

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

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2024 AND 2023

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INTRODUCTORY SECTION

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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, 2024 and 2023, 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, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

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, 2024 and 2023, 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, 2024 and 2023, 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 September 3, 2025 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

September 3, 2025

FINANCIAL SECTION

CURRENT FUND

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024 AND 2023

A

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		At December 31:	
	Reference	<u>2024</u>	<u>2023</u>
ASSETS			
Current Assets:			
Cash - Collector - Treasurer	A-4	\$ 3,162,316.15	\$ 3,954,503.32
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	84.93	423.29
Federal and State Grants Receivable	A-20	<u>187,174.89</u>	<u>251,982.60</u>
		<u>3,349,675.97</u>	<u>4,207,109.21</u>
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	293,774.22	257,991.22
Tax Title Liens Receivable	A-8	-	-
Due From Animal Control Fund	B	2,282.40	3,379.80
Due from Water Operating Fund	D	280,513.63	
Revenue Accounts Receivable	A-10	<u>32,321.12</u>	<u>9,557.62</u>
	Contra	<u>608,891.37</u>	<u>270,928.64</u>
Deferred Charges:			
Special Emergency	A-23	<u>362,534.80</u>	<u>359,302.20</u>
		<u>362,534.80</u>	<u>359,302.20</u>
TOTAL ASSETS		<u>\$ 4,321,102.14</u>	<u>\$ 4,837,340.05</u>

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024 AND 2023

A

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		<u>At December 31:</u>	
	Reference	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCES			
Liabilities:			
Appropriation Reserves	A-3,12	\$ 640,626.66	\$ 1,301,368.67
Encumbrances Payable	A-12,13	217,875.21	169,305.58
Encumbrance Payable- Grants	A-21	26,833.40	16,042.25
Reserve for Revaluation	A-11	79,904.50	2,770.00
Reserve for Codification of Ordinances	A-26	-	4,074.03
Appropriated Reserves for Federal and State Grants	A-21	255,840.18	105,822.18
Unappropriated Reserves for Federal and State Grants	A-22	35,766.27	507,153.50
Reserve for Municipal Relief Funds	A-4		70,245.11
Prepaid Taxes	A-15	122,937.54	134,942.57
County Taxes Payable	A-17	14,046.62	4,880.90
Miscellaneous Fees Payable	A-19	1,187.00	350.00
Accounts Payable	A-29	36,961.97	43,767.96
Reserve for LOSAP	A-12	135,000.00	
Special Emergency Notes Payable	A-24	72,000.00	198,000.00
Amount Due to Library - State Aid	A-25	-	-
Reserve for Insurance Proceeds/ Property Damage	A-27	12,150.00	10,604.00
Reserve for Hurricane IDA- FEMA	A-28	41,883.20	42,659.30
Reserve for Tax Appeals	A-30	158,077.75	130,981.75
		<hr/>	<hr/>
		1,851,090.30	2,742,967.80
Reserve for Receivables	Contra	608,891.37	270,928.64
Fund Balance	A-1	<hr/>	<hr/>
		1,861,120.47	1,823,443.61
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 4,321,102.14</u>	<u>\$ 4,837,340.05</u>

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024 AND 2023

A-1

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

	Reference	For the Years Ended December 31:	
		2024	2023
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 972,000.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated	A-2	3,421,773.95	2,862,552.97
Receipts from Delinquent Taxes	A-2	253,311.96	243,702.32
Receipts from Current Taxes	A-2	32,500,359.97	31,408,266.66
Non-Budget Revenues	A-2	65,644.40	54,412.71
Other Credits to Income:			
Cancelled Grant Receivable	A-21		40,655.31
Cancelled School Taxes	A-18	-	2.00
Cancelled Reserve for Insurance Proceeds	A-27	10,604.00	
Cancelled Accounts Payable	A-29	9,805.99	-
Cancelled Marriage License	A-4		25.00
Unexpended Balance of Appropriations	A-3	280,513.63	41.52
Unexpended Balance of Appropriation Reserves	A-12	664,871.38	303,961.26
Statutory Excess- Animal License Fund	B-4	2,282.40	3,379.80
		<hr/>	<hr/>
Total revenue and other income		<u>38,181,167.68</u>	<u>36,516,999.55</u>
Expenditures:			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	5,030,850.00	4,757,600.00
Other Expenses	A-3	6,494,524.58	6,737,434.83
Capital Improvements	A-3	250,000.00	80,000.00
Municipal Debt Service	A-3	1,611,331.52	1,632,150.18
Deferred Charges and Statutory Expenditures	A-3	2,200,971.48	1,517,280.02
Local District School Taxes	A-18	17,779,663.00	17,616,033.00
County Tax	A-17	3,343,805.06	3,208,408.28
County Share of Added and Omitted Taxes	A-17	14,046.62	4,880.90
County Open Space Tax	A-17	150,320.57	140,389.74
Prior Year Senior & Veteran Deductions	A-14	1,750.00	4,250.00
Cancelled Grants Receivable	A-20	11,280.00	
Operation Charges	A-4	3,531.76	
Prior Year Bills	A-4		9,321.50
Interfunds Advances		<u>279,416.23</u>	<u>200.40</u>
		<hr/>	<hr/>
Total expenditures		<u>37,171,490.82</u>	<u>35,707,948.85</u>
Excess in Revenues Over Expenditures		1,009,676.86	809,050.70
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		1,009,676.86	809,050.70
Fund Balance January 1	A	<u>1,823,443.61</u>	<u>2,614,392.91</u>
		<hr/>	<hr/>
Decreased by:		2,833,120.47	3,423,443.61
Utilization as Anticipated Revenue	A-2	<u>972,000.00</u>	<u>1,600,000.00</u>
		<hr/>	<hr/>
Fund Balance December 31	A	<u>\$ 1,861,120.47</u>	<u>\$ 1,823,443.61</u>

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

BOROUGH OF WALLINGTON
CURRENT FUND
YEAR ENDED DECEMBER 31, 2024

A-2

STATEMENT OF REVENUES - REGULATORY BASIS

	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	A-1	\$ 972,000.00	\$ 972,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		14,400.00	15,282.00	882.00
Other		12,300.00	12,513.00	213.00
Fees and Permits - Other		41,600.00	59,297.08	17,697.08
Fines and Costs - Municipal Court		140,000.00	196,423.19	56,423.19
Interest and Costs on Taxes		62,500.00	64,019.53	1,519.53
Interest on Investments and Deposits		312,000.00	236,090.39	(75,909.61)
Energy Receipts Tax		681,484.00	681,484.99	0.99
Municipal Relief Aid		70,245.11	70,245.11	-
Uniform Construction Code Fees		162,000.00	111,794.00	(50,206.00)
Uniform Fire Safety Act		22,000.00	22,579.00	579.00
CATV Franchise Fee		82,087.99	82,087.99	-
Cell Tower Rental Fee		73,500.00	80,408.85	6,908.85
Other Rental Revenue		139,800.00	219,100.00	79,300.00
Off-Duty Police Admin Fees		200,000.00	200,000.00	-
LOSAP Forfeiture Money		81,241.79	81,241.79	-
FEMA- Reimbursement for IDA		190,496.56	190,496.56	-
Reserve for Debt Service Payments		300,254.23	300,254.23	-
Grants:				
American Rescue Plan Funds		435,419.52	435,419.52	-
Alcohol Education and Rehabilitation		3,432.35	3,432.35	-
Recycling Tonnage Grant		14,948.55	14,948.55	-
Automated License Plate Reader (ALPR) Grant		86,400.00	86,400.00	-
Lanternfly Program		20,000.00	20,000.00	-
DCA 2024 ARP- Assistance to Firefighter Grant		73,000.00	73,000.00	-
Safe and Secure Grant		45,150.00	45,150.00	-
Patrick Leahy Bulletproof Vest Partnership Prog.		1,955.20	1,955.20	-
Storm Water Assistance		25,000.00	25,000.00	-
National Opioid Settlement		16,909.46	16,909.46	-
Municipal Alliance Grant		4,507.18	4,507.18	-
Reserve for:				
Body Armor Grant		2,099.70	2,099.70	-
Alcohol Education and Rehabilitation Fund		1,817.12	1,817.12	-
Clean Communities Grant		22,613.89	22,613.89	-
National Opioid Settlement		12,803.27	12,803.27	-
Safe & Security Grant		32,400.00	32,400.00	-
Total Miscellaneous Revenues	A-1,Next Pg.	3,384,365.92	3,421,773.95	37,408.03
Receipts from Delinquent Taxes	A-1,Next Pg.	257,991.22	253,311.96	(4,679.26)
Subtotal General Revenues		4,614,357.14	4,647,085.91	32,728.77
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	Next Pg.	11,473,320.44	11,712,524.72	239,204.28
Total General Revenues - Adopted	A-3	\$ 16,087,677.58	16,359,610.63	\$ 271,933.05
Non-Budget Revenues	A-1,Next Pg.		65,644.40	
			\$ 16,425,255.03	

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

BOROUGH OF WALLINGTON
 CURRENT FUND
 YEAR ENDED DECEMBER 31, 2024

A-2

STATEMENT OF REVENUES - REGULATORY BASIS
(CONTINUED)

	<u>Reference</u>	<u>2024</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1	\$ 32,500,359.97
Allocated to School and County Taxes	A-17,18	<u>21,287,835.25</u>
Balance for Support of Municipal Appropriations		11,212,524.72
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>500,000.00</u>
Amount for Support of Municipal Budget Appropriations	Prev. Pg.	<u>\$ 11,712,524.72</u>
RECEIPTS FROM DELINQUENT TAXES		
Tax Title Liens Received in Trust Fund	B-6	-
Delinquent Tax	A-7	<u>253,311.96</u>
A-1,Prev. Pg.		<u>\$ 253,311.96</u>
MISCELLANEOUS REVENUES		
Revenue Accounts Receivable	A-4,10	\$ 2,553,072.60
Municipal Relief Funds	A	70,245.11
Unappropriated Grant Reserves	A-22	507,153.50
Grants Receivable	A-20	291,302.74
A-1,Prev. Pg.		<u>\$ 3,421,773.95</u>
ANALYSIS OF NON-BUDGET REVENUES		
Miscellaneous Revenues Not Anticipated:		
Miscellaneous Refunds		\$ 5,411.47
Senior & Vet 2% Fee		640.00
Polling Rental		360.00
Sale of Municipal Assets		22,540.53
FEMA- Covid		3,906.20
Lodi- Melfi Health Reimb- 2022/2023		17,790.00
Bank Charges/ Refunds/Bounced Check Fees		220.00
Senior Bus- Bergen County		1,470.00
Clear Mattress Bags		170.00
JIF Rewards		1,677.20
DMV Inspections		450.00
Prior Year Voided Checks		304.71
SWAT Team		3,747.00
Bid Spec Fee		200.00
Restitution		257.49
Scrap Metal		294.00
LexisNexis		1,020.00
OPRA Copies		114.90
Carfax		1,305.00
ADS SUI Refunds		3,765.90
A-1		<u>\$ 65,644.40</u>

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

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

OPERATIONS - WITHIN "CAPS"	APPROPRIATIONS			EXPENDED		
	<u>Budget</u>	<u>Budget After Modification</u>		<u>Paid or Charged</u>	<u>Reserved</u>	<u>Lapsed</u>
		<u>Budget</u>	<u>Budget After Modification</u>			
GENERAL GOVERNMENT:						
Mayor and Council						
Salaries and Wages	\$ 22,600.00	\$ 49,100.00	\$ 48,999.95	\$ 100.05	\$	-
Other Expenses	5,000.00	5,000.00	2,093.50	2,906.50		
General Administration						
Salaries and Wages	120,000.00	116,700.00	116,666.68	33.32		-
Municipal Clerk / Elections						
Salaries and Wages	163,500.00	138,500.00	136,291.97	2,208.03		-
Other Expenses	100,000.00	108,500.00	103,711.89	4,788.11		-
Financial Administration						
Salaries and Wages	84,000.00	84,000.00	82,414.32	1,585.68		-
Other Expenses	140,000.00	140,000.00	122,315.25	17,684.75		-
Grant Writer						
Other Expenses	40,000.00	40,000.00	39,999.96	0.04		-
Revenue Administration						
Salaries and Wages	65,000.00	65,000.00	64,889.97	110.03		-
Other Expenses	14,000.00	9,000.00	7,723.97	1,276.03		-
Assessment Administration						
Salaries and Wages	18,500.00	18,500.00	18,035.28	464.72		-
Other Expenses	4,000.00	4,000.00	2,562.60	1,437.40		
Legal Services & Costs						
Other Expenses	200,000.00	172,000.00	149,517.52	22,482.48		-

(Continued Next Page)

