayments Applied	D-9		10,519.45	
Reserve for Debt Service	D-4,24		159,099.83	
Miscellaneous	D-4		<u>17,711.66</u>	
			<u>\$ 2,561,248.82</u>	

See independent auditor's report and accompanying notes.



**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - OPERATING FUND  
YEAR ENDED DECEMBER 31, 2023**

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS**

**D-3**

	Reference	Budget	Modified Budget	Paid or Charged	Lapsed/Cancelled Appropriations	Appropriation Reserve	Appropriation Over-Expenditure
Operating:							
Salaries and Wages		\$ 510,000.00	\$ 510,000.00	\$ 479,443.54	\$ -	\$ 30,556.46	\$ -
Other Expenses		1,500,000.00	1,500,000.00	1,346,521.54	-	153,478.46	-
Total Operating	D-1	<u>2,010,000.00</u>	<u>2,010,000.00</u>	<u>1,825,965.08</u>	<u>-</u>	<u>184,034.92</u>	<u>-</u>
Debt Service:							
Bond Principal		330,000.00	330,000.00	330,000.00	-	-	-
Interest on Bond		193,292.28	193,292.28	194,637.78	-	-	1,345.50
Total Debt Service	D-1	<u>523,292.28</u>	<u>523,292.28</u>	<u>524,637.78</u>	<u>-</u>	<u>-</u>	<u>1,345.50</u>
Statutory Expenditures & Deferred Charges:							
Deferred Charges:							
Over-expenditure of appropriation		80,566.98	80,566.98	80,566.98	-	-	-
Contribution to:							
Public Employees' Retirement System		60,000.00	60,000.00	60,000.00	-	-	-
Social Security System (O.A.S.I.)		40,000.00	40,000.00	36,677.45	-	3,322.55	-
Total Statutory Expenditures	D-1	<u>180,566.98</u>	<u>180,566.98</u>	<u>177,244.43</u>	<u>-</u>	<u>3,322.55</u>	<u>-</u>
Surplus (General Budget)	D-1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>\$ 2,713,859.26</u>	<u>\$ 2,713,859.26</u>	<u>\$ 2,527,847.29</u>	<u>\$ -</u>	<u>\$ 187,357.47</u>	<u>\$ 1,345.50</u>
	Reference	D-1	D-1	Below	D-1	D	D-28
Cash Disbursements -Operating	D-4			\$ 2,439,766.55			
Budget Offsets	D-4			(602.80)			
Encumbrance Payable	D-23			12,128.78			
Deferred Charge - OverExpenditure of Approp.	D-17			80,566.98			
Accrued Interest on Notes	D-22			(4,012.22)			
Above				<u>\$ 2,527,847.29</u>			

See independent auditor's report and accompanying notes.

## **GENERAL FIXED ASSETS**

BOROUGH OF WALLINGTON  
GENERAL FIXED ASSETS FUND  
DECEMBER 31, 2023 AND 2022

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS GROUP OF ACCOUNTS - REGULATORY BASIS**

**E**

	At December 31,	
	2023	2022
<b>GENERAL FIXED ASSETS</b>		
Land	\$ 10,066,900	\$ 10,009,000
Buildings	7,055,900	7,793,900
Machinery and Equipment	7,848,478	7,435,849
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$ 24,971,278</b>	<b>\$ 25,238,749</b>
<b>LIABILITIES AND RESERVES</b>		
Investments in General Fixed Assets	\$ 24,971,278	\$ 25,238,749
<b>TOTAL LIABILITIES AND RESERVES</b>	<b>\$ 24,971,278</b>	<b>\$ 25,238,749</b>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**I. Summary of Significant Accounting Policies**

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

The financial statements of the Borough of Wallington (the "Borough") have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than GAAP. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under the modified accrual basis of accounting, the Borough accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Borough was incorporated in 1896 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day-to-day operations of the Borough. The Borough Administrator is the Chief Administrative Officer of the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14, which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP, and thus, do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers, or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Volunteer Fire Department, First Aid Organization or Public Library which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**B. Fund Accounting**

Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds. The Borough has the following funds and account group:

*Current Fund* – resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

*Trust Fund* – receipts, custodianship, and disbursements of funds in accordance with the purpose for which each reserve was created, and receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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

*Water Operating and Capital Funds* – account for the operation and acquisition of capital facilities of the water-sewer utility.

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. Summary of Significant Accounting Policies (Continued)**

***B. Fund Accounting (continued)***

*General Fixed Assets* – used to account for fixed assets required in general governmental operations.

*Budgets and Budgetary Accounting* – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services, in accordance with N.J.S.A. 40A:4 et seq. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

***C. Measurement Focus and Basis of Accounting***

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of accounting, revenues, except for State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

*Property Tax Revenues* – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough.

When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

*Budgets and Budgetary Accounting* - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Water Utility Fund.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. Summary of Significant Accounting Policies (Continued)**

***C. Measurement Focus and Basis of Accounting (Continued)***

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line-item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line-item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line-item level. During 2023 and 2022, the Mayor and Council approved several budget transfers.

*Expenditures* - Expenditures are recorded in the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless canceled by the governing body. Except for unmatured interest on general long-term debt which should be recognized when due, GAAP requires expenditures, if measurable, to be recognized in the accounting period in which the fund liability is incurred.

*Encumbrances* - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

*Appropriation Reserves* - Appropriation Reserves are available, until lapsed, at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

*Compensated Absences* - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

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

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

*Inventories* - The cost 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 statements of financial position.

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

*Deferred Charges to Future Taxation Funded and Unfunded* - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. Summary of Significant Accounting Policies (Continued)**

***C. Measurement Focus and Basis of Accounting (Continued)***

*General Fixed Assets* – N.J.A.C. 5:30-5.6 **accounting for governmental fixed assets** continues the requirement that all local units shall have and maintain a fixed assets accounting and reporting system that differs in certain respects from GAAP. The fixed assets accounting and reporting system shall establish and maintain a physical inventory of fixed assets of non-expendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular 87, Cost Principals for State, Local and Indian Governments and shall place a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The fixed assets accounting and reporting system shall also have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets and such ledger shall be maintained and reconciled periodically and at the end of every fiscal year with the general ledger control accounts for fixed assets. The system shall also provide property management standards for fixed assets that ensures that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

*Utilities:*

Capital acquisitions, including utility infrastructure costs of the Water Utility are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utility. The Fixed Capital Account is adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utility is offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift, as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the Borough and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

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

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

***D. Basic Financial Statements***

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

**2. Cash and Cash Equivalents**

***Custodial Credit Risk – Deposits.*** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$0 of the Borough's bank balance of \$7,703,597.29 and \$10,761,292.42, respectively, was exposed to custodial credit risk.

See independent auditor's report.



**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**3. Investments**

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

**Credit Risk.** New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk.** The Borough places no limit on the amount the Borough may invest in any one issuer. As of December 31, 2023 and 2022, the Borough had no investments, other than LOSAP Trust Fund investments which are reported at fair value.

**4. Property Taxes Receivable, Tax Title Liens**

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

For the years ended December 31, 2023 and 2022, property taxes receivables were \$257,991.22 and \$239,452.32, respectively and tax title liens receivable were \$0 and \$0, respectively.

**5. Municipal Debt**

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general municipal and utility capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

**A. Summary of Municipal Debt (Excluding current fund debt).**

	2023	2022	2021
<u>Issued</u>			
General Capital Fund:			
Bonds and Notes Payable	\$ 9,560,334	\$ 10,803,667	\$ 10,539,453
Water Utility Capital Fund:			
Bonds and Notes Payable	4,660,000	4,990,000	4,533,772
Less Funds Temporarily Held to Pay Bond and Notes	300,254	766,588	230,467
 Total Issued	 13,920,080	 15,027,079	 14,842,758
<u>Total Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes Payable	225,000	-	1,251,094
Water-Sewer Utility Capital Fund:			
Bonds and Notes Payable	83,430	83,430	794,658
Total Authorized But Not Issued	308,430	83,430	2,045,752
 Net Bonds and Notes Issued and Authorized But Not Issued	 \$ 14,228,510	 \$ 15,110,509	 \$ 16,888,510

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**5. Municipal Debt (Continued)**

**B. Summary of Statutory Debt Condition – Annual Statements**

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 .893 % and .747% on December 31, 2023 and 2022, respectively. The Equalized Valuation Basis of the Borough at December 31, 2023 and 2022 was \$1,404,240,501 and \$1,307,896,957, respectively.

<u>2023 Debt Authorized</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 1,902,000	\$ 1,902,000	\$ -
Water Utility Capital Fund	4,743,430	1,688,052	3,055,378
General Capital Fund	9,785,334	433,588	9,351,746
	<u>\$ 16,430,764</u>	<u>\$ 4,023,640</u>	<u>\$ 12,407,124</u>

<u>2022 Debt Authorized</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 9,570,530	\$ 9,570,530	\$ -
Water Utility Capital Fund	5,073,430	5,073,430	-
General Capital Fund	10,803,667	1,033,255	9,770,412
	<u>\$ 25,447,627</u>	<u>\$ 15,677,215</u>	<u>\$ 9,770,412</u>

***Borrowing Power Under N.J.S.A. 40A:2-6 as amended***

	<u>2023</u>	<u>2022</u>
3.5% of Equalized Valuation Basis	\$ 49,148,418	\$ 45,776,393
Net Debt	12,407,124	9,770,412
Remaining Borrowing Power	<u>\$ 36,741,294</u>	<u>\$ 36,005,981</u>

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**5. Municipal Debt (Continued)**

**C. Long-Term Debt**

General Obligation Bonds:

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. The Borough's long-term debt consisted of the following at December 31, 2023:

	<u>2023</u>	<u>2022</u>
\$4,475,000, 2022 Bonds, due in annual installments of \$285,000 to \$570,000, through April 15, 2033, interest at 1.85% to 2.90%	\$ 4,190,000	\$ 4,475,000
\$4,340,000, 2020 Refunding Bonds, due in annual installments of \$390,000 to \$450,000, through August 1, 2030, net interest cost at 1.35%	3,075,000	3,525,000
\$4,087,000, 2017 Bonds, due in annual installments of \$225,000 to \$450,000 through September 15, 2028, interest at 2% to 2.50%	2,162,000	2,537,000
	<u>\$ 9,427,000</u>	<u>\$ 10,537,000</u>

Utility Bonds

The Borough pledges revenue from operations to pay debt service on water utility bonds issued. The water utility had the following outstanding bonds at December 31, 2023:

	<u>2023</u>	<u>2022</u>
\$4,475,000, 2022 Bonds, due in annual installments of \$330,000 to \$660,000, through April 15, 2033, interest at 3.00% to 5.00%	\$ 4,660,000	\$ 4,990,000
	<u>\$ 4,660,000</u>	<u>\$ 4,990,000</u>

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**BOROUGH OF WALLINGTON  
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**5. Municipal Debt (Continued)**

**C. Long-Term Debt (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding at December 31, 2023 is as follows:

Calendar Year	General Bonds		Water Utility Bonds		Total
	Principal	Interest	Principal	Interest	
2024	\$ 1,135,000	\$ 334,300	\$ 330,000	\$ 182,150	\$ 1,981,450
2025	1,155,000	294,050	330,000	165,650	1,944,700
2026	1,170,000	253,500	380,000	147,900	1,951,400
2027	1,175,000	211,550	385,000	128,775	1,900,325
2028	1,172,000	168,450	385,000	109,525	1,834,975
2029-2033	3,620,000	242,675	2,850,000	241,950	6,954,625
	<u>\$ 9,427,000</u>	<u>\$ 1,504,525</u>	<u>\$ 4,660,000</u>	<u>\$ 975,950</u>	<u>\$ 16,567,475</u>

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

	Balance Dec. 31, 2022	Additions	Reductions	Balance Dec. 31, 2023	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$ 10,537,000	\$ -	\$ 1,110,000	\$ 9,427,000	\$ 1,135,000
Water Utility Bonds	4,990,000		330,000	4,660,000	330,000
Total Bonds Payable	<u>15,527,000</u>	<u>-</u>	<u>1,440,000</u>	<u>14,087,000</u>	<u>1,465,000</u>
Other Liabilities:					
Pension Deferral	\$ 123,727		\$ 7,292	\$ 116,435	
Compensated					
Absences Payable	<u>2,167,194</u>		<u>482,027</u>	<u>1,685,167</u>	
Total Other Liabilities	<u>2,297,085</u>	<u>-</u>	<u>489,319</u>	<u>1,801,602</u>	<u>-</u>
Totals	<u>\$ 9,134,085</u>	<u>\$ -</u>	<u>\$ 1,929,319</u>	<u>\$ 15,888,602</u>	<u>\$ 1,465,000</u>
<b><u>Overlapping Debt</u></b>					

County of Bergen (1) – Borough's share (.619%)	\$9,880,771
Passaic Valley Sewerage Commission (2)	<u>2,067,271</u>
<b>Total Overlapping Debt</b>	<b>\$11,948,042</b>

(1) The County of Bergen has \$1,596,247,359 in gross long-term and temporary debt. The Borough's net share is obtained by dividing the Borough's equalized valuation \$1,404,240,501 by the County's equalized valuation \$226,848,381,422.

(2) Overlapping debt was computed as of December 31, 2022 based upon 2022 Wallington billing compared to 2022 total billing.

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**5. Municipal Debt (Continued)**

***D. Bond Anticipation Notes Payable***

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition, any note renewed beyond the third anniversary date of the original note requires one legally payable installment to be paid.

Bond Anticipation Notes payable at December 31, consisted of the following:

<u>General Capital Fund: Ordinance #</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>2023</u>	<u>2022</u>
22-006	4.50%	03/18/2024	\$ 133,334	\$ 266,667
			<u>\$ 133,334</u>	<u>\$ 266,667</u>

***E. Bonds Authorized but not Issued***

As of December 31, 2023 and 2022 the Borough had authorized but not issued bonds as follows:

	<u>2023</u>	<u>2022</u>
General Capital Fund	\$ 225,000	\$ -
Water Utility Capital Fund	83,430	83,430

***F. Special Emergency Notes Payable***

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2023 and 2022, the Borough had \$198,000 and \$324,000 outstanding Current Fund Special Emergency notes.

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**6. Calculation of "Self-Liquidating Purpose" Per N.J.S.A. 40A:2-45**

**A. Water Utility**

	<u>2023</u>	<u>2022</u>
Cash Receipts from Fees, Rents or Other Charges & Credits	\$ 2,562,105.21	\$ 2,651,911.84
Deductions:		
Operating and Maintenance Cost	\$ 2,191,581.82	\$ 2,162,482.33
Debt Service per Water Account	<u>523,292.28</u>	<u>118,350.00</u>
Total Deductions	<u>2,714,874.10</u>	<u>2,280,832.33</u>
Excess (Deficit) in Revenue - Self Liquidating	<u>(152,768.89)</u>	<u>371,079.51</u>
Deficit Capitalized at 5% for Inclusion in Net Debt	<u><u>\$ (3,055,377.80)</u></u>	<u><u>\$ 7,421,590.20</u></u>

**7. Capital Lease Agreements**

During 2023, the Borough also entered into a 3-year agreement for leasing a street sweeper with a value of \$203,905.

The following is a schedule of future minimum lease payments under capital leases, and present value of the minimum lease payments at December 31, 2023.

<u>For the Years Ended December 31,</u>	<u>Amount</u>
2023	\$ 46,070
2024	46,070
2025	46,070
2027	46,070
2028	<u>46,070</u>
	230,350
Less: Amounts Representing Interest	<u>(26,445)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$ 203,905</u></u>

**8. Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2023 and 2022 were as follows:

	<u>2023</u>		<u>2022</u>	
Fund Type	Receivables	Payables	Receivables	Payables
Current Fund	\$ 3,379.80	\$ -	\$ 3,179.40	\$ 15.00
Trust Fund		3,379.80	15.00	3,179.40
Capital Fund				
Water Operating Fund				
Water Capital Fund				
	<u><u>\$ 3,379.80</u></u>	<u><u>\$ 3,379.80</u></u>	<u><u>\$ 3,194.40</u></u>	<u><u>\$ 3,194.40</u></u>

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
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**9. Fund Balances Appropriated**

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

		<u>2024 Budget</u>		<u>2023 Budget</u>
Current Fund	\$	850,000.00	\$	1,600,000.00
Water Utility Operating Fund		-		270,359.43

**10. Property Tax Calendar**

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budget of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when they are available and measurable, reduced by an allowance for doubtful accounts.

***School Taxes***

The Borough is responsible for levying, collecting and remitting school taxes for the Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the local school district.

***County Taxes***

The municipality is responsible for levying, collecting and remitting county taxes for the County of Bergen. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

***Prepaid Taxes***

Taxes collected in advance are recorded as cash liabilities in the financial statements and were \$134,942.57 and \$317,351.59 for the year ended December 31, 2023 and 2022, respectively.

***Reserve for Uncollected Taxes***

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

**11. Deferred Pension Obligation**

During the year ended December 31, 2009 the Borough elected to contribute 50% of its normal and accrued liability components of the PFRS obligation and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$255,871 and will be paid back with interest over 15 years beginning in the 2012 year. The Borough is permitted to pay off the deferred PFRS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (at 7.65% effective July 1, 2016 and 7.90% effective July 1, 2012) at December 31, 2023 and 2022 is \$116,435 and \$123,727, respectively.

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**12. Pensions**

Substantially all Borough employees participate in the Public Employees Retirement System (PERS) and the Police and Fireman's Retirement System of New Jersey (PFRS). The PERS and PFRS systems are cost sharing multiple-employer contributory defined benefit plans, administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full-time employees and vesting occurs after 8 to 10 years of service. Employees who retire at or after age 55 are entitled to a retirement benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service. The PFRS was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

According to state law, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated. The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

*Summary of Significant Accounting Policies -PERS and PFRS*

GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68*, and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*.

New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Therefore, the following information with regards to GASB 68 is for disclosure purposes only.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System (PERS) was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2023 and June 30, 2022, the most recent reports available, the Borough has disclosed a liability of \$1,899,045 and \$2,098,627, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2022. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2023 and 2022. At June 30, 2023, the Borough's proportion was .01390613%, which was a decrease of .00079513% from its proportion measured as of June 30, 2022 of .01390613%.

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**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**12. Pension Plans (Continued)**

*Public Employees' Retirement System (PERS)*

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2023, the Borough recognized pension expense of \$175,363 as measured at June 30, 2022. At June 30, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2023		June 30, 2022	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflow of</u>	<u>Outflows of</u>	<u>Inflow of</u>
	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>	<u>Resources</u>
Difference between expected and actual experience	\$ 18,157	\$ 7,763	\$ 15,147	\$ 13,357
Changes of assumptions	4,172	115,090	6,502	314,248
Net difference between projected and actual earnings on pension plan investments	8,745		86,860	
Changes in proportion and differences between Borough and proportionate share of contributions	89,655	334,448	129,089	387,222
Borough contributions subsequent to the measurement date				
Total	\$ 120,729	\$ 457,301	\$ 237,598	\$ 714,827

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2024	\$ (100,262)
2025	(55,963)
2026	78,204
2027	(13,995)
2028	238
Total	\$ (91,778)

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the years for the 2023, 2022, 2021, 2020, 2019, and 2018 amounts, respectively.

	6/30/2023	6/30/2022
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability (Non-State-Local Group)	14,606,489,066	15,219,184,920
Borough's portion of net pension liability	1,899,045	2,098,627
Borough's proportion %	0.01311%	0.01391%

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**12. Pension Plans (Continued)**

*Public Employees' Retirement System (PERS)(Continued):*

*Actuarial assumptions.* The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The 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. Postretirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00 %	8.98 %
Non-US Developed Market Equity	12.75 %	9.22 %
International Small Cap Equity	1.25 %	9.22 %
Emerging Market Equity	5.50 %	11.13 %
Private Equity	13.00 %	12.50 %
Real Assets	8.00 %	8.58 %
Real Estate	3.00 %	8.40 %
High Yield	4.50 %	6.97 %
Private Credit	8.00 %	9.20 %
Investment Grade Credit	7.00 %	5.19 %
Cash Equivalents	2.00 %	3.31 %
US Treasuries	4.00 %	3.31 %
Risk Mitigation Strategies	3.00 %	6.21 %

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**BOROUGH OF WALLINGTON  
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DECEMBER 31, 2023 AND 2022**

**12. Pension Plans (Continued)**

*Public Employees' Retirement System (PERS)(Continued):*

*Discount rate.* The discount rate used to measure the total pension liability was 7.00% and 7.00% and as of June 30, 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2023 and 2022, calculated using the discount rate of 7.00% and 7.00%, 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:

	<u>Discount</u> June 30, 2023		
	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 2,472,153	\$ 1,899,045	\$ 1,411,255

	<u>Discount</u> June 30, 2022		
	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 2,696,121	\$ 2,098,627	\$ 1,590,136

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**PERS Vesting and Benefit Provisions** - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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**BOROUGH OF WALLINGTON  
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**12. Pension Plans (Continued)**

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

The Police and Firemen's Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full-time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2023 and June 30, 2022, the most recent reports available, the Borough has disclosed a liability of \$8,984,358 and \$9,428,137, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2023, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2022. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2023 and 2022. At June 30, 2023, the Borough's proportion was 0.08131525%, which was a decrease of 0.00105277% from its proportion measured as of June 30, 2020 of .08236802%.

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under 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. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2023 and 2022 respectively was \$1,655,472 and \$1,677,932.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

For the year ended December 31, 2023, the Borough recognized pension expense of \$1,071,240. At December 31, 2023 as measured on June 30, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2023		June 30, 2022	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 384,692	\$ 428,474	\$ 426,743	\$ 577,602
Changes of assumptions	19,391	606,659	25,839	1,186,816
Net difference projected and actual earnings on pension plan investments	457,556		863,340	
Changes in proportion and differences between Borough's and proportionate share of contributions	576,025	181,930	776,259	159,019
Borough contributions subsequent to the measurement date				
Total	<u>\$ 1,437,664</u>	<u>\$ 1,217,063</u>	<u>\$ 2,092,181</u>	<u>\$ 1,923,437</u>

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**12. Pension Plans (Continued)**

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30:</u>
2024	\$ (349,639)
2025	(335,541)
2026	539,851
2027	(46,431)
2028	16,573
Thereafter	1,695
Total	<u>\$ (175,188)</u>

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which 6.16, 6.22, 6.17, 5.90, 5.92, and 5.73 years for the years for the 2023, 2022, 2021, 2020, 2019, and 2018 amounts, respectively.

	<u>6/30/2023</u>	<u>6/30/2022</u>
Collective deferred outflows of resources	1,753,080,638	2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability (Non-State-Local Group)	13,084,649,602	13,483,472,009
Borough's portion of net pension liability	8,984,358	9,428,137
Borough's proportion %	0.08132%	0.08237%

*Actuarial assumptions.* The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The 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
Investment Rate of Return:	7.00%

Pre-retirement 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, postretirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability retirement rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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**BOROUGH OF WALLINGTON  
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**12. Pension Plans (Continued)**

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00 %	8.98 %
Non-US Developed Market Equity	12.75 %	9.22 %
International Small Cap Equity	1.25 %	9.22 %
Emerging Market Equity	5.50 %	11.13 %
Private Equity	13.00 %	12.50 %
Real Assets	8.00 %	8.58 %
Real Estate	3.00 %	8.40 %
High Yield	4.50 %	6.97 %
Private Credit	8.00 %	9.20 %
Investment Grade Credit	7.00 %	5.19 %
Cash Equivalents	2.00 %	3.31 %
US Treasuries	4.00 %	3.31 %
Risk Mitigation Strategies	3.00 %	6.21 %

*Discount rate.* The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of the 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 projected benefit payments to determine the total pension liability.

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2023 and 2022, calculated using the discount rate of 7.00% and 7.00%, 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:

See independent auditor's report.

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**12. Pension Plans (Continued)**

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

*Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2023 and 2022, calculated using the discount rate of 7.00% and 7.00%, 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:

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>June 30, 2023</u> <u>Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00)</u>
Borough's proportionate share of the net pension liability	\$ 12,518,130	\$ 8,984,358	\$ 6,041,570
		<u>June 30, 2022</u> <u>Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00)</u>
Borough's proportionate share of the net pension liability	\$ 12,936,422	\$ 9,428,137	\$ 6,507,473

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**PFRS Vesting and Benefit Provisions** - The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after 4 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of the final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek early retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and tier 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 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.

*Funding Policy- PERS and PFRS*

The contribution policy is set by the laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 8.5% for PFRS of the employees' annual compensation, as defined. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased in over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u> <u>Amount</u>	<u>PFRS</u> <u>Amount</u>
2023	\$ 193,256.00	\$ 1,151,835.00
2022	153,934.00	1,003,833.00
2021	155,054.00	950,043.00

**13. Defined Contribution Retirement Program**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial.

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contributions for eligible members' life insurance and disability coverage under DCRP.

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**BOROUGH OF WALLINGTON  
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**14. Employee Deferred Compensation Plan**

The Borough maintains a Deferred Compensation Plan (the "Plan") in accordance with IRC Section 457 and State of NJ Deferred Revenue Regulation. Employees of the Borough are eligible to participate in the Plan. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Borough does not and is not required to make contributions to the Plan.

The deferred compensation plan is administered by unrelated financial institutions. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is reported in our Review of the Employee Deferred Compensation financial statements for December 31, 2023 and 2022.

**Reporting Requirements**

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

**15. Volunteer Deferred Compensation Plan (LOSAP)**

The Borough's Length of Services Awards Program (the "LOSAP") was created by the Borough ordinances adopted on July 22, 2004, pursuant to 457(e)(11)(13) of the IRC Section 457. Voters of the Borough of Wallington approved the adoption of the LOSAP at the general election held on November 2, 2004. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body. If a volunteer meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index N.J.S.A. 40A:14-185(f). The DLGS issues the permitted maximum increase annually.

The Borough has contributed \$1,595 and \$1,595 for 2022 and 2021, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the plan. The total Borough contributions for 2022 deposited in 2023 were \$100,858. Borough contributions to be deposited in 2024 for 2023 will be deposited by October 2024.

In accordance with the amendments to IRC Section 457 of the Internal Revenue Code and the State of NJ Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries and is reported in our Review of the Volunteer Employee Deferred Compensation financial statements for December 31, 2023 and 2022.

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

**Vesting and Benefits**

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

**Reporting Requirements**

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



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**16. Other Post Retirement Benefits**

**Plan Description**

The Borough provides a post-employment healthcare plan for its eligible retirees and their dependents. The plan is a single employer defined benefit healthcare plan administered by the Borough through Municipal Reinsurance Health Insurance Fund ("Fund"). In accordance with Borough employment, contracts and or personnel policies, the Borough provides post-employment health coverage to its eligible retired employees and their dependents at the time of retirement at the same cost to the retirees as there would be if any, if they remained an employee. Coverage for a retiree's spouse and/ or dependents ends upon death of the retiree.

**Funding Status and Funding Progress**

The Borough funds its post-retirement medical benefits on a pay-as-you-go basis. For the 2023, 2022, and 2021 year the Borough paid \$ 805,344, \$675,372 and \$676,296, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

As of December 31, 2023, the most recent actuarial valuation date, there was no plan assets to offset the OPEB liability. The actuarial accrued OPEB liability for benefits was \$37,696,522 based upon a discount rate of 3.26% per annum and the plan provisions in effect on December 31, 2023. The covered payroll (annual payroll of active employees covered by the plan) was \$3,121,000. The liability is broken down as follows:

Total OPEB Liability Active	\$	11,599,983
Total OPEB Liability Retired		26,096,537
Total OPEB Liability		37,696,520
Plan Fiduciary Net Position		-
Net OPEB Liability	\$	<u>37,696,520</u>
Net Position/ OPEB Liability		0.00%

**Annual OPEB Cost and Net OPEB Obligation**

The Borough's annual other post-employment benefit (OPEB) cost (expense) is actuarially determined in accordance with the parameters of GASB Statement 75. The following table shows the components of the Borough's annual OPEB cost for the year 2023, 2022 2021, and 2020, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the plan.

	2023	2022	2021	2020
Annual Required Contribution- Service Costs	\$ 368,376	\$ 519,826	\$ 519,826	\$ 519,826
Interest on Net OPEB Obligation- Over Measurement Period	1,176,950	938,101	973,181	1,161,178
Difference Between Expected and Actual Experience	2,650,178			
Changes in Assumptions	2,633,665	(14,466,625)	(1,183,478)	2,490,892
Annual OPEB Cost (Expense)	<u>6,829,169</u>	<u>(13,008,698)</u>	<u>309,529</u>	<u>4,171,896</u>
Contributions Made	<u>(805,344)</u>	<u>(675,372)</u>	<u>(675,372)</u>	<u>(616,356)</u>
Increase in Net OPEB Obligation	6,023,825	(13,684,070)	(365,843)	3,555,540
Net OPEB Obligation- Beginning of Year	31,672,695	45,356,765	45,722,608	42,167,069
GASB 75 Adjustment *				
Net OPEB Obligation- End of Year	<u>\$ 37,696,520</u>	<u>\$ 31,672,695</u>	<u>\$ 45,356,765</u>	<u>\$ 45,722,609</u>

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**16. Other Post Retirement Benefits (Continued)**

**Total OPEB Expense**

The Total OPEB expense is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the "service cost" (normal cost) which is a portion of future liabilities attributable to the measurement year, plus the recognized portion of the experience gain or loss, and interest on the net OPEB liability during the year. As of the measurement date the plan had no assets to offset any portion of the net OPEB liability.

Expense Calculation:

Service Cost	\$ 368,376
Interest on Total OPEB Liability- Over Measurement Period	1,176,950
Recognition of Experience Changes	277,826
Recognition of Assumption Charges	<u>(969,191)</u>
<b>Total GASB 75 OPEB Expense Recognized</b>	<b><u>\$ 853,961</u></b>

**Summary of Deferred Outflows and Inflows to OPEB Expense:**

	For Year Ended 12/31/2023		For Year Ended 12/31/2022	
	Deferred	Deferred	Deferred	Deferred
	Outflows of	Inflow of	Outflows of	Inflow of
	Resources	Resources	Resources	Resources
Difference between expected and actual experience	\$ 2,372,352	\$ -	\$ -	\$ -
Changes of assumptions	5,629,306	(11,762,706)	3,904,288	(13,640,546)
<b>Total</b>	<b><u>\$ 8,001,658</u></b>	<b><u>\$ (11,762,706)</u></b>	<b><u>\$ 3,904,288</u></b>	<b><u>\$ (13,640,546)</u></b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

	Year Ended December 31:
2024	\$ (691,365)
2025	(691,365)
2026	(691,365)
2027	(691,365)
2028	(785,970)
Thereafter	(209,618)
<b>Total</b>	<b><u>\$ (3,761,048)</u></b>

**Actuarial Methods, Assumptions and Basis of Valuation**

**Basis of Valuation**

The valuation performed by Cirkiel Actuarial Consulting LLC, was conducted as of December 31, 2023 based upon census, plan design and claims information provided by The Fund. The census includes 42 retirees and spouses currently receiving retiree benefits, and 32 active participants of whom 4 are eligible to retire as of the valuation date. The average age of the active population is 45 and the average age of the retiree population is 69.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2022 report from Cheiron. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2022 report from Aon Consultants.

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**BOROUGH OF WALLINGTON  
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**16. Other Post Retirement Benefits (Continued)**

**Key Actuarial Assumptions**

Mortality	PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021
Turnover	NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility
Assumed Retirement Age	At first eligibility after completion of 25 years of service
Full Attribution Period	Service to Assumed Retirement Age
Annual Discount Rate	3.26% Based on the Bond Buyer 20 Index December 31, 2023 3.72% Based on the Bond Buyer 20 Index December 31, 2022
Rate of Salary Increase	2.5%
Consumer Price Index	2.5%
Medical Trend	Medical: 5.5% in 2023, reducing by .2% per annum, leveling at 4.5% per annum in 2026 Drug: 6% in 2023, reducing by .5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum
Medical Cost Aging Factor	NJ SHBP Medical Morbidity Rates

Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.

Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2023 medical premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (45) and scaled to each age based on the medical cost aging factors. At age 65, Medicare Advantage becomes the primary form of medical benefit and aging factors are no longer scaled.

Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree would contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.

Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2023 salaries were reported as \$3.121 million.

**Sensitivity of Net OPEB Liability to Changes in Discount Rate**

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1% per annum, the Net OPEB liability would decrease and if it were to decrease by 1% the Net OPEB liability would increase:

	<u>1%</u> <u>Decrease</u> (2.26%)	<u>Current</u> <u>Discount Rate</u> (3.26%)	<u>1%</u> <u>Increase</u> (4.26%)
Borough's proportionate share of OPEB Liability	\$ 45,024,722	\$ 37,696,520	\$ 32,394,073

**Sensitivity of Net OPEB Liability to Changes in Health Trend Rate**

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the medical trend rate were to increase by 1% per annum, the Net OPEB Liability as of December 31, 2023 would increase, and if it were to decrease by 1% the Net OPEB liability would decrease.

	<u>Decrease</u>	<u>Health Care Trend Rate</u>	<u>Increase</u>
Borough's proportionate share of OPEB Liability	\$ 32,583,446	\$ 37,696,520	\$ 44,586,892

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**17. 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.

The Borough is a member of the South Bergen County Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The SBJIF and MEL are a self-administered group of municipalities established for the purpose of providing its members the following low-cost coverage:

General liability  
Automobile liability  
Law enforcement professional liability  
Employee benefits liability  
Public officials' liability/employment practices liability  
Crime coverage  
Statutory and excess public official bond  
Workers' compensation  
Environmental liability

The Funds are risk-sharing public entity pools. The SBJIF and MEL coverage amounts are on file with the Borough. The Borough pays actuarial assessments annually. If these assessments prove deficient, additional assessments may be levied. The Funds can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared. In addition, the MEL also provides for a Faithful Performance and Employee Dishonesty Blanket Bond with a \$1,000,000 limit.

The Borough is also a member of the Bergen Municipal Employee Benefits Fund. This fund is an insured and self-administered group established for the sole purpose of providing medical insurance coverage to the employees of member municipalities. The Fund is a risk-sharing public entity pool. The fund coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual installments and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures outlined in the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

The funds provide members with risk management services, including defense and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

Year Ended December 31,	Borough/ Employee Contributions	Ending Balance
2023		\$ 174,577
2022	-	228,999
2021	3,958	228,999

During 2019, it was discovered that the Borough had not been receiving quarterly unemployment invoices, in that they had been mailed to the payroll vendor and not given to the Borough. The amounts due date back to 2010 and are approximately \$450,000. The Borough has adopted a \$450,000 special emergency ordinance on April 25, 2019 to fund the unemployment assessments.

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**18. Compensated Absences**

Under the existing contracts and policies of the Borough, certain employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal, sick leave and compensation time in lieu of overtime over the duration of their employment, which may be taken as time off or paid upon death or retirement (with certain restrictions) or termination at an agreed-upon rate.