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS - WITHIN "CAPS" (CONT'D)					
Engineering Services and Costs					
Other Expenses	\$ 50,000.00	\$ 20,000.00	\$ 15,146.23	\$ 4,853.77	\$ -
Planning Board					
Salaries and Wages	4,000.00	4,000.00	3,575.00	425.00	-
Other Expenses	50,000.00	40,000.00	32,982.56	7,017.44	-
Zoning Board of Adjustment					
Salaries and Wages	4,000.00	4,000.00	3,410.00	590.00	-
Other Expenses	25,000.00	21,000.00	13,691.16	7,308.84	-
Insurance					
Unemployment Insurance	5,000.00	5,000.00	5,000.00	-	-
Employee Group Insurance	1,414,000.00	1,540,500.00	1,540,495.16	4.84	-
Health Benefit Waiver	25,000.00	30,000.00	30,000.00	-	-
General Liability	21,000.00	26,000.00	19,967.23	6,032.77	-
Liability (South Bergen JIF)	225,242.00	225,242.00	225,242.00	-	-
Worker's Compensation (South Bergen JIF)	180,316.00	180,316.00	180,315.00	1.00	-
PUBLIC SAFETY FUNCTIONS:					
Police					
Salaries and Wages	3,464,580.48	3,444,580.48	3,345,746.40	98,834.08	-
Salaries and Wages- ARP Funded	435,419.52	435,419.52	435,419.52	-	-
Other Expenses	195,000.00	195,000.00	194,569.75	430.25	-
Police Outside Dispatcher				-	-
Fire					
Other Expenses	135,000.00	175,500.00	169,347.18	6,152.82	-

(Continued Next Page)

BOROUGH OF WALLINGTON
 CURRENT FUND
 DECEMBER 31, 2024

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	\$ 45,000.00	\$ 45,000.00	\$ 44,595.82	\$ 404.18	\$ -
Clothing Allowance	20,000.00	16,100.00	16,000.46	99.54	-
Uniform Fire Safety					
Salaries and Wages					
Other Expenses	22,000.00	22,000.00	21,528.76	471.24	-
200.00	200.00	200.00	-	-	-
Fire Prevention Bureau					
Other Expenses	10,000.00	10,000.00	8,744.71	1,255.29	-
Emergency Management Services					
Other Expenses	500.00	-	-	-	-
Municipal Prosecutor					
Other Expenses	15,000.00	15,000.00	13,750.00	1,250.00	-
PUBLIC SAFETY FUNCTIONS:					
Streets and Roads Maintenance					
Salaries and Wages	220,000.00	198,500.00	143,196.94	55,303.06	-
Other Expenses	105,000.00	120,000.00	112,018.79	7,981.21	-
Shade Tree					
Other Expenses	25,000.00	18,900.00	16,140.00	2,760.00	-
Solid Waste Collection (Garbage and Trash, Recycling)					
Salaries and Wages	5,500.00	5,500.00	5,387.04	112.96	-
Other Expenses	1,025,000.00	992,500.00	962,922.70	29,577.30	-
Buildings and Grounds					
Other Expenses	115,000.00	105,000.00	88,087.94	16,912.06	-

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BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

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	\$ 45,500.00	\$ 40,500.00	\$ 40,456.11	\$ 43.89	\$ -
Other Expenses	15,350.00	10,850.00	9,792.63	1,057.37	-
Animal Control Services					
Other Expenses	20,000.00	20,000.00	19,745.12	254.88	-
PARK AND RECREATION FUNCTIONS:					
Board of Recreation Commissioners (R.S. 40-17.1)					
Salaries and Wages	14,500.00	9,000.00	8,166.62	833.38	-
Other Expenses	35,000.00	35,000.00	24,202.15	10,797.85	-
Senior Citizens					
Other Expenses	3,500.00	3,500.00	3,433.94	66.06	-
Maintenance of Parks					
Other Expenses	20,000.00	20,000.00	18,371.27	1,628.73	-
Celebration of Public Events					
Other Expenses	25,000.00	25,000.00	7,002.96	17,997.04	-
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED REVENUES					
Construction Code Official					
Salaries and Wages	93,000.00	93,000.00	88,560.55	4,439.45	-
Other Expenses	4,000.00	2,500.00	1,909.76	590.24	-
Municipal Court					
Salaries and Wages	15,000.00	15,000.00	15,000.00	-	-
Public Defender					
Other Expenses	5,000.00	5,000.00	4,950.00	50.00	-
UTILITIES:					
Electricity	125,000.00	110,000.00	107,709.97	2,290.03	-
Street Lighting	100,000.00	101,000.00	99,989.48	1,010.52	-
Communications	65,000.00	68,300.00	65,685.24	2,614.76	-
Sewerage Processing and Disposal - Other Expenses	40,000.00	45,000.00	42,122.72	2,877.28	-
Gasoline	60,000.00	55,000.00	52,035.55	2,964.45	-
TOTAL OPERATIONS WITHIN "CAPS"	9,504,208.00	9,504,208.00	9,151,837.28	352,370.72	-
	Detail:				
	Salaries and Wages	4,775,100.00	4,721,300.00	4,556,216.35	165,083.65
	Other Expenses (Including Contingent)	4,729,108.00	4,782,908.00	4,595,620.93	187,287.07

(Continued Next Page)

BOROUGH OF WALLINGTON
 CURRENT FUND
 DECEMBER 31, 2024

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Over-expenditure of Grants	\$ -	\$ -	\$ -	\$ -	\$ -
Water Utility CY Deficit	498,826.08	498,826.08	218,312.45	-	280,513.63
Social Security System (O.A.S.I.)	142,000.00	152,000.00	147,226.86	4,773.14	-
Public Employees' Retirement System	133,618.00	133,618.00	133,618.00	-	-
Public Employees' Retirement System Adjustment	10,000.00	-	-	-	-
Police and Firemen's Retirement System	1,164,760.00	1,164,760.00	1,164,760.00	-	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,949,204.08	1,949,204.08	1,663,917.31	4,773.14	280,513.63
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	11,453,412.08	11,453,412.08	10,815,754.59	357,143.86	280,513.63

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BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed
OPERATIONS - EXCLUDED FROM "CAPS"					
Passaic Valley Sewerage Commission	\$ 742,310.00	\$ 742,310.00	\$ 742,259.94	\$ 50.06	\$ -
East Rutherford Sewer Fees	1.00	1.00		1.00	-
Maintenance of Free Public Library					-
Salaries and Wages	232,000.00	232,000.00	204,473.79	27,526.21	
Other Expense	269,198.66	269,198.66	150,626.88	118,571.78	
911 Interlocal Services Agreement (County of Bergen)	5,667.50	5,667.50	2,833.75	2,833.75	-
Length of Service Award Program (LOSAP)	135,000.00	135,000.00	500.00	134,500.00	-
Tax Appeals	50,000.00	50,000.00	50,000.00	-	
Shared Services Municipal Court	129,686.90	129,686.90	129,686.90	-	
Shared Services Board of Health	30,000.00	30,000.00	30,000.00	-	
Approp CAP Relief:					
General Liability Insurance	36,296.00	36,296.00	36,296.00	-	
Workmen's Comp Insurance	26,843.00	26,843.00	26,843.00	-	
Total Other Operations Excluded from "CAPS"	1,657,003.06	1,657,003.06	1,373,520.26	283,482.80	-
Public and Private Programs Offset by Revenues					
Matching Funds For Grants	1,126.80	1,126.80	1,126.80	-	
Alcohol Education and Rehabilitation	3,432.35	3,432.35	3,432.35	-	
Recycling Tonnage	14,948.55	14,948.55	14,948.55	-	
Automated License Plate Reader (ALPR) Grant	86,400.00	86,400.00	86,400.00	-	
Lanternfly Program	20,000.00	20,000.00	20,000.00	-	
DCA 2024 ARP- Assistance to Firefighter Grant	73,000.00	73,000.00	73,000.00	-	
Safe and Secure Grant	45,150.00	45,150.00	45,150.00	-	
Patrick Leahy Bulletproof Vest Partnership Prog.	1,955.20	1,955.20	1,955.20	-	
Storm Water Assistance	25,000.00	25,000.00	25,000.00	-	
National Opioid Settlement	16,909.46	16,909.46	16,909.46	-	
Municipal Alliance Grant	4,507.18	4,507.18	4,507.18	-	
Reserve for:					
Body Armor Grant	2,099.70	2,099.70	2,099.70	-	
Alcohol Education and Rehabilitation Fund	1,817.12	1,817.12	1,817.12	-	
Clean Communities Grant	22,613.89	22,613.89	22,613.89	-	
National Opioid Settlement	12,803.27	12,803.27	12,803.27	-	
Safe & Security Grant	32,400.00	32,400.00	32,400.00	-	
Total Public and Private Programs Offset by Revenues	364,163.52	364,163.52	364,163.52	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	2,021,166.58	2,021,166.58	1,737,683.78	283,482.80	-
Detail:					
Salaries and Wages	309,550.00	309,550.00	282,023.79	27,526.21	-
Other Expenses	1,711,616.58	1,711,616.58	1,455,659.99	255,956.59	-

(Continued Next Page)

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Lapsed
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	\$ -
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	<u>250,000.00</u>	<u>250,000.00</u>	<u>250,000.00</u>	<u>-</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,135,000.00	1,135,000.00	1,135,000.00	-	-
Payment of Bond Anticipation Notes and Capital Notes				-	-
Interest on Bonds	334,300.00	334,300.00	334,300.00	-	-
Interest on Notes				-	-
Interest on Emergency Notes	5,197.50	5,197.50	5,197.50	-	-
Interest on Special Emergency Notes				-	-
2022-2024 Refunding Note Principal	133,334.00	133,334.00	133,334.00	-	-
2022-2024 Refunding Note Interest	3,500.02	3,500.02	3,500.02	-	-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	<u>1,611,331.52</u>	<u>1,611,331.52</u>	<u>1,611,331.52</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS"					
Emergency Authorizations					
Special Emergency- Tropical Storm IDA Response & Recovery- 5 Years	108,000.00	108,000.00	108,000.00	-	-
Special Emergency Authorization- 5 Years (N.J.S.A. 40A:4-55)	143,767.40	143,767.40	143,767.40	-	-
	<u>251,767.40</u>	<u>251,767.40</u>	<u>251,767.40</u>	<u>-</u>	<u>-</u>
JUDGMENTS					
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSE-EXCLUDED FROM "CAPS"	<u>4,134,265.50</u>	<u>4,134,265.50</u>	<u>3,850,782.70</u>	<u>283,482.80</u>	<u>-</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>15,587,677.58</u>	<u>15,587,677.58</u>	<u>14,666,537.29</u>	<u>640,626.66</u>	<u>280,513.63</u>
Reserve for Uncollected Taxes	<u>500,000.00</u>	<u>500,000.00</u>	<u>500,000.00</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS	<u>\$ 16,087,677.58</u>	<u>\$ 16,087,677.58</u>	<u>\$ 15,166,537.29</u>	<u>\$ 640,626.66</u>	<u>\$ 280,513.63</u>
Reference	A-2	A-1, 2, Below	Below	A	A-1
Adopted Budget	\$16,087,677.58				
Chapter 159					
	<u>\$16,087,677.58</u>		Above		
		<u>Reference</u>			
Cash Expended	A-4		\$14,543,524.05		
Reserve for Uncollected Taxes	A-2		500,000.00		
Budget Offsets	A-4		(760,792.89)		
Grants Appropriated	A-21		364,163.52		
Reserve for Tax Appeals	A-30		50,000.00		
Deferred Charges- Emergency	A-23		251,767.40		
Encumbrance Payable	A-13		217,875.21		
			<u>\$15,166,537.29</u>		
		Above			

TRUST FUNDS

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024 AND 2023

B

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		<u>At December 31:</u>	
	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Animal License Fund:			
Cash	B-1	<u>\$ 8,565.80</u>	<u>\$ 9,618.00</u>
		<u>8,565.80</u>	<u>9,618.00</u>
Other Trust Funds:			
Cash	B-1	884,940.16	1,479,674.71
Due from Current Fund-Trust Fund	B-6	-	-
Deferred Charges- Deficit in Payroll Account	B-12	-	1,998.03
Total Assets		<u>884,940.16</u>	<u>1,481,672.74</u>
Length of Service Awards			
Investments	B-2	2,092,063.35	1,960,642.62
Contributions Receivable	B-11	<u>2,092,063.35</u>	<u>1,960,642.62</u>
TOTAL ASSETS		<u>\$ 2,985,569.31</u>	<u>\$ 3,451,933.36</u>

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

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024 AND 2023

B

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	<u>Reference</u>	<u>At December 31:</u>	
		<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Animal License Fund:			
Due to Current Fund	A,B-4	\$ 2,282.40	\$ 3,379.80
Due to State of New Jersey	B-5	-	25.80
Reserve for Animal License Expenditures	B-3	<u>6,283.40</u>	<u>6,212.40</u>
		<u>8,565.80</u>	<u>9,618.00</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	3,969.66	-
Reserve for Escrow Deposits	B-8	54,176.98	57,539.48
Tax Lien Redemptions & Tax Sale Premiums Payable	B-9	104,665.13	162,565.13
Miscellaneous Reserves	B-10	618,419.93	1,086,990.79
Reserve for Unemployment Compensation Insurance Claims	B-7	<u>103,708.46</u>	<u>174,577.34</u>
		<u>884,940.16</u>	<u>1,481,672.74</u>
Length of Service Awards			
Reserve for LOSAP Benefits	B-11	<u>2,092,063.35</u>	<u>1,960,642.62</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,985,569.31</u>	<u>\$ 3,451,933.36</u>

GENERAL CAPITAL FUND

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024 AND 2023

C

COMPARATIVE BALANCE SHEETS- REGULATORY BASIS

ASSETS	Reference	<u>At December 31:</u>	
		<u>2024</u>	<u>2023</u>
Cash	C-2,C-3	\$ 3,502,349.23	\$ 1,190,306.77
Grants/ Other Funding Sources Receivable	C-4	411,433.02	1,397,614.27
Due from Current Fund	A,C-7		
Due From Library	C-6	200,000.00	200,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	8,292,000.00	9,427,000.00
Unfunded	C-6	<u>7,000,000.00</u>	<u>358,334.00</u>
TOTAL ASSETS		\$ 19,405,782.25	\$ 12,573,255.04
LIABILITIES, RESERVE AND FUND BALANCE			
General Serial Bonds	C-13	\$ 8,292,000.00	\$ 9,427,000.00
Bond Anticipation Notes	C-12	3,000,000.00	133,334.00
Due to Current Fund	A,C-7	-	-
Improvement Authorizations			
Funded	C-8	603,276.93	688,550.31
Unfunded	C-8	5,164,241.61	62,657.48
Reserve for Premium on Bond Anticipation Notes	C-18	-	-
Capital Improvement Fund	C-9	18,789.00	105,964.00
Encumbrances Payable	C-15	1,594,588.01	1,089,393.51
Reserve for Purchase of Fire Equipment	C-14	1.98	8,099.75
Reserve for Payment of Bonds/BANS	C-10	-	300,254.23
Reserve for FEMA- Crescent Rd/Hathaway St. Parks	C-16	655,664.50	655,664.50
Fund Balance	C-1	<u>77,220.22</u>	<u>102,337.26</u>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		\$ 19,405,782.25	\$ 12,573,255.04

Bonds and notes authorized but not issued on December 31, 2024 and 2023
on Exhibit C-17 is \$4,000,000 and \$225,000 respectively.

C-1

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Reference	
Balance December 31, 2023	C	\$ 102,337.26
Decreased by:		
Cancelled Grants Receivable	C-4	\$ 292.04
Fund Capital Ordinances	C-6,17	<u>24,825.00</u>
		<u>25,117.04</u>
Balance December 31, 2024	C	\$ 77,220.22

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, 2024 AND 2023

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

D

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2024</u>	<u>2023</u>
ASSETS			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 608,039.79	\$ 221,231.39
Change Fund	D-8	100.00	100.00
		<u>608,139.79</u>	<u>221,331.39</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-9	367,125.67	332,139.15
Total Receivables with Full Reserves		<u>367,125.67</u>	<u>332,139.15</u>
Deferred Charges:			
Deficit in Operations	D-3	-	152,768.86
Over-expenditure of Appropriations	D-3	-	1,345.50
	D-3	<u>-</u>	<u>154,114.36</u>
Total Assets Water Utility Fund		<u>\$ 975,265.46</u>	<u>\$ 707,584.90</u>
Capital Fund:			
Cash and Cash Equivalents	D-4,7	218,512.06	257,946.78
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
		<u>10,097,106.19</u>	<u>10,136,540.91</u>
TOTAL ASSETS		<u>\$ 11,072,371.65</u>	<u>\$ 10,844,125.81</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Liabilities:			
Appropriation Reserves	D-3, D-14	\$ 153,667.45	\$ 187,357.47
Reserve for Encumbrances	D-23	3,970.91	12,128.78
Accounts Payable	D-14	7,826.00	
Due to Current Fund	D-17	280,513.63	
Equipment Reserve	D-15	-	3,862.00
Accrued Interest Payable	D-22	36,229.17	39,666.67
Water Rent Overpayments	D-16	4,039.65	10,631.67
		<u>486,246.81</u>	<u>253,646.59</u>
Reserve for Receivables	D	367,125.67	332,139.15
Fund Balance	D-1	<u>121,892.98</u>	<u>121,799.16</u>
Total Operating Fund		<u>975,265.46</u>	<u>707,584.90</u>
Capital Fund			
Liabilities:			
Serial Bonds Payable	D-25	4,330,000.00	4,660,000.00
Improvement Authorizations - Funded	D-18	183,236.22	213,155.02
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
Reserve for Amortization	D-20	5,429,364.13	5,099,364.13
Deferred Reserve for Amortization	D-21	35,800.00	35,800.00
Encumbrance Payable	D-27	25,118.48	6,960.48
Fund Balance	D-5	90,556.36	90,556.36
Total Capital Fund		<u>10,097,106.19</u>	<u>10,136,540.91</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 11,072,371.65</u>	<u>\$ 10,844,125.81</u>
Bonds and Notes Authorized But Not Issued	D-24	<u>\$ 83,430.00</u>	<u>\$ 83,430.00</u>

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

D-1

	<u>Reference</u>	December 31,	
		2024	2023
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-2	\$ -	\$ 270,359.43
Water Rents	D-2	2,205,326.06	2,034,517.99
Fire Hydrant Service	D-2	74,755.66	79,559.91
Miscellaneous	D-2	20,034.32	17,711.66
Rate Increase 04/01/2024	D-2	92,000.00	
Water Capital Fund Balance	D-2	27,673.92	
Deficit (General Budget)	D-2	218,312.45	
Reserve for Debt Service	D-2		159,099.83
Other Credits to Income:			
Lapsed Appropriations	D-3	-	-
Unexpended Balance of Appropriation Reserves	D-14	112,147.59	856.39
Bank Reconciliation Variance	D-4	93.82	
		<hr/> 2,750,343.82	<hr/> 2,562,105.21
<u>EXPENDITURES</u>			
Budgetary and Emergency Appropriations:			
Operating	D-3	1,987,423.14	2,010,000.00
Debt Service	D-3	508,712.50	523,292.28
Statutory Expenditures, Deferred Charges and Surplus	D-3	254,114.36	180,566.98
Prior Year Voided Checks- Adjustment	D-4	-	1,014.81
		<hr/> 2,750,250.00	<hr/> 2,714,874.07
Excess in revenue		93.82	(152,768.86)
Deficit in Operations	D		152,768.86
Fund Balance, beginning	D	121,799.16	392,158.59
Decreased by: Utilized by Water Operating Budget	D-2	<hr/> -	<hr/> 270,359.43
Fund Balance, ending	D	<hr/> \$ 121,892.98	<hr/> \$ 121,799.16

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2024

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	Excess or (Deficit)
Operating Fund Balance Anticipated	D-1	\$ -	\$ -	\$ -
Water Rents	D-1	2,034,500.00	2,205,326.06	170,826.06
Fire Hydrant Service	D-1	79,550.00	74,755.66	(4,794.34)
Miscellaneous	D-1	17,700.00	20,034.32	2,334.32
Rate Increase 04/01/2024	D-1	92,000.00	92,000.00	-
Water Capital Fund Balance	D-1	27,673.92	27,673.92	-
Deficit (General Budget)	D-1	498,826.08	218,312.45	(280,513.63)
		<hr/>	<hr/>	<hr/>
		<u>\$ 2,750,250.00</u>	<u>\$ 2,638,102.41</u>	<u>\$ (112,147.59)</u>
		D-3	Below, D-1	
Water Collections	D-4,9	\$ 2,361,450.05		
Overpayments Applied	D-9	10,631.67		
Deficit (General Budget)	D-4	218,312.45		
Water Capital Fund Balance	D-4,5	27,673.92		
Miscellaneous	D-4	<u>20,034.32</u>		
		<hr/>	<hr/>	
		<u>\$ 2,638,102.41</u>		

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2024

STATEMENT OF APPROPRIATIONS - REGULATORY BASIS

D-3

	<u>Reference</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Lapsed/Cancelled Appropriations</u>	<u>Appropriation Reserve</u>	<u>Appropriation Over-Expenditure</u>
Operating:							
Salaries and Wages		\$ 487,000.00	\$ 456,000.00	\$ 444,783.22	\$ -	\$ 11,216.78	\$ -
Other Expenses		1,500,423.14	1,531,423.14	1,394,946.54	-	136,476.60	-
Total Operating	D-1	1,987,423.14	1,987,423.14	1,839,729.76	-	147,693.38	-
Debt Service:							
Bond Principal		330,000.00	330,000.00	330,000.00	-	-	-
Interest on Bond		178,712.50	178,712.50	178,712.50	-	-	-
Total Debt Service	D-1	508,712.50	508,712.50	508,712.50	-	-	-
Statutory Expenditures & Deferred Charges:							
Deferred Charges:							
Over-expenditure of appropriation		1,345.50	1,345.50	1,345.50	-	-	-
Deficit in Operations		152,768.86	152,768.86	152,768.86	-	-	-
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	34,025.93	-	5,974.07	-
Total Statutory Expenditures	D-1	254,114.36	254,114.36	248,140.29	-	5,974.07	-
Surplus (General Budget)	D-1	-	-	-	-	-	-
		\$ 2,750,250.00	\$ 2,750,250.00	\$ 2,596,582.55	\$ -	\$ 153,667.45	\$ -

<u>Reference</u>	D-1	D-1	Below	D-1	D	D-28
Cash Disbursements -Operating	D-4		\$ 2,441,934.78			
Budget Offsets	D-4		-			
Encumbrance Payable	D-23		3,970.91			
Deferred Charges	D		154,114.36			
Accrued Interest on Notes	D-22		(3,437.50)			

Above **\$ 2,596,582.55**

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

GENERAL FIXED ASSETS

BOROUGH OF WALLINGTON
 GENERAL FIXED ASSETS FUND
 DECEMBER 31, 2024 AND 2023

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

E

	At December 31,	
	2024	2023
GENERAL FIXED ASSETS		
Land	\$ 10,066,900	\$ 10,066,900
Buildings	7,055,900	7,055,900
Machinery and Equipment	<u>8,581,940</u>	<u>7,848,478</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 25,704,740</u>	<u>\$ 24,971,278</u>
LIABILITIES AND RESERVES		
Investments in General Fixed Assets	\$ 25,704,740	\$ 24,971,278
TOTAL LIABILITIES AND RESERVES	<u>\$ 25,704,740</u>	<u>\$ 24,971,278</u>

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

NOTES TO THE FINANCIAL STATEMENTS

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies

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

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 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, 2024 AND 2023

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 2024 and 2023, 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, 2024 AND 2023

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, 2024 and 2023, \$0 of the Borough's bank balance of \$9,147,481.46 and \$7,703,597.29, respectively, was exposed to custodial credit risk.

See independent auditor's report.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, 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, 2024 and 2023, property taxes receivables were \$293,774.22 and \$257,991.22, 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).

	2024	2023	2022
<u>Issued</u>			
General Capital Fund:			
Bonds and Notes Payable	\$ 11,292,000	\$ 9,560,334	\$ 10,803,667
Water Utility Capital Fund:			
Bonds and Notes Payable	4,330,000	4,660,000	4,990,000
Less Funds Temporarily Held to Pay Bond and Notes	-	300,254	766,588
 Total Issued	 15,622,000	 13,920,080	 15,027,079
<u>Total Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes Payable	4,000,000	225,000	-
Water-Sewer Utility Capital Fund:			
Bonds and Notes Payable	83,430	83,430	83,430
Total Authorized But Not Issued	4,083,430	308,430	83,430
 Net Bonds and Notes Issued and Authorized But Not Issued	 \$ 19,705,430	 \$ 14,228,510	 \$ 15,110,509

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 1.011 % and .893% on December 31, 2024 and 2023, respectively. The Equalized Valuation Basis of the Borough at December 31, 2024 and 2023 was \$1,511,821,306 and \$1,404,240,501, respectively.