As of December 31, 2023 and 2022, the total accumulated absence liability was \$1,685,167 and \$2,167,194, respectively. These amounts, which are considered material to the financial statements, are not reported as either an expenditure or liability.

**19. Contingent Liabilities**

***Litigation***

The Borough is involved in certain legal proceedings, none of a kind unusual for a municipality of its size and scope of operation. The resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

***Tax Appeals***

Various tax appeal cases were pending in the tax court. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division, the Borough does not recognize a liability, if any, until these cases have been adjudicated and may be material. Immaterial appeals are funded through budget appropriations or fund balance.

As of July 8, 2024, there are four pending tax appeals against the Borough:

Morningside at Wallington LLC v. Borough of Wallington, it is anticipated that a settlement is to be made with the plaintiff.  
The Wallington Group/New Wallington Home v. Borough of Wallington, it is anticipated that a settlement is to be made with the plaintiff.

Wallington Ind. Development 2 Associates v. Borough of Wallington, it is anticipated that a settlement is to be made with the plaintiff.

Wallington Plaza LLC v. Borough of Wallington, it is anticipated that a settlement is to be made which will result in a refund to the taxpayer in the range of \$0 to \$100,000.

The total settlements for the cases above will approximate \$1,300,000 plus interest due. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through an establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

***Federal and State Awards***

The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2023 and 2022, significant amounts of grant expenditure have not been audited by the various grantor agencies, but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

***Health Insurance Waiver***

The Borough offers health insurance waivers in an amount of the lesser of \$5,000 or 25% of actual net insurance cost to employees that can show that coverage is provided by a spouse or other means. In 2023 and 2022 the Borough paid four and four employees a total of \$21,666.64 and \$19,999.92 respectively, and included the waiver as wages on their respective W-2's.

**20. Joint Ventures with Other Municipalities**

The Borough participates in an interlocal agreement with the Borough of Carlstadt to share the services of a Municipal Court and Board of Health. The Borough has appropriations in the budget to cover the cost of these shared services.

See independent auditor's report.

**BOROUGH OF WALLINGTON  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**21. Federal Arbitrage Regulations**

Municipalities are subject to Section 148 of the IRC as it pertains to the “arbitrage rebate” on all tax-exempt obligations. Under 1986 TRA, the IRS required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for the purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. Excess earnings may be required to be rebated to the IRS. Bond Counsel should be engaged to calculate the estimated arbitrage earnings due to the IRS, if any.

**22. Liquidity, Management Plans and Intentions**

Due to the COVID-19 Pandemic, the Borough had to adjust its operations in 2020 and 2021 to continue to provide services to taxpayers. The Pandemic did not have a significant impact on the financial statements of the Borough for the year ended December 31, 2023. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some additional costs incurred related to public health. On March 11, 2021 President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer, or broadband infrastructure. The amount of federal aid available to the Borough of Wallington is \$1,203,165, which will be available until December 31, 2024. The first installment of half the amount was received during 2021 and the remainder will be received during 2022. Additionally, the Borough prepared and balanced the 2024 budget and considered the potential impact the Pandemic could have on Borough operations. Management believes that the fund balance available as of December 31, 2023, and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Borough’s financial needs for one year from the date of issuance of this report.

**23. Subsequent Events**

The Borough has evaluated subsequent events through July 8, 2024 which is the date the financial statements were available to be issued. The 2024 Municipal Budget was not adopted as of the date of our audit.

On March 21, 2024, the Borough adopted Ord. 2024-007 for Various Public Improv. & Acquisition of New Vehicles & Equipment , in the amount of \$764,500, \$38,425 down payment, 11,525 from fund balance and \$178,550 from grants, and \$536,000 authorized not issued.

See independent auditor’s report.

**SUPPLEMENTARY DATA – CURRENT FUND**

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

SCHEDULE OF CASH - TREASURER

A-4

	<u>Reference</u>		
Balance December 31, 2022	A		\$ 4,922,758.65
Increased by:			
Budgeted Revenue	A-2	\$ 2,308,627.05	
Non-Budget Revenues	A-2	54,412.71	
Taxes Receivable	A-7	31,299,367.39	
Prepaid Taxes	A-15	134,942.57	
Budget Offsets	A-3	850,708.31	
Reserve for Municipal Relief Funds	A	70,245.11	
Due from State of New Jersey -			
Senior Citizens' & Veterans' Deductions	A-14	31,129.45	
Tax Overpayments	A-16	-	
Miscellaneous Fees Received	A-19	7,451.00	
Grants Unappropriated	A-22	71,733.98	
Grants Receivable	A-20	440,395.80	
Special Emergency Notes	A-24	198,000.00	
Reserve for Library Aid	A-25	6,607.00	
Due from Animal License Fund	B-4	3,179.40	
Due from Other Trust Fund	B-12	500.00	
Capital Interfunds	Contra	832,664.50	
Marriage License Adjustment	A-1	25.00	
Due from Water Operating Fund	D-17	36,826.84	
			<u>36,346,816.11</u>
			41,269,574.76
Decreased by:			
2023 Budget Appropriations	A-3	\$ 13,789,767.43	
2022 Appropriation Reserves	A-12	836,658.01	
Refund of Tax Overpayments	A-16	-	
County Tax	A-17	3,355,359.91	
Local District School Tax	A-18	17,616,031.00	
Miscellaneous Fees Payable	A-19	10,670.00	
Appropriated Grant Reserves	A-21	278,161.13	
Grant Encumbrance Expended	A-21		
Emergency Notes Paid	A-24	324,000.00	
State Library Aid Expenditures	A-25	6,607.00	
Reserve for Codification	A-26	6,850.97	
Reserve for Hurricane IDA- Expenditures	A-28	84,795.56	
Accounts Payable	A-29	124,802.59	
Reserve for Tax Appeals	A-30	2,040.00	
Due from Capital Fund- Interfunds	Contra	832,664.50	
Prior Year Bills	A-1	9,321.50	
Due from Trust Fund	B-6	515.00	
Due from Water Operating- Expenditures	D-17	36,826.84	
			<u>37,315,071.44</u>
Balance December 31, 2023	A		<u>\$ 3,954,503.32</u>

See independent auditor's report and the notes to the financial statements.



BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-5

SCHEDULE OF CASH - CHANGE FUND

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 100.00
Balance December 31, 2023	A	\$ 100.00

A-6

SCHEDULE OF PETTY CASH FUND

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 100.00
Balance December 31, 2023	A	\$ 100.00

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-7

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

	Balance <u>Dec. 31, 2022</u>	2023 <u>Levy</u>	<u>Collections</u>		<u>Transfer to Lien</u>	<u>Added Canceled/ Judgments</u>	Balance <u>Dec. 31, 2023</u>
			<u>2022</u>	<u>2023</u>			
2022 & Prior Yr Taxes	\$ 239,452.32	\$ -	\$ -	\$ 243,702.32	\$ -	\$ 4,250.00	\$ -
2023 Taxes		31,678,942.01	317,351.59	31,090,915.07		(12,684.13)	257,991.22
	<u>\$ 239,452.32</u>	<u>\$ 31,678,942.01</u>	<u>\$ 317,351.59</u>	<u>\$ 31,334,617.39</u>	<u>\$ -</u>	<u>\$ (8,434.13)</u>	<u>\$ 257,991.22</u>
Reference	A	Below	A-16	Below	A-8		A
<u>Reference</u>							
Cash Receipts			A-4	\$ 31,299,367.39			
State of NJ - Realized Seniors' and Veterans' Deductions			A-14	35,250.00			
			Above	<u>\$ 31,334,617.39</u>			
<u>Analysis of 2023 Property Tax Levy</u>							
General Purpose Tax		\$ 31,628,164.78					
Added Taxes (54:4-63.1 et. seq.)		46,023.17					
Additional taxes added - 6% Penalty		4,754.06					
		<u>\$ 31,678,942.01</u>					
			Above, Below				
<u>Tax Levy</u>							
Local District School							
Tax (Abstract)		\$ 17,616,033.00	A-18				
County Taxes		3,208,408.28	A-17				
Added County Taxes/Open Space		4,880.90	A-17				
County Open Space		140,389.74	A-17				
Local Tax for Municipal Purposes		10,656,182.71	A-2				
Added Taxes - Local Purposes		53,047.38					
		<u>\$ 31,678,942.01</u>	Above				

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-8

**SCHEDULE OF TAX TITLE LIENS**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ -
Increased by:		
Interest and Costs / 6% Penalty		
Transfer from Taxes	A-7	\$ -
		<u>-</u>
Decreased by:		
Payments- Received in Trust Fund	B-6	
Canceled- Prior Year Adjustment for foreclosures		
		<u>-</u>
		<u>-</u>
Balance December 31, 2023	A, Below	\$ -

A-9

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ -
Balance December 31, 2023	A	\$ -

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-10

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance December 31, <u>2022</u>	Accrued <u>in 2023</u>	Collected <u>in 2023</u>	Balance December 31, <u>2023</u>
Licenses				
Alcoholic Beverages	\$ -	\$ 14,440.00	\$ 14,440.00	\$ -
Other		12,366.00	12,366.00	
Fees & Permits		41,695.00	41,695.00	
Fines and Costs	13,016.46	136,660.05	140,118.89	9,557.62
Interest and Costs on Taxes		62,792.22	62,792.22	
Interest on Investments and Deposits		312,070.07	312,070.07	
Energy Receipts Taxes		678,109.16	678,109.16	
Uniform Construction Code Fees		162,147.40	162,147.40	
Uniform Fire Safety		22,195.00	22,195.00	
Cell Tower Rental Fee		72,627.88	72,627.88	
Other Rental Income		236,029.90	236,029.90	
CATV Franchise Fee		87,701.83	87,701.83	
Accrued Interest on Bonds		466,333.70	466,333.70	
	<u>\$ 13,016.46</u>	<u>\$ 2,305,168.21</u>	<u>\$ 2,308,627.05</u>	<u>\$ 9,557.62</u>
<u>Reference</u>	A		A-2	A

A-11

**SCHEDULE OF RESERVE FOR REVALUATION**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 2,770.00
Increased by:		
		<u>2,770.00</u>
Decreased by:		
		<u>-</u>
Balance December 31, 2023	A	<u>\$ 2,770.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

A-12

SCHEDULE OF 2022 APPROPRIATION RESERVES

	Balance Dec. 31, 2022	Encumbrances	Transfers	Balance After Transfers	Paid or Charged	Balance Lapsed	Over Expenditure
<b>OPERATIONS -WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT</b>							
Mayor and Council							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Administration							
Salaries and Wages							
Borough Clerk							
Salaries and Wages	5,958.24		(2,200.00)	3,758.24	3,754.76	3.48	
Other Expenses	4,751.80	359.20	2,200.00	7,311.00	7,140.34	170.66	
Financial Administration							
Salaries and Wages							
Other Expenses & Audit Services	29,213.26	2,101.55		31,314.81	30,801.53	513.28	
Grant Writer							
Other Expenses	0.08	3,166.66		3,166.74	3,166.66	0.08	
Revenue Administration							
Salaries and Wages							
Other Expenses		2,188.75		2,188.75	2,073.75	115.00	
Assessment Administration							
Salaries and Wages							
Other Expenses	2,263.38		(1,000.00)	1,263.38		1,263.38	
Legal Services and Costs							
Other Expenses	15,460.95	622.50	15,000.00	31,083.45	31,083.45		
Engineering Services and Costs							
Other Expenses	13,144.27	2,672.50		15,816.77	15,816.77		
Planning Board							
Salaries and Wages							
Other Expenses	29,065.00	190.00		29,255.00	2,510.95	26,744.05	
Zoning Board of Adjustment							
Salaries and Wages							
Other Expenses	2,530.11	5,750.00	4,000.00	12,280.11	9,500.00	2,780.11	
Insurance							
Unemployment Insurance	43,359.00			43,359.00		43,359.00	
Employee Group Health	144,307.23		(10,000.00)	134,307.23	130,358.00	3,949.23	
Health Benefit Waiver			5,000.00	5,000.00	5,000.00		
Liability	9,434.00			9,434.00		9,434.00	
Liability (South Bergen JIF)	66,452.00			66,452.00	66,452.00		
Worker's Compensation (South Bergen JIF)	66,452.00			66,452.00	66,452.00		

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See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

A-12

**SCHEDULE OF 2022 APPROPRIATION RESERVES**

	Balance Dec. 31, 2022	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
<b>OPERATIONS -WITHIN "CAPS" (Continued)</b>								
<b>PUBLIC SAFETY FUNCTIONS</b>								
Police								
Salaries and Wages	\$ 11,586.28	\$ 11,355.06		\$ 22,941.34	\$	\$ 20,783.73	\$ 2,157.61	\$
Other Expenses								
Uniform Fire Safety								
Salaries and Wages								
Other Expenses	700.00			700.00			700.00	
Fire Department- Other Expense	92.01	32,521.37		32,613.38		32,613.38		
Fire Prevention Bureau								
Other Expenses	6,406.00		(3,000.00)	3,406.00		725.00	2,681.00	
Emergency Management Services								
Other Expenses	442.22			442.22			442.22	
EMS								
Other Expenses	807.85	19,648.81	1,000.00	21,456.66		20,646.29	810.37	\$
Clothing Allowance	6,457.00		(2,000.00)	4,457.00		2,088.32	2,368.68	
Municipal Prosecutor								
Salaries and Wages								
Public Defender								
Other Expenses								
<b>PUBLIC WORK FUNCTIONS</b>								
Street and Road Maintenance								
Salaries and Wages								
Other Expenses	4,072.42	1,416.95		5,489.37		1,873.44	3,615.93	
Shade Tree								
Other Expenses	55.00	19,925.00		19,980.00		19,375.00	605.00	
Solid Waste Collection								
Salaries and Wages	51.19			51.19			51.19	
Other Expenses	129,314.48	27,310.55	(27,000.00)	129,625.03		62,230.55	67,394.48	
Buildings and Grounds								
Other Expenses	4,099.59	8,894.75	6,000.00	18,994.34		16,194.34	2,800.00	

See independent auditor's report and the notes to the financial statements.

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BOROUGH OF WALLINGTON  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

A-12

**SCHEDULE OF 2022 APPROPRIATION RESERVES**

	Balance Dec. 31, 2022	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
<b>OPERATIONS -WITHIN "CAPS" (Continued)</b>								
<b>HEALTH AND WELFARE</b>								
Board of Health								
Salaries and Wages	\$ 1,093.17	\$ *	\$ *	\$ 1,093.17	\$ *	\$ *	\$ 1,093.17	\$ *
Other Expenses	2,039.06	2,215.50		4,254.56		3,649.15	605.41	
Animal Control Services								
Other Expenses				*			*	
<b>PARK AND RECREATION FUNCTIONS</b>								
Board of Recreation Commissioners (R.S. 40-17,1)								
Salaries and Wages				*			*	*
Other Expenses	772.36	2,551.46		3,323.82		2,549.49	774.33	*
Senior Citizens								
Other Expenses	424.08			424.08			424.08	
Maintenance of Parks								
Other Expenses	83.85	2,398.86	1,000.00	3,482.71		2,732.56	750.15	*
Celebration of Public Events								
Other Expenses	1,199.12	631.05		1,830.17		581.05	1,249.12	*
<b>UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)</b>								
Construction Code Official								
Salaries and Wages				*			*	*
Other Expenses	295.62			295.62			295.62	*

BOROUGH OF WALLINGTON  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023

A-12

**SCHEDULE OF 2022 APPROPRIATION RESERVES**

	Balance Dec. 31, 2022	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
<b>OPERATIONS -WITHIN "CAPS" (Continued)</b>								
<b>UTILITIES</b>								
Electricity	\$ 8,357.14	\$ 9,905.78	\$ -	\$ 18,262.92	\$ -	\$ 13,975.18	\$ 4,287.74	\$ -
Street Lighting	37,262.71	72.44		37,335.15	-	37,254.54	80.61	-
Communications	6,046.89	3,435.45		9,482.34	-	2,567.11	6,915.23	-
Sewerage Processing and Disposal					-			-
Other Expenses	5,027.89	13,040.00		18,067.89	-	3,590.00	14,477.89	-
Gasoline	27,389.02		40,000.00	67,389.02	-	66,644.27	744.75	-
Municipal Court								
Salaries and Wages				-	-		-	-
Other Expenses				-	-		-	-
Special Emergency-Tropical Storm IDA & Recovery				-			-	-
Public Defender								
Other Expenses	5,000.00			5,000.00		4,950.00	50.00	
<b>TOTAL OTHER EXPENSES WITHIN "CAPS"</b>	<u>691,466.27</u>	<u>172,374.19</u>	<u>29,000.00</u>	<u>892,840.46</u>	<u>-</u>	<u>689,133.61</u>	<u>203,706.85</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>								
Social Security System (O.A.S.I.)	487.25			487.25	-	-	487.25	-
Public Employees' Retirement System	84,544.52		(29,000.00)	55,544.52	-	-	55,544.52	-
Public Employees' Retirement System- Adjustment				-			-	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WITHIN "CAPS"</b>	<u>85,031.77</u>	<u>-</u>	<u>(29,000.00)</u>	<u>56,031.77</u>	<u>-</u>	<u>-</u>	<u>56,031.77</u>	<u>-</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>								
Passaic Valley Sewerage	4,077.07			4,077.07	-	-	4,077.07	-
East Rutherford Sewer Fees	5,000.00			5,000.00	-	-	5,000.00	-
Recycling Tax Appropriation				-	-	-	-	-
Maintenance of Free Public Library	36,955.26	1,282.21		38,237.47	-	38,237.47	-	-
Shared Services Municipal Court				-	-		-	-
Interlocal Services Agreement (County of Bergen )	332.50			332.50	-		332.50	-
Length of Service Award Program (LOSAP)	135,000.00			135,000.00	-	109,286.93	25,713.07	-
Shared Services Board of Health	9,100.00			9,100.00			9,100.00	
<b>TOTAL OTHER EXPENSES EXCLUDED FROM "CAPS"</b>	<u>190,464.83</u>	<u>1,282.21</u>	<u>-</u>	<u>191,747.04</u>	<u>-</u>	<u>147,524.40</u>	<u>44,222.64</u>	<u>-</u>
<b>JUDGMENTS</b>								
<b>TOTAL RESERVES EXCLUDED FROM "CAPS"</b>	<u>190,464.83</u>	<u>1,282.21</u>	<u>-</u>	<u>191,747.04</u>	<u>-</u>	<u>147,524.40</u>	<u>44,222.64</u>	<u>-</u>
<b>TOTAL RESERVES</b>	<u>\$ 966,962.87</u>	<u>\$ 173,656.40</u>	<u>\$ -</u>	<u>\$ 1,140,619.27</u>	<u>\$ -</u>	<u>\$ 836,658.01</u>	<u>\$ 303,961.26</u>	<u>\$ -</u>
	A	A-13		A	A-4		A-1	
				Paid Moved to Accounts Payable	A-4 A-29	\$ 836,658.01		
						<u>\$ 836,658.01</u>		

See independent auditor's report and the notes to the financial statements.



BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-13

**SCHEDULE OF ENCUMBRANCES**

	<u>Reference</u>		
Balance December 31, 2022	A		\$ 173,656.40
Increased by:			
Charges to 2022 Appropriations	A-12		
Charges to 2023 Appropriations	A-3	\$ 169,305.58	
			<u>169,305.58</u>
			342,961.98
Decreased by:			
Applied to 2022 Appropriations	A-12	173,656.40	
Applied to Accounts Payable	A-29		
			<u>173,656.40</u>
Balance December 31, 2023	A		<u>\$ 169,305.58</u>

A-14

**SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY  
SENIOR CITIZENS' & VETERANS' DEDUCTIONS**

	<u>Reference</u>		
Balance December 31, 2022	A		\$ 552.74
Increased by:			
Senior Citizens' Deductions Per Tax Billings		\$ 8,750.00	
Veterans' Deductions Per Tax Billings		26,750.00	
Senior Citizens'/Veterans' Deductions - Allowed by Tax Collector			<u>35,500.00</u>
			36,052.74
Decreased by:			
Received in Cash from State	A-4	31,129.45	
Senior Citizens'/Veterans' Deductions - Disallowed by Tax Collector		250.00	
PY 2022 Senior Citizens Deductions Disallowed	A-1	<u>4,250.00</u>	
			35,629.45
Balance December 31, 2023	A		<u>\$ 423.29</u>
<b>Calculation of Amount Realized</b>			
Senior Citizens			\$ 8,750.00
Veterans			26,750.00
Senior Citizens'/Veterans' Deductions Allowed by Tax Collector			<u>35,500.00</u>
			-
Less: Senior Citizens'/Veterans' Deductions Disallowed by Tax Collector			<u>250.00</u>
Realized as Tax Revenue	A-7		<u>\$ 35,250.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-15

**SCHEDULE OF PREPAID TAXES**

Balance December 31, 2022	A	\$ 317,351.59
Increased by:		
Collection of 2024 Taxes	A-4	134,942.57
		<u>452,294.16</u>
Decreased by:		
Applied to 2023 Taxes Receivable	A-7	317,351.59
		<u>317,351.59</u>
Balance December 31, 2023	A	<u>\$ 134,942.57</u>

A-16

**SCHEDULE OF TAX OVERPAYMENTS**

	<u>Reference</u>		
Balance December 31, 2022	A	\$ -	
Increased by:			
Appeals	A-1	\$ -	
Overpayments received	A-4	<u>-</u>	
			<u>-</u>
Decreased by:			
Overpayments Refunded	A-4	<u>-</u>	
Canceled Tax Overpayments	A-1	<u>-</u>	
			<u>-</u>
Balance December 31, 2023	A	<u>\$ -</u>	

A-17

**SCHEDULE OF COUNTY TAXES PAYABLE**

	<u>Reference</u>		
Balance December 31, 2022	A	\$ 6,561.89	
Increased by:			
2023 Tax Levy	A-1,2,7	\$ 3,208,408.28	
2023 Added County Taxes	A-1,2,7	4,880.90	
2023 Open Space	A-1,2,7	140,389.74	
		<u>3,353,678.92</u>	
			<u>3,360,240.81</u>
Decreased by:			
Payments	A-4	<u>3,355,359.91</u>	
Balance December 31, 2023	A	<u>\$ 4,880.90</u>	

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2022

A-18

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2022	<u>Reference</u> A	\$ -
Increased by:		
Levy - School Year		
July 1, 2023 to June 30, 2024	A-1,2,7	17,616,033.00
		<u>\$17,616,033.00</u>
Decreased by:		
Canceled	A-1	\$ 2.00
Payments	A-4	17,616,031.00
		<u>17,616,033.00</u>
Balance December 31, 2023	A	<u>\$ -</u>

A-19

**SCHEDULE OF MISCELLANEOUS FEES PAYABLE**

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Marriage License Fees	\$ -	\$ 800.00	\$ 450.00	\$ 350.00
DCA Training Fees	3,569.00	6,651.00	10,220.00	-
	<u>\$ 3,569.00</u>	<u>\$ 7,451.00</u>	<u>\$ 10,670.00</u>	<u>\$ 350.00</u>
	A	A-4	A-4	A

A-20

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Anticipated</u> <u>2023 Budget</u>	<u>Received/Canceled</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Non-Public Nursing	\$ 2,028.00	\$ -	\$ 2,028.00	\$ -
Recycling Tonnage Grant		17,884.23	17,884.23	-
Municipal Alliance	5,388.89	4,507.18	4,359.32	5,536.75
Safe and Secure Communities Program				-
FEMA Civic Center Generator	1,167.90		1,167.90	(0.00)
State Body Armor	1,298.89			1,298.89
FEMA- Covid 19				-
US Treasury Cares Act	15,622.43		15,622.43	-
Patrick Leahy Bulletproof Vest Partners	3,600.00			3,600.00
NJ Department of Transportation	218,000.00		218,000.00	-
NJ Safer Grant (Volunteer Firefighters)	11,280.00			11,280.00
Assistance to Firefighter Grant	389,447.00		193,152.25	196,294.75
Bullet Proof Vest Partnership Program	33,972.21			33,972.21
Clean Communities Grant				
Drive Sober or Get Pulled Over		7,000.00	7,000.00	-
	<u>\$ 681,805.32</u>	<u>\$ 29,391.41</u>	<u>\$ 459,214.13</u>	<u>\$ 251,982.60</u>
Reference	A	A-2	Below	A

Canceled	A-21	\$ 18,818.33
Received	A-4	440,395.80
	Above	<u>\$ 459,214.13</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-21

**SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance <u>Dec. 31, 2022</u>	Transferred from 2023 <u>Appropriations</u>	Canceled/ <u>Expended</u>	Deferred Charge	Balance <u>Dec. 31, 2023</u>
Municipal Court					
Alcohol and Education Fund	\$ 16,196.67	\$ -	\$ -	\$ -	\$ 16,196.67
Municipal Alliance - State	9,605.99	4,507.18	1,456.23		12,656.94
Municipal Alliance - Local	2,935.80	1,126.80	4,062.60		-
Municipal Alliance- State	0.38				0.38
Safe & Secure Grant	-	32,400.00	32,400.00		-
Domestic Preparedness Grant	50,000.00		50,000.00		-
Bullet Proof Vest Program	29,599.21		29,599.21		-
Body Armor Replacement Grant	-	1,842.93	1,842.93		-
Drive Sober or Get Pulled Over Grant		7,000.00	7,000.00		-
FEMA Firefighters Scuba Grant	7,950.00		5,998.38		1,951.62
FEMA Civic Center Generator	626.04		626.04		(0.00)
FEMA- COVID	2,844.51		2,844.51		-
US Treasury- CARES Act	3.09		3.09		(0.00)
2020 Census Grant	6,000.00		6,000.00		-
Recycling Tonnage Grant	5,462.36	17,884.23	13,909.00		9,437.59
Patrick Leahy Bulletproof Vest Partnership Grant	3,600.00		2,067.47		1,532.53
Assistance to Firefighters Grant	215,747.75		181,314.91		34,432.84
Drunk Driving Enforcement Fund	24,004.66		643.65		23,361.01
Clean Communication Grant		20,161.60	13,909.00		6,252.60
American Rescue Plan Grant					-
	<u>\$ 374,576.46</u>	<u>\$ 84,922.74</u>	<u>\$ 353,677.02</u>	<u>\$ -</u>	<u>\$ 105,822.18</u>
Reference	A	Below	Below	A-23	A

Cash Disbursements	A-4	\$ 278,161.13
Canceled to Receivable	A-20	18,818.33
Fund Balance	A-1	40,655.31
Encumbrance Payable	A	16,042.25
		<u>\$ 353,677.02</u>

A-22

**SCHEDULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance <u>Dec. 31, 2022</u>	Increases	Utilized as 2023 Revenue	Balance <u>Dec. 31, 2023</u>
American Rescue Plan Grant	\$ 870,419.52	\$ -	\$ 435,000.00	\$ 435,419.52
Body Armor Grant	1,842.93	2,099.70	1,842.93	2,099.70
Safe & Secure Communities	32,400.00	32,400.00	32,400.00	32,400.00
Clean Communities	20,161.60	22,613.89	20,161.60	22,613.89
Alcohol Education Rehab Fund		1,817.12		1,817.12
National Opioid Settlement		12,218.19		12,218.19
National Opioid Settlement Trust II		585.08		585.08
	<u>\$ 924,824.05</u>	<u>\$ 71,733.98</u>	<u>\$ 489,404.53</u>	<u>\$ 507,153.50</u>
		A-4	A-2	

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-23

**SCHEDULE OF DEFERRED CHARGES - EMERGENCY AUTHORIZATIONS**

	Balance <u>Dec. 31, 2022</u>	Amount Resulting From <u>Operations</u>	Raised <u>In Budget/Capital</u>	Balance <u>Dec. 31, 2023</u>
Special Emergency	\$ 180,000.00	\$ -	\$ 90,000.00	\$ 90,000.00
Special Emergency- COVID Revenue Deficits	169,469.60		42,367.40	127,102.20
Special Emergency- COVID- Expenditures	45,600.00		11,400.00	34,200.00
Special Emergency- Tropical Storm IDA	144,000.00		36,000.00	108,000.00
	<u>\$ 539,069.60</u>	<u>\$ -</u>	<u>\$ 179,767.40</u>	<u>\$ 359,302.20</u>
Reference	A	A-1,3,12,21	Below	A
Budget Appropriation		A-3	179,767.40	
Received from Capital - Ordinance		A-4		
		Above	<u>\$ 179,767.40</u>	

A-24

**SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 324,000.00
Increased by		
Special Emergency Notes Received	A-4	<u>198,000.00</u>
		522,000.00
Decreased by		
Emergency Note Paid	A-4	<u>324,000.00</u>
Balance December 31, 2023	A	<u>\$ 198,000.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-25

**SCHEDULE OF AMOUNT DUE TO LIBRARY - STATE AID**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ -
Increased by:		
Cash Receipts	A-4	6,607.00
		<u>6,607.00</u>
Decreased by:		
Cash Disbursements	A-4	6,607.00
		<u>6,607.00</u>
Balance December 31, 2023	A	<u>\$ -</u>

A-26

**SCHEDULE OF RESERVE FOR CODIFICATION OF ORDINANCES**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 10,925.00
Decreased by:		
Cash Disbursements	A-4	6,850.97
		<u>6,850.97</u>
Balance December 31, 2023	A	<u>\$ 4,074.03</u>

A-27

**SCHEDULE OF RESERVE FOR INSURANCE PROCEEDS**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 10,604.00
Increased by:		
Cash Receipts	A-4	10,604.00
		<u>10,604.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>                    </u>
Balance December 31, 2023	A	<u>\$ 10,604.00</u>

A-28

**SCHEDULE OF RESERVE FOR HURRICANE IDA- FEMA REIMBURSEMENT**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 127,454.86
Increased by:		
Cash Receipts- Other		\$ -
Cash Receipts- Hurricane IDA		
FEMA Reimbursements	A-4	<u>                    </u>
		<u>127,454.86</u>
Decreased by:		
Cash Disbursements	A-4	84,795.56
		<u>84,795.56</u>
Balance December 31, 2023	A	<u>\$ 42,659.30</u>

BOROUGH OF WALLINGTON  
CURRENT FUND  
DECEMBER 31, 2023

A-29

**SCHEDULE OF ACCOUNTS PAYABLE**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 168,570.55
Increased by:		
Transfer from Budget App. Reserve	A-12	
Decreased by:		<u>168,570.55</u>
Cancel	A-1	\$ -
Cash Disbursements	A-4	<u>124,802.59</u>
Balance December 31, 2023	A	<u><u>\$ 43,767.96</u></u>

A-30

**SCHEDULE OF RESERVE FOR TAX APPEALS**

	<u>Reference</u>	
Balance December 31, 2022	A	\$ 83,021.75
Increased by:		
Transfer from 2023 Budget	A-3	<u>50,000.00</u>
Decreased by:		<u>133,021.75</u>
Cash Disbursements	A-4	<u>2,040.00</u>
Balance December 31, 2023	A	<u><u>\$ 130,981.75</u></u>

See independent auditor's report and the notes to the financial statements.

**SUPPLEMENTARY DATA – TRUST FUNDS**



BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023

B-1

SCHEDULE OF CASH - COLLECTOR - TREASURER

	<u>Reference</u>	<u>Animal License</u>	<u>Other Trust</u>
Balance December 31, 2022	B	\$ 10,071.00	\$ 1,286,416.19
Increased by:			
Current Fund Appropriations/Transfers-Payroll Account	B-12		7,132,128.88
Current Fund Budget Appropriations- Deferred Charge	B	-	16,967.62
Due to Current Fund - Interest Income/Interfunds	B-4,6		15.00
Payroll Deductions- Unemployment	B-7		-
Cat License Fees Collected	B-3	204.00	
Dog License Official Fees Collected	B-3	3,081.20	
Due State of NJ - Fees Payable	B-5	697.80	-
Redemption of Tax Title Liens and Tax Sale Premiums	B-9		282,046.81
Miscellaneous Reserves	B-10		632,297.29
Escrow Deposits	B-8		3,000.00
		<u>3,983.00</u>	<u>8,066,455.60</u>
		<u>14,054.00</u>	<u>9,352,871.79</u>
Decreased by:			
Payroll Disbursements	B-12		7,221,076.64
Expenditures Under R.S. 4:19-15.11	B-3	560.00	
To State of NJ - Fees Payable	B-5,	696.60	
Transfer to Current Fund	B-1,4,6	3,179.40	
Redemption of Tax Title Liens and Tax Sale Premiums	B-9		274,587.33
Miscellaneous Reserves	B-10		321,017.55
Unemployment Disbursements	B-7		54,421.81
Escrow Disbursements	B-8		2,093.75
		<u>4,436.00</u>	<u>7,873,197.08</u>
Balance December 31, 2023	B	\$ <u>9,618.00</u>	\$ <u>1,479,674.71</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023

B-2

**SCHEDULE OF LOSAP INVESTMENTS**

	<u>Reference</u>		
Balance December 31, 2022	B		\$ 1,568,173.86
Increased by:			
Receipts- Receivable Contributions-2021	B	\$ 100,857.79	
Receipts-Contributions-2022	B-11	107,005.90	
Net Investment Earnings	B-11	<u>264,114.83</u>	
			<u>471,978.52</u>
Decreased by:			2,040,152.38
Contributions Refunded	B-11	3,313.56	
Fees	B-11	2,300.00	
Withdrawals	B-11	<u>73,896.20</u>	
			<u>79,509.76</u>
Balance December 31, 2023	B		<u>\$ 1,960,642.62</u>

B-3

**SCHEDULE OF RESERVE FOR ANIMAL LICENSE FUND EXPENDITURES**

	<u>Reference</u>		
Balance December 31, 2022	B		\$ 6,867.00
Increased by:			
Cat License Fees Collected	B-1	\$ 204.00	
Dog License Fees Collected by Dog License Official	B-1	3,081.20	
	B-1		<u>3,285.20</u>
			10,152.20
Decreased by:			
Canceled- Due to State of New Jersey	B-5		
Statutory Excess	B-4	3,379.80	
Expenditures Under R.S. 4:19-15.11	B-1	<u>560.00</u>	
			<u>3,939.80</u>
Balance December 31, 2023	B		<u>\$ 6,212.40</u>

License Fees Collected

2021	\$ 3,214.20
2022	<u>2,998.20</u>
	<u>\$ 6,212.40</u>

B-4

**SCHEDULE OF DUE TO/(FROM) CURRENT FUND - ANIMAL LICENSE FUND**

	<u>Reference</u>		
Balance December 31, 2022	B		\$ 3,179.40
Increased by:			
Payment of State of NJ Fees	B-5	\$ -	
Statutory Excess	A-1, B-3	<u>3,379.80</u>	
			<u>3,379.80</u>
			6,559.20
Decreased by:			
Transfer to Current Fund	A-4, B-1	<u>3,179.40</u>	
			<u>3,179.40</u>
Balance December 31, 2023	B		<u>\$ 3,379.80</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023