<u>2024 Debt Authorized</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 8,790,000	\$ 8,790,000	\$ -
Water Utility Capital Fund	4,413,430	4,413,430	-
General Capital Fund	15,292,000		15,292,000
	<u>\$ 28,495,430</u>	<u>\$ 13,203,430</u>	<u>\$ 15,292,000</u>

<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>

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

	<u>2024</u>	<u>2023</u>
3.5% of Equalized Valuation Basis	\$ 52,913,746	\$ 49,148,418
Net Debt	15,292,000	12,407,124
Remaining Borrowing Power	<u>\$ 37,621,746</u>	<u>\$ 36,741,294</u>

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024:

	<u>2024</u>	<u>2023</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%	\$ 3,905,000	\$ 4,190,000
\$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%	2,625,000	3,075,000
\$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%	<u>1,762,000</u> <u>\$ 8,292,000</u>	<u>2,162,000</u> <u>\$ 9,427,000</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, 2024:

	<u>2024</u>	<u>2023</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%	\$ 4,330,000	\$ 4,660,000

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 is as follows:

Calendar Year	General Bonds			Water Utility Bonds			Total
	Principal	Interest	Principal	Interest			
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	920,000	103,025	480,000	87,900	1,590,925		
2030-2033	2,700,000	139,650	2,370,000	154,050	5,363,700		
	\$ 8,292,000	\$ 1,170,225	\$ 4,330,000	\$ 793,800	\$ 14,586,025		

Long-term debt at December 31, 2024 and 2023 consisted of the following:

	Balance Dec. 31, 2023	Additions	Reductions	Balance Dec. 31, 2024	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	\$ 9,427,000	\$ -	\$ 1,135,000	\$ 8,292,000	\$ 1,155,000
Water Utility Bonds	4,660,000		330,000	4,330,000	330,000
Total Bonds Payable	14,087,000	-	1,465,000	12,622,000	1,485,000
Other Liabilities:					
Pension Deferral Compensated	\$ 116,435		\$ 8,295	\$ 108,140	\$ 9,381
Absences Payable	1,685,167	565,823		2,250,990	
Total Other Liabilities	1,801,602	565,823	8,295	2,359,130	9,381
Totals	\$ 15,888,602.37	\$ 565,823.00	\$ 1,473,295	\$ 14,981,130	\$ 1,494,381
<u>Overlapping Debt</u>					
County of Bergen (1) – Borough's share (.6695%)					\$11,308,063
Passaic Valley Sewerage Commission (2)					<u>2,230,374</u>
			Total Overlapping Debt		\$13,538,437

(1) The County of Bergen has \$1,688,935,829 in gross long-term and temporary debt. The Borough's net share is obtained by dividing the Borough's equalized valuation \$1,638,563,714 by the County's equalized valuation \$244,730,595,430.

(2) Overlapping debt was computed as of December 31, 2024 based upon 2023 Wallington billing compared to 2023 total billing.

See independent auditor's report.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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:

General Capital Fund: Ordinance #	Interest Rate	Final Maturity Date	2024	2023
23-02	3.76%	9/19/2025	\$ 225,000.00	\$ -
24-07	3.76%	9/19/2025	536,000.00	
24-20	3.76%	9/19/2025	1,552,000.00	
24-21	3.76%	9/19/2025	687,000.00	
22-006	4.50%	03/18/2024		
			\$ 3,000,000	\$ 133,334

E. Bonds Authorized but not Issued

As of December 31, 2024 and 2023 the Borough had authorized but not issued bonds as follows:

	<u>2024</u>	<u>2023</u>
General Capital Fund	\$ 4,000,000	\$ 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, 2024 and 2023, the Borough had \$72,000 and \$198,000 outstanding Current Fund Special Emergency notes.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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

A. Water Utility

	<u>2024</u>	<u>2023</u>
Cash Receipts from Fees, Rents or Other Charges & Credits	\$ 2,750,343.82	\$ 2,562,105.21
Deductions:		
Operating and Maintenance Cost	\$ 2,241,537.50	\$ 2,191,581.82
Debt Service per Water Account	<u>508,712.50</u>	<u>523,292.28</u>
Total Deductions	<u>2,750,250.00</u>	<u>2,714,874.10</u>
Excess (Deficit) in Revenue - Self Liquidating	93.82	(152,768.89)
Deficit Capitalized at 5% for Inclusion in Net Debt	<u>\$ 1,876.40</u>	<u>\$ (3,055,377.80)</u>

7. Capital Lease Agreements

During 2024, 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, 2024.

<u>For the Years Ended December 31,</u>	<u>Amount</u>
2025	\$ 46,070
2027	46,070
2028	<u>46,070</u>
	138,210
Less: Amounts Representing Interest	<u>(15,777)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 122,433</u>

8. Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2024 and 2023 were as follows:

<u>Fund Type</u>	<u>2024</u>	<u>2023</u>
	Receivables	Payables
Current Fund	\$ 282,796.03	\$ 3,379.80
Trust Fund	2,282.40	3,379.80
Capital Fund		
Water Operating Fund	280,513.63	
Water Capital Fund		
	<u>\$ 282,796.03</u>	<u>\$ 3,379.80</u>

See independent auditor's report.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

9. Fund Balances Appropriated

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

	<u>2025 Budget</u>	<u>2024 Budget</u>
Current Fund	\$ 1,000,000.00	\$ 972,000.00
Water Utility Operating Fund	-	-

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 \$122,937.54 and \$134,942.57 for the year ended December 31, 2024 and 2023, 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, 2024 and 2023 is \$108,140 and \$116,435, respectively.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 1/55th 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, 2024 and June 30, 2023, the most recent reports available, the Borough has disclosed a liability of \$1,787,729 and \$1,899,045, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2023. 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, 2024 and 2023. At June 30, 2024, the Borough's proportion was .01315665%, which was a decrease of 0.00074948% from its proportion measured as of June 30, 2023 of .01390613%.

See independent auditor's report.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024, the Borough recognized pension expense of \$175,232 as measured at June 30, 2023. At June 30, 2024, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2024		June 30, 2023	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u> <u>Resources</u>	<u>Inflow of</u> <u>Resources</u>	<u>Outflows of</u> <u>Resources</u>	<u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 35,812	\$ 4,759	\$ 18,157	\$ 7,763
Changes of assumptions	2,221	20,340	4,172	115,090
Net difference between projected and actual earnings on pension plan investments		82,892		8,745
Changes in proportion and differences between Borough and proportionate share of contributions	64,226	164,835	89,655	334,448
Borough contributions subsequent to the measurement date				
Total	<u>\$ 102,259</u>	<u>\$ 272,826</u>	<u>\$ 120,729</u>	<u>\$ 457,301</u>

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:		
2025	\$ (75,903)	
2026	58,731	
2027	(33,789)	
2028	(19,506)	
2029	508	
Total	<u>\$ (69,959)</u>	

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the years for the 2024, 2023, 2022, 2021, 2020, and 2019 amounts, respectively.

	6/30/2024	6/30/2023
Collective deferred outflows of resources	\$ 1,079,580,780	\$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net pension liability (Non-State-Local Group)	13,702,423,985	14,606,489,066
Borough's portion of net pension liability	1,787,729	1,899,045
Borough's proportion %	0.01316%	0.01311%

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

12. Pension Plans (Continued)

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

Actuarial assumptions. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2023 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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00%	8.63%
Non-US Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	3.00%	8.20%
Real Estate	8.00%	10.95%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
US Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, 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, 2024 and 2023, 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, 2024		
	<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	\$ 2,375,279	\$ 1,787,729	\$ 1,287,580
	<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

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and June 30, 2023, the most recent reports available, the Borough has disclosed a liability of \$8,353,841 and \$8,984,358, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2023. 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, 2024 and 2023. At June 30, 2024, the Borough's proportion was 0.0808963%, which was a decrease of 0.000419 from its proportion measured as of June 30, 2023 of .08131525%,

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, 2024 and 2023 respectively was \$1,646,942 and \$1,655,472.

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

For the year ended December 31, 2024, the Borough recognized pension expense of \$1,164,760. At December 31, 2024 as measured on June 30, 2024, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2024		June 30, 2023	
	<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>
	\$ 526,285	\$ 285,989	\$ 384,692	\$ 428,474
Difference between expected and actual experience	\$ 526,285	\$ 285,989	\$ 384,692	\$ 428,474
Changes of assumptions	13,206	245,339	19,391	606,659
Net difference projected and actual earnings on pension plan investments		65,384	457,556	
Changes in proportion and differences between Borough's and proportionate share of contributions	378,777	124,683	576,025	181,930
Borough contributions subsequent to the measurement date				
Total	<u><u>\$ 918,268</u></u>	<u><u>\$ 721,395</u></u>	<u><u>\$ 1,437,664</u></u>	<u><u>\$ 1,217,063</u></u>

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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>
2025	\$ (404,641)
2026	466,241
2027	(117,021)
2028	(54,341)
2029	48,343
Thereafter	4,199
Total	\$ (57,220)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.09, 6.16, 6.22, 6.17, 5.90, and 5.92 years for the years for the 2024, 2023, 2022, 2021, 2020, and 2019 amounts, respectively.

	6/30/2024	6/30/2023
Collective deferred outflows of resources	1,350,388,724	1,753,080,638
Collective deferred inflows of resources	1,421,121,200	1,966,439,601
Collective net pension liability (Non-State-Local Group)	12,362,466,447	13,084,649,602
Borough's portion of net pension liability	8,353,841	8,984,358
Borough's proportion %	0.08090%	0.08132%

Actuarial assumptions. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%

Employer mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability retirement rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024) 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, 2024 are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
U.S. Large - Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bonds	7.00%	4.10%
U.S. Corporate Bonds	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%

Discount rate. The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2024 and 2023, 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, 2024 and 2023, 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:

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024 and 2023, 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:

	June 30, 2024		
	<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	\$ 11,934,815	\$ 8,353,841	\$ 5,370,871
	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	\$ 12,518,130	\$ 8,984,358	\$ 6,041,570

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:

Year Ended December 31,	PERS Amount	PFRS Amount
2024	\$ 193,618.00	\$ 1,164,760.00
2023	193,256.00	1,151,835.00
2022	153,934.00	1,003,833.00

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.

**BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

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, 2024 and 2023.

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 \$1,719 and \$1,719 for 2023 and 2022, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the plan. The total Borough contributions for 2023 deposited in 2025 were \$102,299.91. Borough contributions to be deposited in 2025 for 2024 will be deposited by October 2025.

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, 2024 and 2023.

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.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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 2024, 2023, and 2022 year the Borough paid \$ 931,416, \$ 805,344 and \$675,372, respectively for post-retirement health coverage premiums for eligible retirees and their dependents.

As of December 31, 2024, the most recent actuarial valuation date, there was no plan assets to offset the OPEB liability. The actuarial accrued OPEB liability for benefits was \$34,646,137 based upon a discount rate of 4.08% per annum and the plan provisions in effect on December 31, 2024. The covered payroll (annual payroll of active employees covered by the plan) was \$3,616,000. The liability is broken down as follows:

Total OPEB Liability Active	\$ 11,366,781
Total OPEB Liability Retired	23,279,356
Total OPEB Liability	34,646,137
Plan Fiduciary Net Position	-
Net OPEB Liability	<u>\$ 34,646,137</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 2024, 2023 2022, and 2021, the amount actually contributed to the plan, and changes in the Borough’s net OPEB obligation to the plan.

	2024	2023	2022	2021
Annual Required Contribution-Service Costs	\$ 368,376	\$ 368,376	\$ 519,826	\$ 519,826
Interest on Net OPEB Obligation-Over Measurement Period	1,225,734	1,176,950	938,101	973,181
Difference Between Expected and Actual Experience		2,650,178		
Changes in Assumptions	(3,713,077)	2,633,665	(14,466,625)	(1,183,478)
Annual OPEB Cost (Expense)	(2,118,967)	6,829,169	(13,008,698)	309,529
Contributions Made	(931,416)	(805,344)	(675,372)	(675,372)
Increase in Net OPEB Obligation	(3,050,383)	6,023,825	(13,684,070)	(365,843)
Net OPEB Obligation- Beginning of Year	37,696,520	31,672,695	45,356,765	45,722,608
GASB 75 Adjustment *				
Net OPEB Obligation- End of Year	<u>\$ 34,646,137</u>	<u>\$ 37,696,520</u>	<u>\$ 31,672,695</u>	<u>\$ 45,356,765</u>

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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	1,225,734
Recognition of Experience Changes	277,826
Recognition of Assumption Charges	<u>(1,374,903)</u>
Total GASB 75 OPEB Expense Recognized	<u>\$ 497,033</u>

Summary of Deferred Outflows and Inflows to OPEB Expense:

	For Year Ended 12/31/2024		For Year Ended 12/31/2023	
	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u> <u>Resources</u>	<u>Inflow of</u> <u>Resources</u>	<u>Outflows of</u> <u>Resources</u>	<u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 2,094,526	\$ -	\$ 2,372,352	\$ -
Changes of assumptions	4,720,657	(13,192,231)	5,629,306	(11,762,706)
Total	<u>\$ 6,815,183</u>	<u>\$ (13,192,231)</u>	<u>\$ 8,001,658</u>	<u>\$ (11,762,706)</u>

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

	<u>Year Ended December 31:</u>
2025	\$ (1,097,077)
2026	(1,097,077)
2027	(1,097,077)
2028	(1,191,682)
2029	(1,524,087)
Thereafter	(370,048)
Total	<u>\$ (6,377,048)</u>

Actuarial Methods, Assumptions and Basis of Valuation

Basis of Valuation

The valuation performed by Cirkiel Actuarial Consulting LLC, was conducted as of December 31, 2024 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 46 and the average age of the retiree population is 70.

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, 2023 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, 2023 report from Aon Consultants.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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	4.08% Based on the Bond Buyer 20 Index December 31, 2024 3.26% Based on the Bond Buyer 20 Index December 31, 2023
Rate of Salary Increase	2.5%
Consumer Price Index	2.5%
Medical Trend	Medical: 6.5% in 2024, reducing by .25% per annum, leveling at 4.5% per annum in 2032 Drug: 14% in 2024, 10% in 2025, 7.5% in 2026, reducing by .75% per annum, leveling at 4.5% per annum in 2030 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 2024 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 (46) 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. 2024 salaries were reported as \$3.616 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> (3.08%)	<u>Current</u> <u>Discount Rate</u> (4.08%)	<u>1%</u> <u>Increase</u> (5.08%)
Borough's proportionate share of OPEB Liability	\$ 40,416,678	\$ 34,646,137	\$ 30,361,088

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, 2024 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	\$ 30,526,854	\$ 34,646,137	\$ 40,086,331

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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
2024	\$ 39,847	\$ 103,708
2023		174,577
2022	-	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, 2024 AND 2023**

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, 2024 and 2023, the total accumulated absence liability was \$2,250,990 and \$1,685,167, 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 August 31, 2025, there are four material pending tax appeals against the Borough among others:

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 with the plaintiff.

The total settlements for the cases above will approximate \$1,365,000 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, 2024 and 2023, 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 2024 and 2023 the Borough paid eight and four employees a total of \$30,000 and \$21,666.64 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.

BOROUGH OF WALLINGTON
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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, 2024. 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, 2025. The first installment of half the amount was received during 2021 and the remainder was received during 2023. 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, 2024, 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 September 3, 2025 which is the date the financial statements were available to be issued. The 2025 Municipal Budget was adopted on July 17, 2025.

On May 8, 2025, the Borough adopted Ord. 2025-009 for Acquisition of Real Property, in the amount of \$1,050,000 with \$50,000 down payment and \$1,000,000 authorized not issued.

At the end of 2024, the Borough and the police department of Wallington, settled on a new Police Benevolent Association (the "PBA") contract. Within the contract, it was agreed upon, that the Borough would fund the police officers Health Savings Plan ("HSA") at maximum HSA limits for 2023, 2024, and 2025 according to I.R.S. Publication 969. Since the amounts have not been funded for 2023 and 2024, the police officers will be reimbursed in accordance with Publication 969 coverage amounts and limit types per individual eligibility. The Borough will fund these amounts through Special Emergency issuance or in the 2026 budget.

SUPPLEMENTARY DATA – CURRENT FUND

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

SCHEDULE OF CASH - TREASURER

A-4

	<u>Reference</u>	
Balance December 31, 2023	A	\$ 3,954,503.32
Increased by:		
Budgeted Revenue	A-2	\$ 2,553,072.60
Non-Budget Revenues	A-2	65,644.40
Taxes Receivable	A-7	32,585,317.72
Petty Cash	A-6	100.00
Prepaid Taxes	A-15	122,937.54
Budget Offsets	A-3	760,792.89
Due from State of New Jersey -		
Senior Citizens' & Veterans' Deductions	A-14	32,000.00
Tax Overpayments	A-16	9,301.45
Miscellaneous Fees Received	A-19	7,206.00
Grants Unappropriated	A-22	35,766.27
Grants Receivable	A-20	344,830.45
Special Emergency Notes	A-24	72,000.00
Reserve for Library Aid	A-25	6,404.00
Reserve for Property Damage	A-27	12,150.00
Reserve for Hurricane IDA-Fema Reimburs.	A-28	58,695.30
Due from Animal License Fund	B-4	3,379.80
Capital Interfunds	Contra	1,118,040.46
Due from Water Operating Fund	D-17	34,025.93
		<hr/> 37,821,664.81
		41,776,168.13
Decreased by:		
2024 Budget Appropriations	A-3	\$ 14,543,524.05
2023 Appropriation Reserves	A-12	667,802.87
Revaluation Reserve	A-11	177,865.50
Refund of Tax Overpayments	A-16	9,301.45
County Tax	A-17	3,499,006.53
Local District School Tax	A-18	17,779,663.00
Miscellaneous Fees Payable	A-19	6,369.00
Appropriated Grant Reserves	A-21	187,312.12
Grant Encumbrance Expended	A	16,042.25
Emergency Notes Paid	A-24	198,000.00
State Library Aid Expenditures	A-25	6,404.00
Reserve for Codification	A-26	4,074.03
Reserve for Hurricane IDA- Expenditures	A-28	59,471.40
Reserve for Tax Appeals	A-30	22,904.00
Due from Capital Fund- Interfunds	Contra	1,118,040.46
Operations	A-1	3,531.76
Due from Water Operating- Expenditures	D-17	314,539.56
		<hr/> 38,613,851.98
Balance December 31, 2024	A	<hr/> \$ 3,162,316.15

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-5

SCHEDULE OF CASH - CHANGE FUND

	<u>Reference</u>	
Balance December 31, 2023	A	\$ <u>100.00</u>
Balance December 31, 2024	A	\$ <u>100.00</u>

A-6

SCHEDULE OF PETTY CASH FUND

	<u>Reference</u>	
Balance December 31, 2023	A	\$ 100.00
Decreased by:		
Received	A-4	<u>100.00</u>
Balance December 31, 2024	A	\$ <u>-</u>

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

	Balance <u>Dec. 31, 2023</u>	2024 <u>Levy</u>	Collections		Transfer to Lien	Canceled/ Judgments	Balance <u>Dec. 31, 2024</u>
2023 Taxes	\$ 257,991.22	\$ -	\$ -	\$ 253,311.96	\$ -	\$ 4,679.26	\$ -
2024 Taxes		32,888,622.08	134,942.57	32,365,417.40		94,487.89	293,774.22
	<u>\$ 257,991.22</u>	<u>\$ 32,888,622.08</u>	<u>\$ 134,942.57</u>	<u>\$ 32,618,729.36</u>	<u>\$ -</u>	<u>\$ 99,167.15</u>	<u>\$ 293,774.22</u>
Reference	A	Below	A-16	Below	A-8		A

Reference

Cash Receipts A-4 \$ 32,585,317.72

State of NJ - Realized Seniors' and Veterans' Deductions A-14 33,411.64
Above \$ 32,618,729.36

Analysis of 2024 Property Tax Levy

General Purpose Tax	\$ 32,749,119.76
Added Taxes (54:4-63.1 et. seq.)	131,243.20
Additional taxes added - 6% Penalty	<u>8,259.12</u>
	<u>\$ 32,888,622.08</u>

Above, Below

Tax Levy

Local District School	
Tax (Abstract)	\$ 17,779,663.00
County Taxes	3,343,805.06
Added County Taxes/Open Space	14,046.62
County Open Space	150,320.57
Local Tax for Municipal Purposes	11,473,320.44
Added Taxes - Local Purposes	<u>127,466.39</u>
	<u>\$ 32,888,622.08</u>

Above

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-8

SCHEDULE OF TAX TITLE LIENS

<u>Reference</u>		
Balance December 31, 2023	A	\$ -
Increased by:		
Interest and Costs / 6% Penalty		
Transfer from Taxes	A-7	\$ -
Decreased by:		
Payments- Received in Trust Fund	B-6	
Canceled- Prior Year Adjustment for foreclosures		
Balance December 31, 2024	A, Below	\$ -

A-9

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

<u>Reference</u>		
Balance December 31, 2023	A	\$ -
Balance December 31, 2024	A	\$ -

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

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-10

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance December 31, <u>2023</u>	Accrued <u>in 2024</u>	Collected <u>in 2024</u>	Balance December 31, <u>2024</u>
Licenses				
Alcoholic Beverages	\$ -	\$ 15,282.00	\$ 15,282.00	\$ -
Other		12,513.00	12,513.00	
Fees & Permits		59,297.08	59,297.08	
Fines and Costs	9,557.62	219,186.69	196,423.19	32,321.12
Interest and Costs on Taxes		64,019.53	64,019.53	
Interest on Investments and Deposits		236,090.39	236,090.39	
Energy Receipts Taxes		681,484.99	681,484.99	
Uniform Construction Code Fees		111,794.00	111,794.00	
Uniform Fire Safety		22,579.00	22,579.00	
Cell Tower Rental Fee		80,408.85	80,408.85	
Other Rental Income		219,100.00	219,100.00	
CATV Franchise Fee		82,087.99	82,087.99	
Off-Duty Police Admin. Fees		200,000.00	200,000.00	
LOSAP- Forfeiture		81,241.79	81,241.79	
Reserve for Debt Service Payments		300,254.23	300,254.23	
FEMA- Reimbursement for IDA		190,496.56	190,496.56	-
	<u>\$ 9,557.62</u>	<u>\$ 2,575,836.10</u>	<u>\$ 2,553,072.60</u>	<u>\$ 32,321.12</u>
<u>Reference</u>	A		A-2	A

A-11

SCHEDULE OF RESERVE FOR REVALUATION

	<u>Reference</u>	
Balance December 31, 2023	A	\$ 2,770.00
Increased by:		
Special Emergency- Revaluation	A-23	<u>255,000.00</u>
		<u>257,770.00</u>
Decreased by:		
Disbursements	A-4	<u>177,865.50</u>
Balance December 31, 2024	A	<u>\$ 79,904.50</u>

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

BOROUGH OF WALLINGTON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

A-12

SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance Dec. 31, 2023	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
OPERATIONS -WITHIN "CAPS"								
GENERAL GOVERNMENT								
Mayor and Council								
Salaries and Wages	\$ 499.52	\$ -	\$ -	\$ 499.52	\$ -	\$ -	\$ 499.52	\$ -
Other Expenses	4,867.76			4,867.76			4,867.76	
General Administration								
Salaries and Wages	461.70			461.70			461.70	
Borough Clerk								
Salaries and Wages	2,395.30			2,395.30			2,395.30	
Other Expenses	18,592.30	1,454.65		20,046.95		8,226.89	11,820.06	
Financial Administration								
Salaries and Wages	2,255.02			2,255.02			2,255.02	
Other Expenses & Audit Services	48,819.80	469.71		49,289.51		26,894.79	22,394.72	
Grant Writer								
Other Expenses	0.04	3,333.33		3,333.37		3,333.33	0.04	
Revenue Administration								
Salaries and Wages	3,790.35			3,790.35		160.74	3,629.61	
Other Expenses	3,662.28			3,662.28		2,633.26	1,029.02	
Assessment Administration								
Salaries and Wages	290.08			290.08			290.08	
Other Expenses	2,969.35			2,969.35			2,969.35	
Legal Services and Costs								
Other Expenses	41,283.53	1,547.59		42,831.12		36,204.07	6,627.05	
Engineering Services and Costs								
Other Expenses	28,952.74			28,952.74		8,524.13	20,428.61	
Planning Board								
Salaries and Wages	575.00			575.00			575.00	
Other Expenses	13,946.87	1,253.75		15,200.62		5,522.50	9,678.12	
Zoning Board of Adjustment								
Salaries and Wages	1,435.00			1,435.00			1,435.00	
Other Expenses	12,016.30			12,016.30		3,600.00	8,416.30	
Insurance								
Unemployment Insurance	34,847.00			34,847.00		34,847.00		
Employee Group Health	8,604.54			8,604.54		1,802.50	6,802.04	
Health Benefit Waiver	533.36			533.36			533.36	
Liability	2,434.00			2,434.00		2,434.00		
Liability (South Bergen JIF)	82,792.54			82,792.54		82,374.00	418.54	
Worker's Compensation (South Bergen JIF)	73,614.53			73,614.53		68,858.00	4,756.53	