**B-5**

**SCHEDULE OF DUE TO / (FROM) STATE OF NEW JERSEY - ANIMAL LICENSE FUND**

	<u>Reference</u>		
Balance December 31, 2022	B	\$	24.60
Increased by:			
2023 State Fees Collected by Dog License Official	B-1	\$      697.80	
			697.80
			722.40
Decreased by:			
Payments made in Current Fund	B-4		
Payments	B-1	696.60	
			696.60
Balance December 31, 2023	B	\$	25.80

**B-6**

**SCHEDULE OF AMOUNT DUE TO / (FROM) CURRENT FUND - OTHER TRUST FUNDS**

	<u>Reference</u>		
Balance December 31, 2022	B	\$	15.00
Decreased by:			
Transfer From Current Fund	A-4, B-1	\$      15.00	
	B-1		15.00
Balance December 31, 2023	B, Below	\$	-
Analysis of Balance			
Due from Current - Other Trust	A		
	B, Above	\$	-

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023

**B-7**

**SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION  
INSURANCE CLAIMS - OTHER TRUST FUND**

	<u>Reference</u>	
Balance December 31, 2022	B	\$ 228,999.15
Increased by:		
Payroll Deductions/ Budget Contributions	B-1	<u>228,999.15</u>
Decreased by:		
Deposits Refunded	B-1	<u>54,421.81</u>
Balance December 31, 2023	B	<u><u>\$ 174,577.34</u></u>

**B-8**

**SCHEDULE OF ESCROW FUND DEPOSITS**

	<u>Reference</u>		
Balance December 31, 2022	B		\$ 56,633.23
Increased by:			
Escrow Deposits	B-1	<u>\$ 3,000.00</u>	<u>3,000.00</u>
			59,633.23
Decreased by:			
Escrow Disbursements	B-1	<u>2,093.75</u>	<u>2,093.75</u>
Balance December 31, 2023	B		<u><u>\$ 57,539.48</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023

B-9

**SCHEDULE OF TAX TITLE LIEN REDEMPTIONS & TAX SALE PREMIUMS PAYABLE**

	Balance <u>Dec. 31, 2022</u>	Due to <u>Current fund</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2023</u>
Tax Sale Premiums	\$ 125,600.00	\$ -	\$ 69,400.00	\$ 60,200.00	\$ 134,800.00
Third Party Lien Redemption	29,505.65		212,646.81	214,387.33	27,765.13
Due back to Outside Lienholder	-				-
Lien Redemption Water Lienholder	-				-
	<u>\$ 155,105.65</u>	<u>\$ -</u>	<u>\$ 282,046.81</u>	<u>\$ 274,587.33</u>	<u>\$ 162,565.13</u>
	B	B-6	B-1	B-1	B

B-10

**SCHEDULE OF MISCELLANEOUS RESERVES**

	Balance <u>Dec. 31, 2022</u>	Deferred-Charges <u>Over-Expenditure</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2023</u>
Uniform Fire Safety Act Penalties	\$ 6,440.00	\$ -	\$ -	\$ -	\$ 6,440.00
Planning Board/Zoning Board - Escrow	14,511.99		243,104.29	45,333.71	212,282.57
Road Opening	38,255.00				38,255.00
Hometown Heroes and Flags & Banners	85.00		75.00	68.00	92.00
Youth Banners	780.00				780.00
Holiday Festival	-		24,543.00	1,657.00	22,886.00
911 Memorial Donations/Bricks	11,292.13				11,292.13
Shade Tree Donations	3,500.00				3,500.00
Police Vests	-		100.00		100.00
Police Off Duty	380,356.57		231,170.00	160,649.00	450,877.57
UCC Fines			1,000.00		1,000.00
Recreation	35,336.01		80,871.00	88,127.37	28,079.64
Parks	3,960.00				3,960.00
P.O.A.A.	35,287.00		742.00	24,987.97	11,041.03
Police Camp	2,272.52				2,272.52
Memorial Day Parade	3,850.00				3,850.00
Fire Department Deduction	342.00				342.00
COAH	174,899.83		50,542.00	194.50	225,247.33
Developer's Agreement	60,738.00				60,738.00
Reserve for Fire Prevention	3,805.00		150.00		3,955.00
	<u>\$ 775,711.05</u>	<u>\$ -</u>	<u>\$ 632,297.29</u>	<u>\$ 321,017.55</u>	<u>\$ 1,086,990.79</u>
Reference	B	B	B-1	B-1	B

BOROUGH OF WALLINGTON  
TRUST FUND  
DECEMBER 31, 2023

B-11

**SCHEDULE OF RESERVE FOR LOSAP BENEFITS**

	<u>Reference</u>		
Balance December 31, 2022	B		\$ 1,669,031.65
Increased by:			
LOSAP 2022 Contributions Received	B-2	107,005.90	
Investment Earnings	B-2	<u>264,114.83</u>	
			371,120.73
Decreased by:			<u>2,040,152.38</u>
Fees	B-2	2,300.00	
Contributions Refunded	B-2	3,313.56	
Withdrawals	B-2	<u>73,896.20</u>	
			<u>79,509.76</u>
Balance December 31, 2023	B		<u><u>\$ 1,960,642.62</u></u>

B-12

**SCHEDULE OF RESERVE FOR PAYROLL SALARIES AND WITHHOLDINGS  
OTHER TRUST FUND**

	<u>Reference</u>		
Balance December 31, 2022	B		\$ 86,949.73
Increased by:			
Deficit Payroll Account	B		
Transfers from Current /Water/ Trust Fund	B-1	<u>\$ 7,132,128.88</u>	
			7,132,128.88
			<u>7,219,078.61</u>
Decreased by:			
Disbursements	B-1	<u>7,221,076.64</u>	
			<u>7,221,076.64</u>
Balance December 31, 2023	B, Below		<u><u>\$ (1,998.03)</u></u>
<u>Analysis of Balance</u>			
Payroll Withholdings Payable	B		
Due from Current Fund	B		
Deficit in Payroll	B		<u>(1,998.03)</u>
	Above		<u><u>\$ (1,998.03)</u></u>

See independent auditor's report and the notes to the financial statements.

**SUPPLEMENTARY DATA –GENERAL CAPITAL FUND**

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-2

SCHEDULE OF CASH - TREASURER

	Reference		
Balance December 31, 2022	C,C-3		\$ 3,287,786.70
Increased by:			
Grants Received	C-4	\$ 323,025.00	
Capital Improvement Fund	C-9	80,000.00	
Bond Anticipation Note Received	C-12	133,334.00	
Reserve for FEMA- Crescent Rd/Hathaway St. Parks	C-16	655,664.50	
Wire Transfer - Test	C-1		
			<u>1,192,023.50</u>
			4,479,810.20
Decreased by:			
Reserve for Payment of Debt - Current Fund Revenue	C-10	466,333.70	
Bond Anticipation Note Paid	C-12	133,334.00	
Transfer to Current	C-7	-	
Improvement Authorizations	C-8	2,689,835.73	
			<u>3,289,503.43</u>
Balance December 31, 2023	C,C-3		<u>\$ 1,190,306.77</u>

See independent auditor's report and the notes to the financial statements.



BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-3

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

		Balance		Transfer	Balance
		Dec. 31, 2022	Receipts	To/(From)	Dec. 31, 2023
Capital Improvement Fund		\$ 25,964.00	\$ 80,000.00	\$ -	\$ 105,964.00
Due from Water Utility Capital Fund		-			-
Due to Water Utility Operating Fund		-			-
Due from Current Fund		-			-
Grants Receivable		(1,720,639.27)	323,025.00		(1,397,614.27)
Due from Library				(200,000.00)	(200,000.00)
Reserve for Premium on Bond Anticipation Notes		-			-
Encumbrances Payable		3,178,786.21		(2,089,392.70)	1,089,393.51
Reserve for Purchase of Fire Equipment		8,099.75			8,099.75
Reserve to Pay Debt Service		766,587.93		466,333.70	300,254.23
Bond Anticipation Notes			133,334.00	133,334.00	-
Reserve for FEMA- Crescent Rd/Hathaway St. Parks			655,664.50		655,664.50
Fund Balance		102,337.26			102,337.26
Improvement Authorizations:					
Ord. #	Improvement Description				
19-07	Reconstruction or Resurfacing of Various Roads	285,878.77		(1,305.15)	175,589.04
19-10	Acquisition of Office Equipment	43,654.68		(588.75)	38,291.50
20-04	2020 Road Program	182,916.49		805.00	180,528.99
20-15	Hathaway Street Sewer	5,271.40		585.00	5,271.40
21-01/2023-02	New Library Construction	5,620.96		1,630,878.87	(162,342.52)
21-02	Crescent Road Park Drainage Improvements	4,257.99		1,410.00	3,960.99
21-06	Acq. Of Real Property- 159-161 Maple Avenue	-			-
21-23	Resurfacing of Various Roads	201,013.55		933.22	200,025.55
22-016	Various Public Improvements	198,036.98		656,674.51	84,882.84
		\$ 3,287,786.70	\$ 1,192,023.50	\$ -	\$ 1,190,306.77
Reference		C,C-2	C-2	C-2	C,C-2

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-4

**SCHEDULE OF GRANTS / OTHER FUNDING SOURCES RECEIVABLE**

	Reference		
Balance December 31, 2022	C		\$ 1,720,639.27
Increased by:			
	C-6,17	<u>                    </u>	<u>                    </u>
			1,720,639.27
Decreased by:			
Cash Receipts	C-2	<u>\$ 323,025.00</u>	<u>323,025.00</u>
Balance December 31, 2023	C, Below		<u>\$ 1,397,614.27</u>
Analysis of Above - Grants Offset With Reserves:			
	C		<u>\$ -</u>
Grants not Offset with Reserves:			
Ord #19-07 NJ Department of Transportation			\$ 50,500.00
Ord # 20-04 NJ Department of Transportation			53,750.00
Ord # 21-01 NJ Library Construction Bond Act Grant			1,144,106.25
Ord #21-23 County Open Space Grant			29,147.50
Ord # 21-23 NJ Department of Transportation			61,110.52
Ord # 22-016 NJ Department of Transportation			<u>59,000.00</u>
	C-3		<u>1,397,614.27</u>
	Above		<u>\$ 1,397,614.27</u>

C-5

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

	Reference		
Balance December 31, 2022	C		\$ 10,537,000.00
Increased by:			
Serial Bonds Issued	C-13		<u>                    </u>
			10,537,000.00
Decreased by:			
2023 Budget Appropriation for Serial Bond Payment	C-13	<u>\$ 1,110,000.00</u>	<u>1,110,000.00</u>
Balance December 31, 2023	C		<u>\$ 9,427,000.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-6

**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. #	Improvement Description	Analysis of Balance - Dec. 31, 2023					
		Balance Dec. 31, 2022	2023 Authorizations	Funded/Canceled Transferred	Balance Dec. 31, 2023	Expenditures	Unexpended Improvement Authorizations
21-01/23-02	New Library Construction	\$ -	\$ 425,000.00	\$ 200,000.00	\$ 225,000.00	\$ 162,342.52	\$ 62,657.48
22-006	Refunding Bonds	266,667.00		133,333.00	133,334.00	133,334.00	-
		-			-		
		<u>\$ 266,667.00</u>	<u>\$ 425,000.00</u>	<u>\$ 333,333.00</u>	<u>\$ 358,334.00</u>	<u>\$ 295,676.52</u>	<u>\$ 62,657.48</u>
		C	C-8,17	Below	C		C-8

Analysis of Funded:

Reference

Down Payments on Improvements  
Due From Library  
Ban Paydowns

C-6	\$ -
C, C-17	200,000.00
C-12	133,333.00
Above	<u>\$ 333,333.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-7

**SCHEDULE OF DUE (TO) FROM CURRENT FUND**

	Reference		
Balance December 31, 2022	C		
Increased by:			
Interfund Transfer	A-4, C-2	\$ <u>          -</u>	\$ <u>          -</u>
Decreased by:			
Interfund Transfer	A-4, C-2	<u>                  </u>	<u>                  </u>
Balance December 31, 2023	C		\$ <u><u>          -</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-8

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Balance December 31, 2022		2023 Authorizations	Paid or Charged	Canceled	Balance December 31, 2023	
		Funded	Unfunded				Funded	Unfunded
19-07	Reconstruction or Resurfacing of Various Roads	\$ 285,878.77	\$ -	\$ -	\$ 110,289.73	\$ -	\$ 175,589.04	\$ -
19-10	Acquisition of Office Equipment	43,654.68	-		5,363.18		38,291.50	-
20-04	2020 Road Program	182,916.49	-		2,387.50		180,528.99	-
20-15	Hathaway Street Sewer	5,271.40			-		5,271.40	
21-01/2023-02	New Library Construction	5,620.96	-	425,000.00	367,963.48			62,657.48
21-02	Crescent Road Park Drainage Improvements	4,257.99			297.00		3,960.99	
21-23	Resurfacing of Various Roads	201,013.55			988.00		200,025.55	
22-016	Various Public Improvements	198,036.98			113,154.14		84,882.84	
		<u>\$ 926,650.82</u>	<u>\$ -</u>	<u>\$ 425,000.00</u>	<u>\$ 600,443.03</u>	<u>\$ -</u>	<u>\$ 688,550.31</u>	<u>\$ 62,657.48</u>
		C	C	C-6,17	Below	Below	C	C,C-6
				Cash Disbursements	C-2	\$ 2,689,835.73		
				Encumbrance Payable	C-15	1,089,393.51		
				Encumbrances Restored to Improvement Auth.	C-15	(3,178,786.21)		
				Paid in Current Fund	C-7			
					Above	<u>\$ 600,443.03</u>		
				Canceled to Reserve for Payment of Debt	C-10	\$ -		
				Canceled to Fund Balance	C-1			
				Canceled to Unfunded	C-6			
						<u>\$ -</u>		

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-9

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	Reference		
Balance December 31, 2022	C	\$	25,964.00
Increased by:			
Transfer from Current Fund-Budget Appropriation	A-3,C-2	\$ 80,000.00	<u>80,000.00</u>
Decreased by:			<u>105,964.00</u>
Appropriated to Finance Improvement Authorizations	C-6,17		<u>0.00</u>
Balance December 31, 2023	C	\$	<u><u>105,964.00</u></u>

C-10

**SCHEDULE OF RESERVE FOR PAYMENT OF BONDS/BANS**

	Reference		
Balance December 31, 2022	C	\$	766,587.93
Increased by:			
Canceled Ordinances	C-8	\$ -	<u>-</u>
Decreased by:			<u>766,587.93</u>
Grants Applied to Unfunded Ordinances	C-6,12		
Anticipated Budget Revenue-Due to Current Fund	A-2,C-2	466,333.70	<u>466,333.70</u>
Balance December 31, 2023	C, Below	\$	<u><u>300,254.23</u></u>
Analysis of Balance:			
<u>Ordinance #</u>			
Ord #15-04 Cancel Ordinance		\$	101,758.26
Ord #15-14 Cancel Ordinance			19,164.29
Ord #16-16 Cancel Ordinance			11,331.06
Ord #16-21 Cancel Ordinance			1,745.62
Ord #12-13 Department of Transportation			<u>166,255.00</u>
	Above	\$	<u><u>300,254.23</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-11

**SCHEDULE OF GREEN ACRES LOAN PAYABLE**

	Reference		
Balance December 31, 2022	C	\$	-
Decreased by:			
Loan Paid by Budget Appropriation		\$	-
	C-5		-
Balance December 31, 2023	C	\$	-

Schedule of Green Acres Loan Payable

<u>Due</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
	\$	\$	\$
	-	-	-
	\$	\$	
	-	-	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-12

**SCHEDULE OF BOND ANTICIPATION NOTES**

Ord. No.	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increased by Bond Ant. Note	Decreased by Bond Anticipation Note Payments	Balance December 31, 2023
22-006	Refunding Bonds	08/19/22	03/18/2024	4.50%	\$ 266,667.00	\$ 133,334.00	\$ 266,667.00	\$ 133,334.00
					\$ 266,667.00	\$ 133,334.00	\$ 266,667.00	\$ 133,334.00
					C	Below	Below	C
Analysis of New Issue:						Receipts	Disbursements	
	Rollover - Cash Received				C-2	\$ 133,334.00	\$ 133,334.00	
	BAN Paydown-Budget Appropriation				C-2,6	-	133,333.00	
	New BAN Issued				C-2,17		-	
						\$ 133,334.00	\$ 266,667.00	
						Above	Above	

See independent auditor's report and the notes to the financial statements.



BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-13

**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding				Balance Dec. 31, 2022	Refunding/ Issued	Decreased	Balance Dec. 31, 2023							
			December 31, 2023 Date	Amount	Coupon Rate	Yield											
General Improvement Bonds	09/15/2017	4,087,000.00	09/15/2024	400,000.00	2.000%	1.700%	\$ 2,537,000.00	\$ -	\$ 375,000.00	\$ 2,162,000.00							
			09/15/2025	425,000.00	2.000%	1.850%											
			09/15/2026	440,000.00	2.250%	2.100%											
			09/15/2027	450,000.00	2.500%	2.250%											
			09/15/2028	447,000.00	2.500%	2.500%											
G.O. Refunding Bonds, Series 2020 (\$5,360,000 - 44,340,000 = \$1,020,000 premium/principal reduction)	07/09/2020	4,340,000.00	08/01/2024	450,000.00	4.000%	0.700%	3,525,000.00		450,000.00	3,075,000.00							
			08/01/2025	445,000.00	4.000%	0.820%											
			08/01/2026	445,000.00	4.000%	1.000%											
			08/01/2027	440,000.00	4.000%	1.160%											
			08/01/2028	440,000.00	4.000%	1.320%											
			08/01/2029	435,000.00	4.000%	1.420%											
			08/01/2030	420,000.00	4.000%	1.520%											
G.O. Bonds, Series 2022	4/15/22	\$ 4,475,000	4/15/2024	285,000	5.000%	2.190%	4,475,000.00		285,000.00	4,190,000.00							
			4/15/2025	285,000	5.000%	2.300%											
			4/15/2026	285,000	5.000%	2.430%											
			4/15/2027	285,000	5.000%	2.480%											
			4/15/2028	285,000	5.000%	2.530%											
			4/15/2029	485,000	5.000%	2.600%											
			4/15/2030	570,000	5.000%	2.750%											
			4/15/2031	570,000	5.000%	2.800%											
			4/15/2032	570,000	5.000%	2.850%											
			4/15/2033	570,000	5.000%	2.900%											
											<u>\$ 10,537,000.00</u>	<u>\$ -</u>	<u>\$ 1,110,000.00</u>	<u>\$ 9,427,000.00</u>			
											C	C-5	C-5	C			

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-14

**SCHEDULE OF RESERVE FOR PURCHASE OF FIRE EQUIPMENT**

	Reference	
Balance December 31, 2022	C	\$ 8,099.75
Decreased by:		
Cash Disbursements	C-4	<u>                    </u>
Balance December 31, 2023	C	<u><u>\$ 8,099.75</u></u>

C-15

**SCHEDULE OF ENCUMBRANCES PAYABLE**

	Reference	
Balance December 31, 2022	C	\$ 3,178,786.21
Increased by:		
Charges to Improvement Authorizations	C-8	<u>1,089,393.51</u>
		4,268,179.72
Decreased by:		
Restored to Improvement Authorizations	C-8	<u>3,178,786.21</u>
Balance December 31, 2023	C	<u><u>\$ 1,089,393.51</u></u>

C-16

**SCHEDULE OF RESERVE FOR FEMA- CRESCENT RD. & HATHAWAY ST PARK**

	Reference	
Balance December 31, 2022	C	\$ -
Increased by:		
Cash Receipts	C-7	<u>655,664.50</u>
Balance December 31, 2023	C	<u><u>\$ 655,664.50</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-17

**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	Improvement Description <u>General Improvements</u>	Balance <u>Dec. 31, 2022</u>	2023 <u>Authorizations</u>	Down <u>Payments</u>	Funded/Canceled <u>Issued</u>	Balance <u>Dec. 31, 2023</u>
2023-02	Construction of New Public Library	\$ -	\$ 425,000.00	\$ -	\$ 200,000.00	\$ 225,000.00
		<u>\$ -</u>	<u>\$ 425,000.00</u>	<u>\$ -</u>	<u>\$ 200,000.00</u>	<u>\$ 225,000.00</u>
		C	C-6,C-8	C-6,C-9	Below	C
	Funded Through:					
	Due from Liabrary		C		\$ 200,000.00	
			Above		<u>\$ 200,000.00</u>	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF WALLINGTON  
CAPITAL FUND  
DECEMBER 31, 2023

C-18

SCHEDULE OF RESERVE FOR PREMIUM/ ACCRUED INT ON BONDS & BOND ANTICIPATION NOTES

	Reference	
Balance December 31, 2022	C	\$ -
Increased by:		
Premium/ Accrued Int Bond Sale	C-2	0.00
Decreased by:		
Realized as Revenue in Current Fund Budget	C-2	
Balance December 31, 2023	C	\$ -

See independent auditor's report and the notes to the financial statements.

**SUPPLEMENTARY DATA – WATER UTILITY FUND  
OPERATING AND CAPITAL FUNDS**

**BOROUGH OF WALLINGTON**  
**WATER UTILITY FUND - OPERATING & CAPITAL FUND**  
**DECEMBER 31, 2023**

**SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER**

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>	<b>D-4</b>
Balance, December 31, 2022	D	\$ 572,421.70	\$ 430,603.11	
Increased by Cash Receipts:				
Receipts from Water Collector	D-2,9	2,103,558.45	-	
Miscellaneous Receipts	D-2	17,711.66		
Bond Premium/ Accrued Interest	D-2	159,099.83		
Transfer From Water Capital	D-11		-	
Utility Rents Overpayments	D-16	10,631.67		
Budget Offsets	D-3	602.80		
		<u>2,864,026.11</u>	<u>430,603.11</u>	
Decreased by Cash Disbursements:				
Budget Appropriations	D-3	2,439,766.55		
Improvement Authorizations	D-18	-	13,556.50	
Appropriation Reserves	D-14	202,013.36	-	
Anticipated Water Operating Budget	D-24		159,099.83	
Prior Year Voided Checks- Adjustment	D-1	1,014.81	-	
		<u>2,642,794.72</u>	<u>172,656.33</u>	
Balance, December 31, 2023	D	<u>\$ 221,231.39</u>	<u>\$ 257,946.78</u>	

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - CAPITAL FUND  
DECEMBER 31, 2023**

**SCHEDULE OF WATER CAPITAL FUND BALANCE**

**D-5**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 90,556.36
Decreased by:		
Re-allocation BAN Premium Received PY	D-28	<u>                    </u>
Balance, December 31, 2023	D	<u><u>\$ 90,556.36</u></u>

**SCHEDULE OF DUE FROM CURRENT FUND**

**D-6**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ -
Increased by:		
Bond Anticipations Notes Received in Current Fund	A-4,D-25	<u>-</u>
		-
Decreased by:		
Bond Anticipation Notes Paid In Current Fund	A-4,D-25	<u>-</u>
		-
Balance, December 31, 2023	D	<u><u>\$ -</u></u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**WATER UTILITY FUND - CAPITAL FUND**  
**DECEMBER 31, 2023**

**SCHEDULE OF WATER UTILITY CAPITAL CASH**

**D-7**

	<b>For the Years Ended December 31,</b>				
	Balance <u>Dec. 31, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	Transfer <u>To/(From)</u>	Balance <u>Dec. 31, 2023</u>
Encumbrance Payable	\$ 8,982.83	\$ -	\$ -	\$ (2,022.35)	\$ 6,960.48
Capital Improvement Fund	59.00				59.00
Reserve for Preliminary Expenses	27,673.92				27,673.92
Due from Current Fund	-				-
Fund Balance	90,556.36				90,556.36
Reserve for Payment of Bond Anticipation Notes	159,099.83		159,099.83		-
<u>Improvement Authorizations</u>					
Acquisition of Real Property	(80,458.00)				(80,458.00)
Acquisition of Two Dump Trucks with Plows	52.43				52.43
Acquisition of Vehicles & Equipment	(0.00)				(0.00)
Replacement of Various Water Mains	1,400.00				1,400.00
Replacement of Various Water Mains	60,715.57		252.35	252.35	60,715.57
Acquisition of New Add'l or Rep. Veh & Equip	-				-
Hathaway Street Water Main	5,529.09				5,529.09
Water Main Replacement, Water Pump Equipment & Vehicles	156,992.08		13,304.15	1,770.00	145,457.93
	<u>\$ 430,603.11</u>	<u>\$ -</u>	<u>\$ 172,656.33</u>	<u>\$ -</u>	<u>\$ 257,946.78</u>
		D-4	D-4		
<u>Ref</u>	D				D

See independent auditor's report and accompanying notes.



**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - OPERATING FUND  
DECEMBER 31, 2023**

**SCHEDULE OF CHANGE FUND**

**D-8**

	<u>Reference</u>		
Balance, December 31, 2022	D	\$	100.00
Balance, December 31, 2023	D	\$	<u>100.00</u>

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

**D-9**

	<u>Reference</u>		
Balance, December 31, 2022	D	\$	325,465.73
Increased by:			
Billings			<u>2,120,751.32</u>
			2,446,217.05
Decreased by:			
Applied from Overpayments	D-2, 16	10,519.45	
Collections	D-2	<u>\$ 2,103,558.45</u>	
			<u>2,114,077.90</u>
Balance, December 31, 2023	D	\$	<u>332,139.15</u>

**SCHEDULE OF WATER UTILITY LIENS RECEIVABLE**

**D-10**

	<u>Reference</u>		
Balance, December 31, 2022	D	\$	-
Decreased by:			
Cancelled/Adjustment			<u>-</u>
Balance, December 31, 2023	D	\$	<u>-</u>

**SCHEDULE OF DUE FROM WATER UTILITY OPERATING FUND- WATER CAPITAL FUND**

**D-11**

	<u>Reference</u>		
Balance, December 31, 2022	D	\$	-
Increased by:			
Cash Receipts	D-4		<u>-</u>
Decreased by:			
Cash Disbursements	D-4		<u>-</u>
Balance, December 31, 2023	D	\$	<u>-</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**WATER UTILITY FUND - CAPITAL FUND**  
**DECEMBER 31, 2023**

**SCHEDULE OF FIXED CAPITAL**

**D-12**

**For the Years Ended December 31,**

	<b>2022</b>	<b>Completed Projects</b>	<b>2023</b>
Water System	\$ 543,064.00	\$ -	\$ 543,064.00
Water Storage Tank	81,000.00	-	81,000.00
Foundation for Water Storage Tank	38,967.00	-	38,967.00
Main Extension	1,200,055.00	-	1,200,055.00
Meters	28,082.00	-	28,082.00
Engineer- Exploration of Well Site	9,226.00	-	9,226.00
Wells:	-	-	-
Construction	143,716.00	-	143,716.00
Consulting Engineer	2,754.00	-	2,754.00
Advertising	15.00	-	15.00
Vehicles and Equipment	157,641.00	-	157,641.00
Acq. of a Dump Truck	38,966.00	-	38,966.00
Various Improvements to Water Supply System	908,112.00	-	908,112.00
Acq. of Two Dump Trucks	54,928.00	-	54,928.00
Acquisition of Pick-up Truck	20,250.00	-	20,250.00
Acquisition of Trucks	168,279.00	-	168,279.00
Acquisition of Vehicles and Equipment	1,075,570.00	-	1,075,570.00
Acquisition of Real Property	232,958.00	-	232,958.00
Replacement of Various Water Mains	2,020,011.13	-	2,020,011.13
Replacement of Various Water Mains	2,100,000.00	-	2,100,000.00
	<u>\$ 8,823,594.13</u>	<u>\$ -</u>	<u>\$ 8,823,594.13</u>

Ref

D

D-13

D

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**WATER UTILITY FUND - CAPITAL FUND**  
**DECEMBER 31, 2023**

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ord. Number	Improvement Description	Original Issue		Balance December 31, 2022	Completed Projects	Improvement Authorizations	Balance December 31, 2023
		Date	Amount				
12-22	Replacement of Various Water Mains (Amend Ord 11-7)	12/20/12	\$ 305,000.00	\$ 305,000.00	\$ -	\$ -	\$ 305,000.00
20-16	Water Main Repl., Water Pump Equip. & Vehicles	10/13/20	750,000.00	750,000.00			750,000.00
				<u>\$ 1,055,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,055,000.00</u>
			<u>Reference</u>	<u>D</u>	<u>D-12</u>		<u>D</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - OPERATING FUND  
DECEMBER 31, 2023**

**STATEMENT OF 2022 APPROPRIATION RESERVES**

	<b>D-14</b>				
	Balance December 31, 2022	Balance After Transfers & Encumbrances	Paid or Charged	Balance Lapsed	Appropriation Reserves Over-Expenditure
Operating:					
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	-	202,869.75	202,013.36	856.39	
Statutory Expenditures:					
Public Employees' Retirement System	-	-		-	
Social Security System (O.A.S.I.)	-	-	-	-	
	<u>\$ -</u>	<u>\$ 202,869.75</u>	<u>\$ 202,013.36</u>	<u>\$ 856.39</u>	<u>\$ -</u>
<u>Reference</u>	D, Below	Below	D-4	D-1	
Encumbrances Payable Restored	D-23	\$ 202,869.85			
Appropriation Reserves	Above	<u>-</u>			
	Above	<u>\$ 202,869.85</u>			

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - OPERATING FUND  
DECEMBER 31, 2023**

**SCHEDULE RESERVE FOR EQUIPMENT**

**D-15**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 3,862.00
Balance, December 31, 2023	D	\$ 3,862.00

**SCHEDULE OF UTILITY RENT OVERPAYMENTS**

**D-16**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 10,519.45
Increased by:		
Cash Receipts- Utility Rent Overpayments	D-4	10,631.67
		21,151.12
Decreased by:		
Applied to Utility Rents	D-9	10,519.45
Balance, December 31, 2023	D	\$ 10,631.67

**SCHEDULE OF DUE FROM (TO) CURRENT FUND - WATER UTILITY OPERATING FUND**

**D-17**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ -
Increased by:		
Payments to Current Fund	A-4, D-4	\$ -
	A-4	-
Decreased by:		
Water Operating Surplus Anticipated in Current	A-2, D-3	-
Balance, December 31, 2023	D	\$ -

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - CAPITAL FUND  
DECEMBER 31, 2023**

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

D-18

Ord. Number	Improvement Description	Original Authorization	Balance December 31, 2022		Improvement Authorizations	Paid or Charged	Balance December 31, 2023	
			Funded	Unfunded			Funded	Unfunded
11-3	Acquisition of Two Dump Trucks with Plows (03/24/11)	\$ 110,000.00	\$ 52.43	\$ -	\$ -	\$ -	\$ 52.43	\$ -
11-8	Acquisition of Vehicles and Equipment (07/21/11)	225,000.00	-	-	-	-	-	-
12-21	Replacement of Various Water Mains (12/20/2012)	2,100,000.00	1,400.00				1,400.00	
12-22	Replacement of Various Water Mains (12/20/2012)	305,000.00	60,715.57				60,715.57	
15-5	Hathaway Street Water Main (03/26/2015)	215,000.00	5,529.09				5,529.09	
20-16	Water Main Repl., Water Pump Equip. & Veh. (10/13/2020)	750,000.00	156,992.08	2,972.00		11,534.15	145,457.93	2,972.00
			<u>\$ 224,689.17</u>	<u>\$ 2,972.00</u>	<u>\$ -</u>	<u>\$ 11,534.15</u>	<u>\$ 213,155.02</u>	<u>\$ 2,972.00</u>
<u>Reference</u>			D	D	D-13	Below	D	D
						Cash Disbursements	D-4	\$ 13,556.50
						Encumbrances Restored	D-27	(8,982.83)
						Encumbrance Payable	D-27	6,960.48
							Above	<u>\$ 11,534.15</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - CAPITAL FUND  
DECEMBER 31, 2023**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND /RESERVE FOR PRELIMINARY EXPENSES**

	<u>Reference</u>		<b>D-19</b>
Balance, December 31, 2022	D	\$	27,732.92
Increased by:			
Canceled Py Check	D-4		<u>                    </u>
			27,732.92
Decreased by:			
Reserve for Preliminary Expenses	D-4		<u>                    </u>
Balance, December 31, 2023	Below	\$	<u>27,732.92</u>
Analysis of Balance			
Capital Improvement Fund	D	\$	59.00
Reserve for Preliminary Expenses	D		<u>27,673.92</u>
	Above	\$	<u>27,732.92</u>

**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Reference</u>			<b>D-20</b>
Balance, December 31, 2022	D	\$		4,769,364.13
Increased by:				
Bond Principal Payment	D-30	\$	330,000.00	
Completed Projects	D-21		<u>                    </u>	
				330,000.00
Balance, December 31, 2023	D	\$		<u>5,099,364.13</u>

**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

	<u>Reference</u>			<b>D-21</b>
Balance, December 31, 2022	D	\$		35,800.00
Increased by:				
Down Payment Improvement Authorizations	D-19		<u>                    </u>	
Decreased by:				
Completed Projects - Move to Reserve for Amortization	D-20		<u>                    </u>	
Balance, December 31, 2023	D, Below	\$		<u>35,800.00</u>
Analysis of Balance General Improvements:				
Ord. # 20-16 Water Main Replacement, Water Pump Equipment & Vehicles		Date of Ordinance		
		10/13/2020		35,800.00
	Above	\$		<u>35,800.00</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**WATER UTILITY FUND - OPERATING FUND**  
**DECEMBER 31, 2023**

**SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES**

**D-22**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 43,678.89
Increased by:		
Charges to 2023 Budget	D-3	194,637.78
		<u>238,316.67</u>
Decreased by:		
Cash Disbursements	Below	<u>198,650.00</u>
Balance, December 31, 2023	D	<u>\$ 39,666.67</u>
Analysis:		
Charges to Budget		\$ 194,637.78
Cash Disbursements	Above	(198,650.00)
Accrued Interest	D-3, Above	<u>\$ (4,012.22)</u>

**SCHEDULE OF RESERVE FOR ENCUMBRANCES**

**D-23**

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 202,869.75
Increased by:		
Charges to 2023 Budget	D-3	\$ 12,128.78
		<u>12,128.78</u>
Decreased by:		
Canceled	D-1	
Restored to Appropriation Reserves	D-14	<u>202,869.75</u>
		<u>202,869.75</u>
Balance, December 31, 2023	D	<u>\$ 12,128.78</u>

See independent auditor's report and accompanying notes.



**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - CAPITAL FUND  
DECEMBER 31, 2023**

**SCHEDULE OF RESERVE FOR PAYMENT OF BOND ANTICIPATION NOTES**

**D-24**

	<u>Reference</u>	
Balance December 31, 2022	D	\$ 159,099.83
Decreased by:		
Anticipated in Budget	D-2,4	<u>159,099.83</u>
Balance December 31, 2023	D, Below	<u>\$ -</u>
<u>Analysis of Balance</u>		
		<u>                    </u>
	D, Above	<u>\$ -</u>

See independent auditor's report and accompanying notes.

### SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. Number	Purpose	Original Date of Issued	Maturity Date	Interest Rate	Balance December 31, 2022	Issued	Paid	Balance December 31, 2023
					\$ -	\$ -	\$ -	\$ -
					-			-
					\$ -	\$ -	\$ -	\$ -
				<u>Reference</u>	D	Below	Below	D
		<u>Analysis of New Issue:</u>						
		Budget Appropriation Payment			D-3,20	\$ -		
		Renewals of BAN			A-4			
						\$ -	\$ -	
						Above	Above	

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - CAPITAL FUND  
DECEMBER 31, 2023**

**SCHEDULE OF GRANTS RECEIVABLE**

**D-26**

	<u>Reference</u>	
Balance December 31, 2022	D	\$ -
Decreased by:		
Cancellation to Reserve for Grants Receivable		<u>                    </u>
Balance December 31, 2023	D, Below	<u>\$ -</u>
<u>Analysis of Balance</u>		
Offset by Reserve for Receivables	D, Above	<u>\$ -</u>

**SCHEDULE OF ENCUMBRANCE PAYABLE**

**D-27**

	<u>Reference</u>	
Balance December 31, 2022	D	\$ 8,982.83
Increased by:		
Encumbrance Payables	D-18	\$ 6,960.48
		<u>6,960.48</u>
		15,943.31
Decreased by:		
Encumbrances Restored to Ordinances	D-18	<u>8,982.83</u>
Balance December 31, 2023	D	<u>\$ 6,960.48</u>

**SCHEDULE OF BAN/ BOND PREMIUM**

**D-28**

	<u>Reference</u>	
Balance December 31, 2022	D	\$ -
Increased by:		\$ -
		<u>                    </u>
		\$ -
Decreased by:		
Anticipated in Budget		<u>                    </u>
		<u>                    </u>
Balance December 31, 2023	D	<u>\$ -</u>

See independent auditor's report and accompanying notes.

### **SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. Number	Improvement Description	Balance December 31, 2022	Improvement Authorizations	Bond Issue	Balance December 31, 2023
06-12	Acquisition of Real Property	\$ 80,458.00	\$ -	\$ -	\$ 80,458.00
20-16	Water Main Replacement, Water Pump Equipment & Vehicles	2,972.00			2,972.00
		<u>\$ 83,430.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,430.00</u>
	Reference	D	D-18		D

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
WATER UTILITY FUND - CAPITAL FUND  
DECEMBER 31, 2023**

**SCHEDULE OF WATER OPERATING UTILITY BONDS**

**D-30**

Purpose	Date of Issue	Maturities of Bonds		Interest Rate	Yield	Balance			Balance Dec. 31, 2023
		Date	Amount			Dec. 31, 2022	Increased	Decreased	
Water Operating Utility Bond	04/15/22	4/15/2024	330,000	5.00%	2.190%	\$ 4,990,000	\$ -	\$ 330,000	\$ 4,660,000
		4/15/2025	330,000	5.00%	2.300%				
		4/15/2026	380,000	5.00%	2.430%				
		4/15/2027	385,000	5.00%	2.480%				
		4/15/2028	385,000	5.00%	2.530%				
		4/15/2029	480,000	5.00%	2.600%				
		4/15/2030	480,000	4.00%	2.750%				
		4/15/2031	570,000	3.00%	2.800%				
		4/15/2032	660,000	3.00%	2.850%				
		4/15/2033	660,000	3.00%	2.900%				
						\$ 4,990,000	\$ -	\$ 330,000	\$ 4,660,000
						D	D-4	D-3,20	D

See independent auditor's report and notes to the financial statements.

**BOROUGH OF WALLINGTON  
LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit F-1

**SCHEDULE OF BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Police and Firemen's Retirement System (PFRS)**

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Borough's proportionate share of the net pension liability (asset) **	0.08132%	0.08237%	0.07912%	0.07789%	0.07431%	0.07741%	0.07725%	0.07562%		
Borough's proportionate share of the net pension liability (asset) associated with the Borough	\$ 8,984,358	\$ 9,428,137	\$ 5,782,905	\$ 10,064,353	\$ 9,094,078	\$ 10,474,644	\$ 11,927,428	\$ 14,445,974	\$ -	\$ -
Total	8,984,358	9,428,137	5,782,905	10,064,353	9,094,078	10,474,644	11,927,428	14,445,974	-	-
Borough's covered employee payroll	2,841,982	2,880,612	2,950,392	2,878,538	2,710,719	2,519,591	Not Available	Not Available	Not Available	Not Available
Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	316%	327%	350%	350%	335%	416%	Not Available	Not Available	Not Available	Not Available
Plan fiduciary net position as a percentage of the total pension liability (Local)	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%

**Public Employees' Retirement System (PERS)**

	Fiscal Year Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Borough's proportionate of the net pension liability (asset)	0.01311%	0.01391%	0.01314%	0.01464%	0.01647%	0.01623%	0.01684%	0.01624%		
Borough's proportionate share of the net pension liability (asset)	\$ 1,899,045	\$ 2,098,627	\$ 1,557,129	\$ 2,386,742	\$ 2,967,985	\$ 3,194,872	\$ 3,921,902	\$ 4,810,361	\$ -	\$ -
Borough's covered employee payroll	931,659	901,678	954,276	982,528	1,051,752	1,136,074	Not Available	Not Available	Not Available	Not Available
Borough's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	204%	233%	163%	243%	282%	281%	Not Available	Not Available	Not Available	Not Available
Plan fiduciary net position as a percentage of the total pension liability (Local)	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%

\* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

See independent auditor's report and notes to the financial statements

**BOROUGH OF WALLINGTON  
LAST TEN FISCAL YEARS ENDED JUNE 30,**

**Exhibit F-2**

**SCHEDULE OF BOROUGH'S CONTRIBUTIONS  
Police and Firemen's Retirement System (PFRS)**

	<b>Fiscal Year Ended June 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution*	\$ 1,082,471	\$ 1,071,240	\$ 922,100	\$ 870,159	\$ 834,076	\$ 723,057	\$ 692,135	\$ 676,287	\$ 656,514	\$ -
Contributions in relation to the contractually required contributions*	(1,082,471)	(1,071,240)	(922,100)	(870,159)	(834,076)	(723,057)	(692,135)	(676,287)	(656,514)	-
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's covered employee payroll	2,841,982	2,880,612	2,950,392	2,878,538	2,710,719	2,519,591	Not Available	Not Available	Not Available	Not Available
Contributions as a percentage of covered-employee payroll	38.09%	37.19%	31.25%	30.23%	30.77%	28.70%	Not Available	Not Available	Not Available	Not Available

**Public Employees' Retirement System (PERS)**

	<b>Fiscal Year Ended June 30,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution*	\$ 175,232	\$ 175,363	\$ 153,934	\$ 160,110	\$ 147,226	\$ 157,416	\$ 160,269	\$ 152,138	\$ 148,084	\$ -
Contributions in relation to the contractually required contributions*	(175,232)	(175,363)	(153,934)	(160,110)	(147,226)	(157,416)	(160,269)	(152,138)	(148,084)	-
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's covered employee payroll	931,659	901,678	954,276	982,528	1,051,752	1,136,074	Not Available	Not Available	Not Available	Not Available
Contributions as a percentage of covered-employee payroll	18.81%	19.45%	16.13%	16.30%	14.00%	13.86%	Not Available	Not Available	Not Available	Not Available

\* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

BOROUGH OF WALLINGTON  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
Pension Schedules  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**Exhibit F-3**

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

*Changes of benefit terms.* The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service, and disability benefits after 4 years of service

*Changes of assumptions.* Pre-retirement 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, postretirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability retirement rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% 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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Public Employees' Retirement System (PERS)**

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

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

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



## ACCOMPANYING INFORMATION

**BOROUGH OF WALLINGTON  
SCHEDULE OF TAX RATE INFORMATION  
FOR THE LAST FIVE YEARS**

**TAX RATE AND APPORTIONMENT OF TAX RATE**

<u>Year</u>	<u>Total Tax Rate</u>	<u>Municipal (Includes Library)</u>	<u>County</u>	<u>Local School</u>	<u>Assessed Valuations</u>
2023	3.272	1.102	0.347	1.823	\$ 966,630,958
2022	3.204	1.077	0.328	1.799	964,543,799
2021	3.149	1.053	0.319	1.777	963,116,548
2020	3.085	1.044	0.300	1.741	963,116,548
2019	2.987	0.987	0.279	1.721	957,727,654

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
SCHEDULE OF TAX LEVIES AND COLLECTIONS  
FOR THE LAST FIVE YEARS**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Collection Percentage</u>
2023	\$ 31,678,942.01	\$ 31,408,266.66	99.15 %
2022	30,973,109.95	30,706,794.40	99.14 %
2021	30,448,889.76	30,104,332.21	98.87 %
2020	29,791,205.31	29,332,302.44	98.46 %
2019	28,719,727.55	28,097,079.64	97.83 %

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS**  
**FOR THE LAST FIVE YEARS**

<u>Year</u>	<u>Liens</u>	<u>Delinquent Taxes</u>	<u>Total</u>	<u>Percent of Tax Levy</u>
2023	\$ -	\$ 257,991.22	\$ 257,991.22	0.81%
2022	-	239,452.32	239,452.32	0.77%
2021	-	286,723.76	286,723.76	0.94%
2020	15,653.93	325,681.07	341,335.00	1.15%
2019	-	659,039.75	659,039.75	2.34%

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON**  
**SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIENS LIQUIDATION**  
**FOR THE LAST FIVE YEARS**

<u>Year</u>	<u>Amount</u>
2023	\$ -
2022	-
2021	-
2020	-
2019	-

**\* None were presented at time of audit**

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
SCHEDULE OF WATER UTILITY LEVIES  
FOR THE LAST FIVE YEARS**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections</u>	<u>Collection Percentage</u>
2023	\$ 2,120,751.32	\$ 2,114,077.90	99.69%
2022	2,161,711.59	2,283,649.05	105.64%
2021	2,178,991.54	1,959,978.74	89.95%
2020	2,146,130.85	2,180,615.57	101.61%
2019	2,033,318.54	2,008,382.95	98.77%

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
SCHEDULE OF FUND BALANCES  
FOR THE LAST FIVE YEARS**

Year	CURRENT FUND		WATER UTILITY - OPERATING FUND	
	Balance	Utilized in Budget Succeeding Year	Balance	Utilized in Budget Succeeding Year
2023	\$ 1,823,443.61	\$ 850,000.00	\$ 121,799.16	\$ -
2022	2,614,392.91	1,600,000.00	392,158.59	270,359.43
2021	2,276,343.38	911,000.00	283,225.66	275,000.00
2020	1,835,609.20	543,940.00	529,148.61	250,000.00
2019	1,299,464.32	700,000.00	289,765.21	250,000.00

See independent auditor's report and accompanying notes.

**BOROUGH OF WALLINGTON  
OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Melissa Dabal	Mayor	
Wendy Su Ivanicki	President of Council	
Khaldoun Androwis	Councilperson	
Beata Balik	Councilperson	
Eugeniusz Rachelski	Councilperson	
Susanne Preinfalk	Councilperson	
Tomasz Sadecki	Councilperson	
Michael Kazimir	Administrator	\$1,000,000 (A)
David Sireci	Chief Financial Officer	
Kathy Sireci	Tax Collector	\$1,000,000 (A)
Edmund Brown	Tax Assessor	
Katarzyna Zarzycki	Water Rent Collector	
Nick Melfi	Building Inspector	
Thomas Valeo	Electrical Inspector	
Frank Recanati	Plumbing Inspector	
Marta Goldyn	Secretary of Board of Health, Licensing Official, & Registrar	
Casimer Sondey	Magistrate	(B)
Ilona Doviak	Court Administrator	(B)
Richard J. Allen	Borough Attorney	
Mark DiPisa	Prosecutor	
Neglia Engineering	Borough Engineer	
Kathryn Ennist	Library Director	

(A) - The Municipal Excess Liability Joint Insurance Fund (MEL)

(B) - Municipal Court blanket bond - \$1,000,000

Blanket Bond coverage of \$1,000,000 is provided through the Bergen County Municipal Joint Insurance Fund.

All Bonds were examined and were properly executed.

See independent auditor's report and accompanying notes.



**GARBARINI & CO., P.C.**  
**Certified Public Accountants**

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Licensed Public School Accountants

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

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of Wallington, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 8, 2024. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**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) to determine the 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be significant deficiency.

## 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division and which are described in the accompanying schedule of findings and responses as item 2023-001.

We noted certain other matters that we reported to management of the Borough in the schedule of comments and recommendations as item numbers 2023-002 through 2023-012.

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



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C.  
Certified Public Accountants

July 8, 2024  
River Edge, New Jersey

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

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Borough of Wallington's, State of New Jersey (the "Borough"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *N.J. State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal and state programs for the year ended December 31, 2023. The Borough's major federal and state programs are identified in the Summary of Auditor's Results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal and State Program***

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

#### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and State Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal award is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Borough's response, if any, to the noncompliance findings identified in our audit 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 compliance and, accordingly, we express no opinion on the response.

#### **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 and 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.

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 Uniform Guidance and N.J. Circular 15-08. Accordingly, this report is not suitable for any other purpose.



Paul W. Garbarini, CPA  
Registered Municipal Accountant  
No. 534



Garbarini & Co. P.C. CPAs  
Registered Municipal Accountants

July 8, 2024  
River Edge, New Jersey

**ADDITIONAL INFORMATION RELATING TO FEDERAL AND  
STATE FINANCIAL ASSISTANCE PROGRAMS**

**BOROUGH OF WALLINGTON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2023**

**SCHEDULE I**

Federal Department and Program	Federal CFDA Number	Grant Year	Grant Award	Current Year Grant Received	Funds Available December 31, 2022	Current Year Appropriations	Current Year Disbursements and Charges	PY Adjustments Cancellation/ Transfers	Funds Available December 31, 2023	Cumulative Expenditures
<u>U.S. Department of Homeland Security</u>										
FEMA Civic Center Generator	97.047	2018	\$ 74,600.00	\$ -	\$ 626.04	\$ -	\$ -	\$ (626.04)	\$ 0.00	\$ 74,973.96
FEMA Firefighters Scuba Grant	97.044	2017	7,950.00	-	7,950.00	-	5,998.38	-	1,951.62	5,998.38
FEMA Assistance to Firefighters	97.044	2021	389,447.00	193,152.25	215,747.75	-	181,314.91	-	34,432.84	374,487.16
FEMA COVID 19- Public Assistance Grant	97.036	2020	41,431.06	-	2,844.51	-	-	(2,844.51)	-	38,586.55
US Treasury Cares Act	21.019	2020	48,550.00	-	3.09	-	-	(3.09)	(0.00)	48,546.91
2020 Census Grant	11.016	2020	6,000.00	-	6,000.00	-	-	(6,000.00)	-	-
FEMA Hurricane IDA	97.030	2021	127,454.86	-	127,454.86	-	84,795.56	-	42,659.30	84,795.56
				193,152.25	360,626.25	-	272,108.85	(9,473.64)	79,043.76	627,388.52
<u>Coronavirus State &amp; Local Fiscal Recovery Fund</u>										
American Recovery Program	21.027	2021	1,203,165.04	-	870,419.52	-	435,000.00	-	435,419.52	767,745.52
<u>U.S. Department of Housing &amp; Urban Development</u>										
(Pass through County Dept. of Community Development) 14,218										
Rehabilitation of the Elevator at Police Station		2014	43,000.00	-	-	-	-	-	-	34,988.00
Jordon Avenue- Ord 19-07		2016	127,200.00	-	-	-	-	-	-	127,200.00
2020 Road Program- Ord #20-04		2020	130,500.00	-	-	-	-	-	-	130,500.00
2021 Road Program Ord # 2021-23		2021	92,900.00	-	-	-	-	-	-	92,900.00
2022 Road Program (Parkview) Ord # 2022-016		2022	146,025.00	146,025.00	146,025.00	-	146,025.00	-	-	-
				146,025.00	146,025.00	-	146,025.00	-	-	385,588.00
<u>Department of Transportation</u>										
	20.205									
Resurface of Hathaway Street- Ord. 11-5		2011	110,000.00	-	-	-	-	-	-	106,253.00
NJ Transportation Municipal Aid		2018	218,000.00	218,000.00	-	-	-	-	-	218,000.00
NJ Transportation Municipal Aid- Ord # 19-07		2019	202,000.00	-	-	-	-	-	-	202,000.00
NJ Transportation Municipal Aid- Ord # 20-04		2020	215,000.00	-	-	-	-	-	-	215,000.00
NJ Transportation Municipal Aid- Ord # 21-23		2021	219,000.00	-	61,110.52	-	1,921.22	-	59,189.30	103,209.98
NJ Transportation Municipal Aid- Ord # 22-016		2022	236,000.00	-	236,000.00	-	236,000.00	-	-	236,000.00
Total Department of Transportation				395,000.00	297,110.52	-	237,921.22	-	59,189.30	1,080,462.98
<u>Bullet Proof Vest Program</u>										
	16.607	2021	50,950.00	16,977.79	29,599.21	-	29,599.21	-	-	50,950.00
		2022	3,600.00	3,600.00	3,600.00	-	2,067.47	-	1,532.53	-
				20,577.79	33,199.21	-	31,666.68	-	1,532.53	50,950.00
Drive Sober or Get Pulled Over	20.616	2,023.00	7,000.00	7,000.00	-	7,000.00	7,000.00	-	-	7,000.00
<u>Total Federal Awards</u>										
				\$ 761,755.04	\$ 1,707,380.50	\$ 7,000.00	\$ 1,129,721.75	\$ (9,473.64)	\$ 575,185.11	\$ 2,919,135.02

\*\* Denotes a Major Program

**BOROUGH OF WALLINGTON**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**DECEMBER 31, 2023**

**SCHEDULE 2**

State Department and Program	State Acct. Number/ Grant Number	Grant Award Year	Grant Award	Current Year Received	Funds Available December 31, 2022	Current Year Appropriations	Current Year Disbursements and Charges	Cancellation/ Transfers	Funds Available December 31, 2023	Cumulative Expenditures
Recycling Tonnage Grant	4900-752-042-4900	2021	\$ 15,642.60	\$ -	\$ 826.56	\$ -	\$ 826.56	\$ -	\$ -	\$ 28,725.04
		2022	4,635.80		4,635.80		4,635.80		-	
		2023	17,884.23	17,884.23		17,884.23	8,446.64		9,437.59	
				17,884.23	5,462.36	17,884.23	13,909.00	-	9,437.59	28,725.04
Municipal Recycling Assistance	4900-752-1788-4060	2019	20,709.88							20,709.88
										20,709.88
Drunk Driving Enforcement Fund	6400-100-078-6400	2019	13,415.72		13,416.00		643.65		12,772.35	643.65
Drunk Driving Enforcement Fund	6400-100-078-6400	2018	34,529.73		10,588.66				10,588.66	24,097.72
					24,004.66		643.65		23,361.01	24,741.37
Clean Communities	4900-765-042-4900	2022	20,161.60			20,161.60	13,909.00		6,252.60	13,909.00
		2023	22,613.89	22,613.89						
				22,613.89		20,161.60	13,909.00		6,252.60	13,909.00
Pass Through County of Bergen										
Municipal Alliance Alcoholism and Drug Abuse	*	2023	4,507.18	4,359.32		4,507.18	1,456.23		3,050.95	1,456.23
Municipal Alliance Alcoholism and Drug Abuse	*	2022	4,507.18		1,538.57				1,538.57	2,968.61
Municipal Alliance Alcoholism and Drug Abuse	*	2020	9,876.00		1,968.99				1,968.99	7,907.01
Municipal Alliance Alcoholism and Drug Abuse	*	2019	9,876.00		6,098.43				6,098.43	3,777.57
Municipal Alliance Alcoholism and Drug Abuse	*	2018	8,686.62		0.38				0.38	8,686.62
					4,359.32	9,606.37	4,507.18	1,456.23	12,657.32	24,796.04
Domestic Preparedness Grant	*	2004	50,000.00	-	50,000.00	-	-	50,000.00	-	-
Alcohol Education and Rehabilitation	9735-760-098-4900	2023	1,817.12	1,817.12						
		2021	1,817.51		1,817.51				1,817.51	
		2020	1,333.66		1,333.66				1,333.66	
		2019	321.50		321.50				321.50	
		2018	1,171.72		1,172.00				1,172.00	
		2003-2017	11,956.00							
					1,817.12	4,644.67	-	-	4,644.67	-
Body Armor Grant	066-1020-718-001	2020	2,430.49							2,430.49
		2021	4,570.97							4,571.17
		2022	1,842.93			1,842.93	1,842.93		-	1,842.93
		2023	2,099.70	2,099.70					-	
				2,099.70	-	1,842.93	1,842.93	-	-	8,844.59
Safe & Secure Neighborhood	1020-100-232									
		2023	32,400.00	32,400.00	32,400.00		32,400.00			32,400.00
				32,400.00	32,400.00		32,400.00			32,400.00
Total State Awards				\$ 81,174.26	\$ 126,118.06	\$ 44,395.94	\$ 64,160.81	\$ 50,000.00	\$ 56,353.19	\$ 154,125.92

\* - Information Not Available



**BOROUGH OF WALLINGTON  
NOTES TO SCHEDULES OF EXPENDITURES OF  
AWARDS AND FINANCIAL ASSISTANCE**

**DECEMBER 31, 2023**

**A. Basis of Accounting**

The Supplementary Schedules of Expenditures of Federal and State Awards are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Communities Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 of the Borough's financial statements. on the accrual basis of accounting.

**B. Reporting Entity**

The Borough of Wallington, New Jersey (the "Borough") for purposes of the Supplementary Schedule of Expenditures of Federal Awards includes all the funds of the primary government as defined by GASB 14, *The Financial Reporting Entity*.

**C. Pass-Through Awards**

The Borough receives certain federal awards from pass-through awards of the state and county. The amounts received are commingled by the state with other funds and cannot be separately identified. The total amount of such pass-through awards is included in the Supplementary Schedules of Expenditures of Awards and Financial Assistance.

**D. Relationship of Financial Statements**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Capital Fund	\$ 383,946.22	\$ -	\$ 383,946.22
Grant Fund	225,979.97	64,160.81	290,140.78
Current Fund	519,795.56	-	519,796
	<u>\$ 1,129,721.75</u>	<u>\$ 64,160.81</u>	<u>\$ 1,193,882.56</u>

**E. Local Contributions**

Local matching contributions are required by certain federal and state grants. The percentage of matching contributions varies with each program.

**F. State Loans Outstanding**

The Borough's state loan outstanding at December 31, 2023 is \$0.

## GENERAL COMMENTS

**BOROUGH OF WALLINGTON  
GENERAL COMMENTS**

**DECEMBER 31, 2023**

**COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS**

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

The governing body on March 27, 1980, adopted the following Resolution, authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED, that the interest will be charged at the rate of 8% per annum on all delinquent taxes and 6% per annum on all delinquent assessments, except that the rate will be one thousandth of one percent per annum of the taxes for any current quarter if the taxes are paid during the first 10 days of the same current quarter;

BE IT FURTHER RESOLVED that the interest be charged by the Tax Collector in accordance with the provisions of Section 54:4-67 of the New Jersey Revised Statutes that effective immediately, the rate of interest to be charged on delinquent tax or assessment payments shall be 8% per annum of the first \$1,500 of delinquency, and 18% per annum on any amount in excess of \$1,500 to be calculated from the date the tax was payable until the date of actual payment.

BE IT FURTHER RESOLVED if the Office of the Tax Collector is closed on the 10<sup>th</sup> of February, May, August or November; then the rate of one thousandth of 1% per annum above described shall be extended to include the first business day thereafter.

BE IT FURTHER RESOLVED that the interest rate shall revert to the rate of 8% per annum for the first day of any current quarter unless the taxes of the same quarter are paid during the first 10 days of the same quarter or as otherwise provided in this resolution.

BE IT FURTHER RESOLVED that there will be a charge of \$1 for replacement copies of tax bills and tax ledger statements.”

It appears from examination of the Tax Collector’s records that interest was generally collected in accordance with the foregoing Resolution and Ordinance.

**DELINQUENT TAXES AND TAX TITLE LIENS**

The last tax sale for 2023 was held on December 6, 2023.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2023	0
2022	0
2021	0
2020	1

**BOROUGH OF WALLINGTON  
GENERAL COMMENTS**

**DECEMBER 31, 2023**

**CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED PER N.J.S.A. 40A:11-4**

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 [40A:11-3], 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."

The governing body of the Borough has the responsibility of determining whether the expenditures, in any category, will exceed the above limits within the calendar year. Where questions arise 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 indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S.A. 40A:11-5.

The minutes indicate that bids were requested by public advertisement and contracts awarded for the following items:

Roadwork Improvements  
Construction of new Library

Our audit of expenditures did not reveal individual payments or contracts that were in excess of \$17,500 "for the provision or performance of any goods or services," other than those for which bids had been previously sought by public advertisements or for which a resolution had been previously adopted under the provision of N.J.S.A. 40A: 11-6.

**Borough of Wallington**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2023**

Part 1- Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued

Unmodified

B) Internal Control over Financial Reporting

1) Material weakness identified

Yes

X

No

2) Were reportable conditions identified that were  
not considered to be material weaknesses?

X

Yes

No

C) Noncompliance material to financial statements?

Yes

X

No

Federal Awards Section

Internal Control over major programs:

1) Material weakness identified

Yes

X

No

2) Significant deficiencies identified?

Yes

X

No

Type of auditor's report issued on compliance for major programs:

Unqualified

1) Any audit findings disclosed that are required to be  
reported in accordance with section 2CFR 200 section .516(a)  
of?

Yes

X

No

Identification of major programs:

	<u>CFDA Number</u>
(Type A)	21.027
(Type B)	14.218

<u>Name of Federal Program or Cluster</u>
American Rescue Program
Community Development Block Grant

Dollar threshold used to determine type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X

Yes

No

**Borough of Wallington**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2023**

Part 1- Summary of Auditor's Results

State Awards Section

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes

No

Internal Control over Major Programs

1) Material weakness identified

Yes

No

2) Significant deficiencies identified that are not considered to be material weaknesses?

Yes

None reported

Type of Auditor's Report Issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08?

Yes

No

Identification of major programs:

	<u>State Grant/ Project Number</u>	<u>Name of State Program</u>
(Type A)	<u></u>	<u></u>
(Type A)	<u></u>	<u></u>
(Type B)	<u></u>	<u></u>

**Borough of Wallington**  
**Schedule of Findings and Responses (Continued)**  
**For the Year Ended December 31, 2023**

***Part 2 - Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

**Finding 2023-001**

Audit of the **water department** indicated that:

- a. \*Water rates billed from 2021/2Q through all of 2023, were not officially adopted through a Borough Ordinance. The Borough's eCode water rate schedule listed on their website has not been updated since the year 2020.
- b. There were 2 instances noted where certain account meter readings were omitted, and water charges were billed at a minimum fee or usage was estimated.
- c. There was 1 instance noted where certain account meter reading was changed to a lower reading generating a lower water bill and previous water bill was deleted.
- d. There were numerous water meters where there was no actual reading, and the usage was estimated to generate billing. This occurred in all the water meter reading cycles in all billing quarters of the year. The estimated billings equated to approximately 19% of all water utility accounts.

**Criteria or Specific Requirements**

Financial reporting requirements promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Condition**

Finding 2023-001

**Questioned Cost**

Undeterminable

**Context**

Billings applied to consumer accounts were not officially adopted through a borough Ordinance and the Borough's eCode fee schedule listed on the borough's website has not been updated to reflect current fees charged. Large quantities of accounts were billed based on estimated water usage.

**Effects**

Consumer accounts were charged rates which were not officially adopted through a Borough Ordinance. Numerous accounts throughout the year were estimated, potentially underbilled, resulting in lower revenue collected by the borough.

**Recommendation**

That controls be implemented and maintained by the Water Department to ensure that adjustments made to accounts are approved by management. Also, controls should be implemented to ensure that increases in water rates charged are approved through adoption of new ordinances. That the borough investigates the numerous instances of accounts with unread meters and estimated billings and corrects any issues that may exist preventing the meters from being read in order to reduce the number of estimated billings.

**Borough of Wallington  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2023**

***Part 2 - Schedule of Financial Statement Findings (continued)***

**Finding 2023-001 (continued)**

**Management's Response**

Management has reviewed this finding and has indicated that corrective action either has been taken or will be taken. A new borough ordinance was adopted in 2024 setting new water rates and fees effective April 1, 2024.



**Borough of Wallington  
Schedule of Findings and Responses (Continued)  
For the Year Ended December 31, 2023**

***Part 3- Schedule of Federal and State Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

None

**CURRENT YEAR STATE AWARDS**

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

This section identifies the status of prior-year findings related to the financial statements that are required to be reported in accordance with Chapter 6.12 of *Governmental Auditing Standards*.

**Status:**

**\*22-001 Recommendation:** That internal control be implemented and maintained for procedures over the requesting of Business Registration Certificates and W-9's from vendors.

**Status:** Corrective action has been taken.

**\*22-002 Recommendation:** That care be taken when posting cash receipts, cash disbursements and that the Revenue Account Status Report and Appropriation Reports be reconciled to the bank reconciliation on a monthly basis.

**Status:** Corrective action has been taken.

**\*22-003 Recommendation:** That controls be implemented and maintained by the Water Department to ensure that all supporting documents are available for inspection, delinquent accounts are charged interest and put on tax sale, adjustments made to accounts are approved by management and supporting documents are available for inspection. Also, controls should be implemented to ensure that water rates are updated upon adoption of new ordinances.

**Status:** Corrective action has *partially* been taken; *not* taken for item 22-003 (e).

**22-004 Recommendation:** That the Borough obtain the actuarial report for valuations of Other Post-Employment Benefit (OPEB) obligations for disclosures required to be made in the notes to the financial statements in accordance with GASB 75.

**Status:** Corrective action has been taken.

**BOROUGH OF WALLINGTON  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**Trust Fund**

**Comment 23-002:** Our audit revealed that the Borough does not provide monthly/quarterly statements to developers as per Local Finance Notice 95-07.

**Recommendation:** That the Borough maintain an analysis of escrow deposits and mail monthly or quarterly statements to the developers.

**Current Fund**

**Comment 23-003:** Audit of cash receipts revealed instances of deposits for the Current Fund were not made within 48 hours. Cash is being accumulated for certain sale items and not being deposited upon receipt.

**Recommendation:** That all receipts be turned over to the Treasurer and deposits made within 48 hours of receipt.

**Water Utility Fund**

**\*Comment 23-004:** Cash deficit for a Water Utility Capital ordinance are over five years old.

**Recommendation:** That all cash deficits for capital ordinances in excess of five years be funded.

**Payroll**

**\*Comment 23-005:** Audit of the payroll procedures indicated that:

- a. There were two instances that an employee was paid above and one employee being paid below approved salary contract.
- b. There were two instances that employee's health benefit contributions were not according to Chapter 78.
- c. Instances that eligible employees were not enrolled in PERS or DCRP.
- d. There was one instance that an employee was paid the full amount of \$5,000 for a health benefit waiver but was hired mid-year and the amount should have been prorated.

**Recommendation:** That internal controls be implemented to ensure payroll and all related responsibilities are met by the Borough.

**BOROUGH OF WALLINGTON  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**Construction Code**

**\*Comment 23-006:** The Borough's eCode fee schedule listed on their website has not been updated to reflect fee changes according to Ordinance 2022-07. Deposits are not all being made within 48 hours.

**Recommendation:** That the Borough update the construction code fee ordinance and their website to be consistent and correct. That permit fees be in accordance with ordinance and that deposits be made within 48 hours.

**\*Comment 23-007:** The NJ Uniform Construction Code Regulations - NJAC 5:23-4.17 (b) require that municipalities file a report that accurately portrays the receipts and expenses of the local enforcing agency for code enforcement purposes. The UCC Annual Report fulfills this requirement and serves as a basis of changes (if any) in the UCC fee ordinance and staffing needs for the next year. The UCC Annual report was not filed by the municipality for 2022 with the Department of Community Affairs.

**Recommendation:** That the UCC Annual Report be filed online with the state of New Jersey DCA every year.

**Municipal Court**

**\*Comment 23-008:** Review of ATS/ACS Municipal Court Monthly Management Report for the month of December 2023 indicated some backlog in ticket and complaint processing:  
a). There were 273 tickets and 285 complaints eligible for FTA over 14 days.  
b). There were 381 parking tickets over 3 years old for which dismissal is required.

**Recommendation:** That the following backlog in ticket and complaint processing be rectified:  
a). The Eligible for FTA Report should be reviewed, and FTAs should be promptly generated.  
b). The Follow-Up Incomplete Report should be reviewed and parking tickets over three years old must be dismissed in accordance with Rule 7:8-9(f).

**\*Comment 23-009:** Accrued Interest in the General Account and the Bail account is not being turned over monthly to the municipality.

**Recommendation:** That accrued interest in the General Account and the Bail Account be turned over to the municipality on a monthly basis.

**BOROUGH OF WALLINGTON  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**LOSAP**

**Comment 23-010:** The Borough did not formally approve by resolution of its governing body, the emergency service organizations' annual certified list of all volunteer members of the Fire Department and the Ambulance Corps, who have qualified for credit under the LOSAP program for the previous year 2022.

**Recommendation:** According to LOSAP rules and regulations, as per N.J.A.C. 5:30-14.10(b), upon receiving the certified list from an emergency service organization and finding the list is accurate, the sponsoring agency (the Borough) shall convey its approval by resolution of its governing body.

**Comment 23-011:** The Borough did not timely submit the 2022 LOSAP contribution payment to its contractor for deposit into the LOSAP account with Lincoln Financial Group. The 2022 contribution payment was remitted December 8, 2023.

**Recommendation:** That the annual LOSAP contribution payment made by the Borough be timely remitted for deposit into the Lincoln Financial account. According to N.J.A.C. 5:30-14.12, the payment shall be made following the posting of the certified list for a period of 30 days to allow time for membership review and for filing an appeal.

**Deferred Compensation Plan:**

**Comment 23-012:**

- a. Employee 457 Deferred Compensation Plan statements are not being obtained, reviewed, and reconciled to Borough's payroll records and contribution remittances.
- b. There was a \$300 discrepancy between payroll deductions and contribution deposits in AXA Equitable accounts for two employees and prior year contribution posting error of \$25 between two participants' accounts with AXA Equitable has not been corrected.

**Recommendation:** All Employee 457 Deferred Compensation Plan statements should be obtained at least quarterly, reviewed, and reconciled to the Borough's payroll records and contributions remitted. The borough should be reviewing the plan administrators' reports regularly and reconciling each employee's payroll deductions to the contributions deposited to each participant's account. Any discrepancies should be corrected in a timely manner.

A review was performed of all prior year's recommendations. Those recommendations which have not been corrected and which are repeated in this audit are denoted with an asterisk (\*).

Appreciation

We would like to express our appreciation of the assistance and courtesies rendered by the Borough officials and employees during the year.

\* \* \* \* \*

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

July 8, 2024