Continued - Next Page

BOROUGH OF WALLINGTON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

A-12

SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance <u>Dec. 31, 2023</u>	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure							
OPERATIONS -WITHIN "CAPS" (Continued)															
PUBLIC SAFETY FUNCTIONS															
Police															
Salaries and Wages	\$ 157,859.58	\$ -	\$ -	\$ 157,859.58	\$ -	\$ 116,243.15	\$ 41,616.43	\$ -							
Other Expenses	29,825.07	40,051.90		69,876.97		43,523.57	26,353.40								
Uniform Fire Safety															
Salaries and Wages	934.55			934.55			934.55								
Other Expenses	700.00			700.00			700.00								
Fire Department- Other Expense	164.46	37,569.42		37,733.88		37,625.37	108.51								
Fire Prevention Bureau															
Other Expenses	7,077.81			7,077.81		6,005.00	1,072.81								
Emergency Management Services															
Other Expenses	1,000.00			1,000.00			1,000.00								
EMS															
Other Expenses	152.03	8,774.66		8,926.69		8,850.56	76.13	\$ -							
Clothing Allowance	1,862.00			1,862.00			1,862.00								
Municipal Prosecutor															
Salaries and Wages	2,500.00			2,500.00		2,500.00									
Public Defender															
Other Expenses															
PUBLIC WORK FUNCTIONS															
Street and Road Maintenance															
Salaries and Wages	16,780.48			16,780.48			16,780.48								
Other Expenses	6,952.79	369.37		7,322.16		3,992.70	3,329.46								
Shade Tree															
Other Expenses	1,035.00	20,795.00		21,830.00		18,785.00	3,045.00								
Solid Waste Collection															
Salaries and Wages	111.96			111.96			111.96								
Other Expenses	243,019.51	4,030.00		247,049.51		7,940.45	239,109.06								
Buildings and Grounds															
Other Expenses	10,672.41	12,107.41		22,779.82		20,368.35	2,411.47								

Continued - Next Page

BOROUGH OF WALLINGTON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

A-12

SCHEDULE OF 2023 APPROPRIATION RESERVES

	<u>Balance Dec. 31, 2023</u>	<u>Encumbrances</u>	<u>Transfers</u>	<u>Balance After Transfers</u>	<u>Paid or Reimbursement</u>	<u>Balance Lapsed</u>	<u>Over Expenditure</u>
OPERATIONS -WITHIN "CAPS" (Continued)							
HEALTH AND WELFARE							
Board of Health							
Salaries and Wages	\$ 4,167.47	\$ -	\$ -	\$ 4,167.47	\$ -	\$ 4,167.47	\$ -
Other Expenses	7,494.26	1,312.50	8,806.76	3,315.00	5,491.76		
Animal Control Services							
Other Expenses	6,263.07			6,263.07	596.18	5,666.89	
PARK AND RECREATION FUNCTIONS							
Board of Recreation Commissioners (R.S. 40-17.1)							
Salaries and Wages	1,127.25			1,127.25		1,127.25	
Other Expenses	13,262.39	4,385.40		17,647.79	6,511.35	11,136.44	
Senior Citizens							
Other Expenses	2,119.60			2,119.60		2,119.60	
Maintenance of Parks							
Other Expenses	4,605.77	625.81		5,231.58	598.75	4,632.83	
Celebration of Public Events							
Other Expenses	7,881.70	5,000.00		12,881.70	8,009.00	4,872.70	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)							
Construction Code Official							
Salaries and Wages	728.50			728.50		728.50	
Other Expenses	336.51			336.51		336.51	

BOROUGH OF WALLINGTON
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

A-12

SCHEDULE OF 2023 APPROPRIATION RESERVES

	Balance Dec. 31, 2023	Encumbrances	Transfers	Balance After Transfers	Reimbursement	Paid or Charged	Balance Lapsed	Over Expenditure
OPERATIONS -WITHIN "CAPS" (Continued)								
UTILITIES								
Electricity	\$ 57,947.10	\$ -	\$ -	\$ 57,947.10	\$ -	\$ 1,246.98	\$ 56,700.12	\$ -
Street Lighting	26,032.32			26,032.32			26,032.32	
Communications	6,483.70			6,483.70		154.77	6,328.93	
Sewerage Processing and Disposal	456.80	26,158.20		26,615.00		26,158.20	456.80	
Other Expenses	31,050.00			31,050.00		13,086.79	17,963.21	
Gasoline	7,068.75			7,068.75			7,068.75	
Municipal Court								
Salaries and Wages								
Other Expenses								
Public Defender								
Other Expenses								
TOTAL OTHER EXPENSES WITHIN "CAPS"	5,000.00			5,000.00		4,950.00	50.00	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,052,311.75	169,238.70	-	1,221,550.45	-	615,876.38	605,674.07	-
Social Security System (O.A.S.I.)	13,777.11			13,777.11		67.21	13,709.90	
Public Employees' Retirement System	28,429.00			28,429.00			28,429.00	
Public Employees' Retirement System- Adjustment	10,000.00			10,000.00			10,000.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES WTHIN "CAPS"	52,206.11	-	-	52,206.11	-	67.21	52,138.90	-
OPERATIONS - EXCLUDED FROM "CAPS"								
Passaic Valley Sewerage	1,121.93			1,121.93			1,121.93	
East Rutherford Sewer Fees	5,000.00			5,000.00			5,000.00	
Recycling Tax Appropriation								
Maintenance of Free Public Library	54,792.40	66.88		54,859.28		54,859.28		
Shared Services Municipal Court	855.98			855.98			855.98	
Interlocal Services Agreement (County of Bergen)	32.50			32.50			32.50	
Length of Service Award Program (LOSAP)	135,000.00			135,000.00		135,000.00		
Shared Services Board of Health	48.00			48.00			48.00	
TOTAL OTHER EXPENSES EXCLUDED FROM "CAPS"	196,850.81	66.88	-	196,917.69	-	189,859.28	7,058.41	-
JUDGMENTS								
TOTAL RESERVES EXCLUDED FROM "CAPS"	196,850.81	66.88	-	196,917.69	-	189,859.28	7,058.41	-
TOTAL RESERVES	\$ 1,301,368.67	\$ 169,305.58	\$ -	\$ 1,470,674.25	\$ -	\$ 805,802.87	\$ 664,871.38	\$ -
	A	A-13		A	A-4			

Paid
Accounts Payable
Move to Reserve for LOSAP

A-4
A-29
A

\$ 667,802.87
3,000.00
135,000.00

\$ 805,802.87

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-13

SCHEDULE OF ENCUMBRANCES

	<u>Reference</u>		
Balance December 31, 2023	A		\$ 169,305.58
Increased by:			
Charges to 2023 Appropriations	A-12		
Charges to 2024 Appropriations	A-3	\$ 217,875.21	
		<u>217,875.21</u>	
		<u>387,180.79</u>	
Decreased by:			
Applied to 2023 Appropriations	A-12	169,305.58	
Applied to Accounts Payable	A-29	<u>-</u>	
		<u>169,305.58</u>	
Balance December 31, 2024	A		<u>\$ 217,875.21</u>

A-14

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

	<u>Reference</u>		
Balance December 31, 2023	A		\$ 423.29
Increased by:			
Senior Citizens' Deductions Per Tax Billings		\$ 8,500.00	
Veterans' Deductions Per Tax Billings		25,000.00	
Senior Citizens'/Veterans' Deductions -			
Allowed by Tax Collector			<u>33,500.00</u>
			<u>33,923.29</u>
Decreased by:			
Received in Cash from State	A-4	32,000.00	
Senior Citizens'/Veterans' Deductions -			
Disallowed by Tax Collector		88.36	
PY 2023 Senior Citizens Deductions Disallowed	A-1	<u>1,750.00</u>	
			<u>33,838.36</u>
Balance December 31, 2024	A		<u>\$ 84.93</u>

Calculation of Amount Realized

Senior Citizens	\$ 8,500.00
Veterans	25,000.00
Senior Citizens'/Veterans' Deductions Allowed by Tax Collector	<u>-</u>
	<u>33,500.00</u>
Less: Senior Citizens'/Veterans' Deductions Disallowed by Tax Collector	<u>88.36</u>
Realized as Tax Revenue	<u>\$ 33,411.64</u>

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

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-15

SCHEDULE OF PREPAID TAXES

Balance December 31, 2023	A	\$ 134,942.57
Increased by:		
Collection of 2025 Taxes	A-4	122,937.54
		257,880.11
Decreased by:		
Applied to 2024 Taxes Receivable	A-7	134,942.57
Balance December 31, 2024	A	\$ 122,937.54

A-16

SCHEDULE OF TAX OVERPAYMENTS

	<u>Reference</u>	
Balance December 31, 2023	A	\$ -
Increased by:		
Appeals	A-1	\$ -
Overpayments received	A-4	9,301.45
		9,301.45
Decreased by:		
Overpayments Refunded	A-4	9,301.45
Canceled Tax Overpayments	A-1	-
		9,301.45
Balance December 31, 2024	A	\$ -
		<u>9,301.45</u>

A-17

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Reference</u>	
Balance December 31, 2023	A	\$ 4,880.90
Increased by:		
2024 Tax Levy	A-1,2,7	\$ 3,343,805.06
2024 Added County Taxes	A-1,2,7	14,046.62
2024 Open Space	A-1,2,7	150,320.57
		3,508,172.25
		3,513,053.15
Decreased by:		
Payments	A-4	3,499,006.53
Balance December 31, 2024	A	\$ 14,046.62
		<u>14,046.62</u>

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-18

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

	<u>Reference</u>		\$	
Balance December 31, 2023	A		\$	-
Increased by:				
Levy - School Year				
July 1, 2024 to June 30, 2025	A-1,2,7		17,779,663.00	
			<u>\$17,779,663.00</u>	
Decreased by:				
Canceled	A-1			
Payments	A-4		<u>\$ 17,779,663.00</u>	
			<u>17,779,663.00</u>	
Balance December 31, 2024	A		\$	<u>—</u>

A-19

SCHEDULE OF MISCELLANEOUS FEES PAYABLE

	<u>Balance Dec. 31, 2023</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance Dec. 31, 2024</u>
Marriage License Fees	\$ 350.00	\$ 2,050.00	\$ 1,975.00	\$ 425.00
DCA Training Fees		5,156.00	4,394.00	762.00
	<u>\$ 350.00</u>	<u>\$ 7,206.00</u>	<u>\$ 6,369.00</u>	<u>\$ 1,187.00</u>

A-20

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	<u>Balance Dec. 31, 2023</u>	<u>Anticipated 2024 Budget</u>	<u>Received/Canceled</u>	<u>Balance Dec. 31, 2024</u>
Recycling Tonnage Grant	\$ -	\$ 14,948.55	\$ 14,948.55	\$ -
Municipal Alliance	5,536.75	4,507.18	4,507.18	5,536.75
Safe and Secure Communities Program	-	45,150.00	45,150.00	-
State Body Armor	1,298.89			1,298.89
Alcohol Education and Rehabilitation Fund	-	3,432.35	3,432.35	-
National Opioid Settlement Grant	-	16,909.46	16,909.46	-
Patrick Leahy Bulletproof Vest Partnership	3,600.00	1,955.20		5,555.20
Storm Water Assistance Grant	-	25,000.00	15,000.00	10,000.00
Automated License Plate Reader Grant		86,400.00	63,974.00	22,426.00
Lantern Fly Program Grant		20,000.00	834.00	19,166.00
NJ Safer Grant (Volunteer Firefighters)	11,280.00		11,280.00	-
Assistance to Firefighter Grant	196,294.75		180,074.91	16,219.84
Bullet Proof Vest Partnership Program	33,972.21			33,972.21
Clean Communities Grant				
DCA 2024 ARP- Assistance for FF Grant		73,000.00		73,000.00
	<u>\$ 251,982.60</u>	<u>\$ 291,302.74</u>	<u>\$ 356,110.45</u>	<u>\$ 187,174.89</u>

Reference	A	A-2	Below	A
Canceled	A-1	\$ 11,280.00		
Received	A-4	344,830.45		
Above	<u>\$ 356,110.45</u>			

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

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-21

SCHEDEULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance <u>Dec. 31, 2023</u>	Transferred from <u>2024 Appropriations</u>	Canceled/ <u>Expended</u>	Deferred <u>Charge</u>	Balance <u>Dec. 31, 2024</u>
Municipal Court					
Alcohol and Education Fund	\$ 16,196.67	\$ 5,249.47	\$ -	\$ -	\$ 21,446.14
Municipal Alliance - State	12,656.94	4,507.18	6,833.94		10,330.18
Municipal Alliance - Local	-	1,126.80	1,126.80		-
Municipal Alliance- State	0.38		0.38		0.00
Safe & Secure Grant	-	77,550.00	77,550.00		-
Automated License Plate Reader Grant	-	86,400.00	86,400.00		-
Lantern Program		20,000.00	9,174.00		10,826.00
Stormwater Assistance Grant		25,000.00			25,000.00
National Opioid Settlement		29,712.73	25,999.40		3,713.33
DCA 2024 ARP- Assistance for FF Grant		73,000.00			73,000.00
FEMA Firefighters Scuba Grant	1,951.62		930.00		1,021.62
Recycling Tonnage Grant	9,437.59	14,948.55			24,386.14
Patrick Leahy Bulletproof Vest Partnership Grant	1,532.53	1,955.20	3,454.20		33.53
Assistance to Firefighters Grant	34,432.84				34,432.84
Drunk Driving Enforcement Fund	23,361.01		377.25		22,983.76
Clean Communication Grant	6,252.60	22,613.89	199.85		28,666.64
Body Armor Grant		2,099.70	2,099.70		-
Reference	<u>\$ 105,822.18</u>	<u>\$ 364,163.52</u>	<u>\$ 214,145.52</u>	<u>\$ -</u>	<u>\$ 255,840.18</u>
	A	Below	Below	A-23	A

Cash Disbursements	A-4	\$ 187,312.12
Encumbrance Payable	A	26,833.40
		<u>\$ 214,145.52</u>

A-22

SCHEDEULE OF UNAPPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance <u>Dec. 31, 2023</u>	Increases	Utilized as <u>2024 Revenue</u>	Balance <u>Dec. 31, 2024</u>
American Rescue Plan Grant	\$ 435,419.52	\$ -	\$ 435,419.52	\$ -
Body Armor Grant	2,099.70	2,110.92	2,099.70	2,110.92
Safe & Secure Communities	32,400.00		32,400.00	-
Clean Communities	22,613.89	25,685.73	22,613.89	25,685.73
Alcohol Education Rehab Fund	1,817.12		1,817.12	-
National Opioid Settlement	12,218.19	7,969.62	12,218.19	7,969.62
National Opioid Settlement Trust II	585.08		585.08	-
	<u>\$ 507,153.50</u>	<u>\$ 35,766.27</u>	<u>\$ 507,153.50</u>	<u>\$ 35,766.27</u>
	A-4		A-2	

BOROUGH OF WALLINGTON
CURRENT FUND
DECEMBER 31, 2024

A-23

SCHEDULE OF DEFERRED CHARGES - EMERGENCY AUTHORIZATIONS

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Amount</u> <u>Resulting From</u> <u>Operations</u>	<u>Raised</u> <u>In Budget/Capital</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Special Emergency	\$ 90,000.00	\$ -	\$ 90,000.00	\$ -
Special Emergency- COVID Revenue Deficits	127,102.20		42,367.40	84,734.80
Special Emergency- COVID- Expenditures	34,200.00		11,400.00	22,800.00
Special Emergency- Tropical Storm IDA	108,000.00		108,000.00	-
Special Emergency- Revaluation		255,000.00		255,000.00
	<u>\$ 359,302.20</u>	<u>\$ 255,000.00</u>	<u>\$ 251,767.40</u>	<u>\$ 362,534.80</u>
Reference	A	A-11	Below	A
Budget Appropriation		A-3	251,767.40	
Received from Capital - Ordinance		A-4		
		Above	<u>\$ 251,767.40</u>	

A-24

SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE

Reference

Balance December 31, 2023	A	\$ 198,000.00
Increased by		
Special Emergency Notes Received	A-4	<u>72,000.00</u>
		<u>270,000.00</u>
Decreased by		
Emergency Note Paid	A-4	<u>198,000.00</u>
Balance December 31, 2024	A	<u>\$ 72,000.00</u>

BOROUGH OF WALLINGTON
 CURRENT FUND
 DECEMBER 31, 2024

A-25

SCHEDE OF AMOUNT DUE TO LIBRARY - STATE AID

	<u>Reference</u>		
Balance December 31, 2023	A	\$	-
Increased by:			
Cash Receipts	A-4	6,404.00	
		6,404.00	
Decreased by:			
Cash Disbursements	A-4	6,404.00	
Balance December 31, 2024	A	\$	<u><u>-</u></u>

A-26

SCHEDE OF RESERVE FOR CODIFICATION OF ORDINANCES

	<u>Reference</u>		
Balance December 31, 2023	A	\$	4,074.03
Decreased by:			
Cash Disbursements	A-4	4,074.03	
Balance December 31, 2024	A	\$	<u><u>-</u></u>

A-27

SCHEDE OF RESERVE FOR INSURANCE PROCEEDS/ PROPERTY DAMAGE

	<u>Reference</u>		
Balance December 31, 2023	A	\$	10,604.00
Increased by:			
Cash Receipts	A-4	12,150.00	
		22,754.00	
Decreased by:			
Canceled	A-1	10,604.00	
Balance December 31, 2024	A	\$	<u><u>12,150.00</u></u>

A-28

SCHEDE OF RESERVE FOR HURRICANE IDA- FEMA REIMBURSEMENT

	<u>Reference</u>		
Balance December 31, 2023	A	\$	42,659.30
Increased by:			
Cash Receipts- Hurricane IDA			
FEMA Reimbursements		58,695.30	
	A-4	58,695.30	
		101,354.60	
Decreased by:			
Cash Disbursements	A-4	59,471.40	
Balance December 31, 2024	A	\$	<u><u>41,883.20</u></u>

BOROUGH OF WALLINGTON
 CURRENT FUND
 DECEMBER 31, 2024

A-29

SCHEDEULE OF ACCOUNTS PAYABLE

Reference

Balance December 31, 2023	A	\$ 43,767.96
Increased by:		
Transfer from Budget App. Reserve	A-12	3,000.00
Decreased by:		
Cancel	A-1	\$ 9,805.99
Cash Disbursements	A-4	<u>9,805.99</u>
Balance December 31, 2024	A	<u>\$ 36,961.97</u>

A-30

SCHEDEULE OF RESERVE FOR TAX APPEALS

Reference

Balance December 31, 2023	A	\$ 130,981.75
Increased by:		
Transfer from 2024 Budget	A-3	50,000.00
Decreased by:		
Cash Disbursements	A-4	<u>22,904.00</u>
Balance December 31, 2024	A	<u>\$ 158,077.75</u>

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

SUPPLEMENTARY DATA – TRUST FUNDS

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024

B-1

SCHEDULE OF CASH - COLLECTOR - TREASURER

	<u>Reference</u>	<u>Animal License</u>	<u>Other Trust</u>
Balance December 31, 2023	B	\$ 9,618.00	\$ 1,479,674.71
Increased by:			
Current Fund Appropriations/Transfers-Payroll Account	B-12		7,629,813.74
Payroll Deductions- Unemployment	B-7		39,847.00
Cat License Fees Collected	B-3	186.00	
Dog License Official Fees Collected	B-3	2,953.80	
Late Fees	B-3	95.00	
Due State of NJ - Fees Payable	B-5	688.20	-
Redemption of Tax Title Liens and Tax Sale Premiums	B-9		50,092.68
Miscellaneous Reserves	B-10		615,952.16
Escrow Deposits	B-8		146.25
		<u>3,923.00</u>	<u>8,335,851.83</u>
		<u>13,541.00</u>	<u>9,815,526.54</u>
Decreased by:			
Payroll Disbursements	B-12		7,623,846.05
Expenditures Under R.S. 4:19-15.11	B-3	906.00	
To State of NJ - Fees Payable	B-5,	689.40	
Transfer to Current Fund	B-1,4,6	3,379.80	
Redemption of Tax Title Liens and Tax Sale Premiums	B-9		107,992.68
Miscellaneous Reserves	B-10		1,084,523.02
Unemployment Disbursements	B-7		110,715.88
Escrow Disbursements	B-8		3,508.75
		<u>4,975.20</u>	<u>8,930,586.38</u>
Balance December 31, 2024	B	<u>\$ 8,565.80</u>	<u>\$ 884,940.16</u>

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

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024

B-2

SCHEDEULE OF LOSAP INVESTMENTS

Reference

Balance December 31, 2023	B	\$ 1,960,642.62
Increased by:		
Receipts- Receivable Contributions	B	\$ -
Receipts-Contributions	B-11	107,456.82
Net Investment Earnings	B-11	<u>284,257.23</u>
		391,714.05
Decreased by:		
Contributions Refunded	B-11	-
Fees	B-11	2,050.00
Withdrawals	B-11	<u>258,243.32</u>
		260,293.32
Balance December 31, 2024	B	<u>\$ 2,092,063.35</u>

B-3

SCHEDEULE OF RESERVE FOR ANIMAL LICENSE FUND EXPENDITURES

Reference

Balance December 31, 2023	B	\$ 6,212.40
Increased by:		
Cat License Fees Collected	B-1	\$ 186.00
Dog License Fees Collected by Dog License Official	B-1	2,953.80
Late Fees	B-1	95.00
Cancel Due to State	B-5	<u>24.60</u>
		3,259.40
		<u>9,471.80</u>
Decreased by:		
Statutory Excess	B-4	2,282.40
Expenditures Under R.S. 4:19-15.11	B-1	<u>906.00</u>
		3,188.40
Balance December 31, 2024	B	<u>\$ 6,283.40</u>

License Fees Collected

2022	\$ 2,998.20
2023	<u>3,285.20</u>
	<u>\$ 6,283.40</u>

B-4

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

Reference

Balance December 31, 2023	B	\$ 3,379.80
Increased by:		
Statutory Excess	A-1, B-3	<u>\$ 2,282.40</u>
		2,282.40
		<u>5,662.20</u>
Decreased by:		
Transfer to Current Fund	A-4, B-1	<u>3,379.80</u>
		3,379.80
Balance December 31, 2024	B	<u>\$ 2,282.40</u>

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

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024

B-5

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

<u>Reference</u>			
Balance December 31, 2023	B	\$	25.80
Increased by:			
2024 State Fees Collected by Dog License Official	B-1	\$	<u>688.20</u>
			688.20
			<u>714.00</u>
Decreased by:			
Cancel	B-3	24.60	
Payments	B-1	<u>689.40</u>	
			714.00
Balance December 31, 2024	B	\$	<u> </u>
			<u> </u>

B-6

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

<u>Reference</u>			
Balance December 31, 2023	B	\$	-
Decreased by:			
Transfer From Current Fund	A-4, B-1	\$	<u>-</u>
	B-1		<u>-</u>
Balance December 31, 2024	B, Below	\$	<u>-</u>
Analysis of Balance			
Due from Current - Other Trust	A		
	B, Above	\$	<u>-</u>

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

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024

B-7

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

<u>Reference</u>		
Balance December 31, 2023	B	\$ 174,577.34
Increased by:		
Payroll Deductions/ Budget Contributions	B-1	<u>39,847.00</u>
		<u>214,424.34</u>
Decreased by:		
Deposits Refunded	B-1	<u>110,715.88</u>
Balance December 31, 2024	B	<u>\$ 103,708.46</u>

B-8

SCHEDULE OF ESCROW FUND DEPOSITS

<u>Reference</u>		
Balance December 31, 2023	B	\$ 57,539.48
Increased by:		
Escrow Deposits	B-1	<u>\$ 146.25</u>
		<u>146.25</u>
		<u>57,685.73</u>
Decreased by:		
Escrow Disbursements	B-1	<u>3,508.75</u>
		<u>3,508.75</u>
Balance December 31, 2024	B	<u>\$ 54,176.98</u>

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

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024

B-9

SCHEDULE OF TAX TITLE LIEN REDEMPTIONS & TAX SALE PREMIUMS PAYABLE

	Balance <u>Dec. 31, 2023</u>	Due to				Balance <u>Dec. 31, 2024</u>
		<u>Current fund</u>	<u>Receipts</u>	<u>Disbursements</u>		
Tax Sale Premiums	\$ 134,800.00	\$ -	\$ -	\$ 57,900.00	\$ 76,900.00	
Third Party Lien Redemption	27,765.13		50,092.68	50,092.68	27,765.13	
	<u>\$ 162,565.13</u>	<u>\$ -</u>	<u>\$ 50,092.68</u>	<u>\$ 107,992.68</u>	<u>\$ 104,665.13</u>	
	B	B-6	B-1	B-1	B	

B-10

SCHEDULE OF MISCELLANEOUS RESERVES

	Balance <u>Dec. 31, 2023</u>	Deferred-Charges <u>Over-Expenditure</u>			Balance <u>Dec. 31, 2024</u>
			<u>Receipts</u>	<u>Disbursements</u>	
Uniform Fire Safety Act Penalties	\$ 6,440.00	\$ -	\$ -	\$ 3,700.00	\$ 2,740.00
Fall Festival			9,803.00	8,783.00	1,020.00
Planning Board/Zoning Board - Escrow	212,282.57		30,066.43	65,215.22	177,133.78
Road Opening	38,255.00				38,255.00
Hometown Heroes and Flags & Banners	92.00		100.00	136.00	56.00
Youth Banners	780.00				780.00
Holiday Festival	22,886.00		22,151.00	29,837.00	15,200.00
Library Opening/ Brick Donations			5,060.00	1,061.76	3,998.24
National Night Out			250.00	250.00	-
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	450,877.57		464,218.75	868,331.31	46,765.01
UCC Fines	1,000.00		1,500.00		2,500.00
Recreation	28,079.64		77,616.98	73,421.52	32,275.10
Parks	3,960.00				3,960.00
P.O.A.A.	11,041.03		1,526.00		12,567.03
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	225,247.33		1,750.00		226,997.33
Developer's Agreement	60,738.00			27,672.69	33,065.31
Reserve for Fire Prevention	3,955.00		1,910.00		5,865.00
	<u>\$ 1,086,990.79</u>	<u>\$ -</u>	<u>\$ 615,952.16</u>	<u>\$ 1,084,523.02</u>	<u>\$ 618,419.93</u>
Reference	B	B	B-1	B-1	B

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

BOROUGH OF WALLINGTON
TRUST FUND
DECEMBER 31, 2024

B-11

SCHEDULE OF RESERVE FOR LOSAP BENEFITS

<u>Reference</u>		
Balance December 31, 2023	B	\$ 1,960,642.62
Increased by:		
LOSAP 2022/2023 Contributions Received	B-2	\$ 107,456.82
Investment Earnings	B-2	<u>284,257.23</u>
		<u>391,714.05</u>
Decreased by:		<u>2,352,356.67</u>
Fees	B-2	2,050.00
Contributions Refunded	B-2	-
Withdrawals	B-2	<u>258,243.32</u>
		<u>260,293.32</u>
Balance December 31, 2024	B	<u><u>\$ 2,092,063.35</u></u>

B-12

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

<u>Reference</u>		
Balance December 31, 2023	B	\$ (1,998.03)
Increased by:		
Deficit Payroll Account	B	
Transfers from Current /Water/ Trust Fund	B-1	<u>\$ 7,629,813.74</u>
		<u>7,629,813.74</u>
Decreased by:		<u>7,627,815.71</u>
Disbursements	B-1	<u>7,623,846.05</u>
		<u>7,623,846.05</u>
Balance December 31, 2024	B, Below	<u><u>\$ 3,969.66</u></u>
<u><u>Analysis of Balance</u></u>		
Payroll Withholdings Payable	B	\$ 3,969.66
Due from Current Fund	B	-
Deficit in Payroll	B	
		<u><u>\$ 3,969.66</u></u>
	Above	<u><u>\$ 3,969.66</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, 2024

C-2

SCHEDULE OF CASH - TREASURER

	Reference	
Balance December 31, 2023	C,C-3	\$ 1,190,306.77
Increased by:		
Grants Received	C-4	\$ 1,439,389.21
Capital Improvement Fund	C-9	250,000.00
Bond Anticipation Note Received	C-12	3,000,000.00
		<hr/>
		4,689,389.21
		<hr/>
Decreased by:		
Reserve for Payment of Debt - Current Fund Revenue	C-10	300,254.23
Reserve for Purchase of Fire Truck	C-14	8,097.77
Improvement Authorizations	C-8	<hr/> 2,068,994.75
		<hr/>
		2,377,346.75
Balance December 31, 2024	C,C-3	<hr/> <u>\$ 3,502,349.23</u>

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

BOROUGH OF WALLINGTON
 CAPITAL FUND
 DECEMBER 31, 2024

C-3

SCHEDEULE OF ANALYSIS OF GENERAL CAPITAL CASH

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfer</u> <u>To/(From)</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Capital Improvement Fund	\$ 105,964.00	\$ 250,000.00	\$ -	\$ (337,175.00)	\$ 18,789.00
Due from Water Utility Capital Fund	-				-
Due to Water Utility Operating Fund	-				-
Due from Current Fund	-				-
Grants Receivable	(1,397,614.27)	1,439,389.21		(453,207.96)	(411,433.02)
Due from Library	(200,000.00)				(200,000.00)
Reserve for Premium on Bond Anticipation Notes	-				-
Encumbrances Payable	1,089,393.51			505,194.50	1,594,588.01
Reserve for Purchase of Fire Equipment	8,099.75		8,097.77		1.98
Reserve to Pay Debt Service	300,254.23		300,254.23		-
Reserve for FEMA- Crescent Rd/Hathaway St. Parks	655,664.50				655,664.50
Fund Balance	102,337.26			(25,117.04)	77,220.22
Improvement Authorizations:					
<u>Ord. #</u>	<u>Improvement Description</u>				
19-07	Reconstruction or Resurfacing of Various Roads	175,589.04		3,080.00	174,419.04
19-10	Acquisition of Office Equipment	38,291.50		11,612.55	(6,925.39) 19,753.56
20-04	2020 Road Program	180,528.99		2,886.51	177,642.48
20-15	Hathaway Street Sewer	5,271.40			5,271.40
21-01/2023-02	New Library Construction	(162,342.52)	225,000.00	821,585.56	53,416.74
21-02	Crescent Road Park Drainage Improvements	3,960.99			3,960.99
21-06	Acq. Of Real Property- 159-161 Maple Avenue	-			-
21-23	Resurfacing of Various Roads	200,025.55		28,631.52	171,394.03
22-016	Various Public Improvements	84,882.84		63,940.72	29,893.31 50,835.43
2024-007	Various Public Impr. and Acq. of Vehicles & Equipment		536,000.00	553,554.22	98,731.00 81,176.78
2024-20/2024-30	Various Public Improvements		1,552,000.00	561,222.29	(73,448.24) 917,329.47
2024-21	King Street Drainage Improvements		687,000.00	22,481.38	(552,200.00) 112,318.62
<hr/>					
Reference		\$ 1,190,306.77	\$ 4,689,389.21	\$ 2,377,346.75	\$ 3,502,349.23
		<u>C,C-2</u>	<u>C-2</u>	<u>C-2</u>	<u>C,C-2</u>

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-4

SCHEDULE OF GRANTS / OTHER FUNDING SOURCES RECEIVABLE

	Reference	
Balance December 31, 2023	C	\$ 1,397,614.27
Increased by:		
Grants Awarded	\$ 453,500.00	
	C-6,17	<u>453,500.00</u>
		<u>1,851,114.27</u>
Decreased by:		
Cancelled	C-1	292.04
Cash Receipts	C-2	<u>1,439,389.21</u>
		<u>1,439,681.25</u>
Balance December 31, 2024	C, Below	<u><u>\$ 411,433.02</u></u>
Analysis of Above - Grants Offset With Reserves:		
	C	<u><u>\$ -</u></u>
Grants not Offset with Reserves:		
Ord # 20-04 NJ Department of Transportation	\$ 53,750.00	
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	59,000.00	
Ord # 2024-07 County Open Space	56,250.00	
Ord # 2024-07 County Community Development	111,250.00	
Ord # 2024-21 NJ Department of Transportation	40,925.00	
		<u><u>411,433.02</u></u>
	C-3	<u><u>411,433.02</u></u>
	Above	<u><u>\$ 411,433.02</u></u>

C-5

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	Reference	
Balance December 31, 2023	C	\$ 9,427,000.00
Increased by:		
Serial Bonds Issued	C-13	<u>-</u>
		<u>9,427,000.00</u>
Decreased by:		
2024 Budget Appropriation for Serial Bond Payment	C-13	<u>\$ 1,135,000.00</u>
		<u>1,135,000.00</u>
Balance December 31, 2024	C	<u><u>\$ 8,292,000.00</u></u>

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-6

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDDED

Ord. <u>#</u>	<u>Improvement Description</u>	Balance	2024	Funded/Canceled	Balance	<u>Analysis of Balance - Dec. 31, 2024</u>	
		<u>Dec. 31, 2023</u>	<u>Authorizations</u>	<u>Transferred</u>	<u>Dec. 31, 2024</u>	<u>Expenditures</u>	<u>Improvement Authorizations</u>
21-01/23-02	New Library Construction	\$ 225,000.00	\$ -	\$ -	\$ 225,000.00	\$ 171,583.26	\$ 53,416.74
22-006	Refunding Bonds	133,334.00		133,334.00	-	-	-
2024-007	Various Public Impr. and Acq. of Vehicles & Equipment		764,500.00	228,500.00	536,000.00	454,823.22	81,176.78
2024-20/2024-30	Various Public Improvements		5,975,000.00	423,000.00	5,552,000.00	634,670.53	4,917,329.47
2024-21	King Street Drainage Improvements		851,000.00	164,000.00	687,000.00	574,681.38	112,318.62
		<u>\$ 358,334.00</u>	<u>\$ 7,590,500.00</u>	<u>\$ 948,834.00</u>	<u>\$ 7,000,000.00</u>	<u>\$ 1,835,758.39</u>	<u>\$ 5,164,241.61</u>
		C	C-8,17	Below	C		C-8

Analysis of Funded:

	Reference
Down Payments on Improvements	C-6 \$ 337,175.00
Grants Receivable	C, C-17 453,500.00
Fund Balance	C-1 24,825.00
Ban Paydowns	C-12 133,334.00
	Above <u>\$ 948,834.00</u>

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

BOROUGH OF WALLINGTON

CAPITAL FUND

DECEMBER 31, 2024

C-7

SCHEDULE OF DUE (TO) FROM CURRENT FUND

Reference

Balance December 31, 2023	C	\$	-
Increased by:			
Interfund Transfer	C-2	\$	<u>-</u>
Decreased by:			
Interfund Transfer	C-2		<u>-</u>
Balance December 31, 2024	C	\$	<u>-</u>

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Balance December 31, 2023				2024			Balance December 31, 2024		
		<u>Funded</u>		<u>Unfunded</u>		<u>Authorizations</u>	<u>Paid or Charged</u>	<u>Canceled</u>	<u>Funded</u>	<u>Unfunded</u>	
19-07	Reconstruction or Resurfacing of Various Roads	\$ 175,589.04	\$ -	\$ -	\$ -	\$ 1,170.00	\$ -	\$ -	\$ 174,419.04	\$ -	
19-10	Acquisition of Office Equipment	38,291.50	-	-	-	18,537.94	-	-	19,753.56	-	
20-04	2020 Road Program	180,528.99	-	-	-	2,886.51	-	-	177,642.48	-	
20-15	Hathaway Street Sewer	5,271.40	-	-	-	-	-	-	5,271.40	-	
21-01/2023-02	New Library Construction	-	-	62,657.48	-	-	9,240.74	-	-	53,416.74	
21-02	Crescent Road Park Drainage Improvements	3,960.99	-	-	-	-	-	-	3,960.99	-	
21-23	Resurfacing of Various Roads	200,025.55	-	-	-	28,631.52	-	-	171,394.03	-	
22-016	Various Public Improvements	84,882.84	-	-	-	34,047.41	-	-	50,835.43	-	
2024-007	Various Public Impr. and Acq. of Vehicles & Equipment	-	-	764,500.00	-	683,323.22	-	-	-	81,176.78	
2024-20/2024-30	Various Public Improvements	-	-	5,975,000.00	-	1,057,670.53	-	-	-	4,917,329.47	
2024-21	King Street Drainage Improvements	-	-	851,000.00	-	738,681.38	-	-	-	112,318.62	
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	
		\$ 688,550.31	\$ 62,657.48	\$ 7,590,500.00	\$ 2,574,189.25	\$ -	\$ -	\$ -	\$ 603,276.93	\$ 5,164,241.61	
		C	C	C-6.17	Below	Below	Below	Below	C	C,C-6	

Cash Disbursements	C-2	\$ 2,068,994.75
Encumbrance Payable	C-15	1,594,588.01
Encumbrances Restored to Improvement Auth.	C-15	(1,089,393.51)
	Above	<u><u>\$ 2,574,189.25</u></u>

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-9

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Reference		
Balance December 31, 2023	C	\$ 105,964.00
Increased by:		
Transfer from Current Fund-Budget Appropriation	A-3,C-2	<u>\$ 250,000.00</u>
		<u>250,000.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-6,17	<u>337,175.00</u>
Balance December 31, 2024	C	<u><u>\$ 18,789.00</u></u>

C-10

SCHEDULE OF RESERVE FOR PAYMENT OF BONDS/BANS

Reference		
Balance December 31, 2023	C	\$ 300,254.23
Increased by:		
Canceled Ordinances	C-8	<u>\$ -</u>
		<u>-</u>
Decreased by:		
Grants Applied to Unfunded Ordinances	C-6,12	<u>300,254.23</u>
Anticipated Budget Revenue-Due to Current Fund	A-2,C-2	<u>300,254.23</u>
Balance December 31, 2024	C, Below	<u><u>\$ -</u></u>

BOROUGH OF WALLINGTON

CAPITAL FUND

DECEMBER 31, 2024

C-11

SCHEDULE OF GREEN ACRES LOAN PAYABLE

	Reference			
Balance December 31, 2023		C	\$	-
Decreased by:				
Loan Paid by Budget Appropriation		C-5	\$	-
Balance December 31, 2024		C	\$	<u><u>-</u></u>

Schedule of Green Acres Loan Payable

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-12

SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance December 31, 2023	Increased by Bond Ant. Note	Decreased by Bond Anticipation Note Payments	Balance December 31, 2024
22-006	Refunding Bonds	08/19/22			\$ 133,334.00	\$ -	\$ 133,334.00	\$ -
23-02	Supplemental Library Construction	12/20/2024	09/19/2025	3.76%		225,000.00		225,000.00
24-07	Various Public Impr. & Acq. Of Vehicles & Equip.	12/20/2024	09/19/2025	3.76%		536,000.00		536,000.00
24-20	Various Public Improvements	12/20/2024	09/19/2025	3.76%		1,552,000.00		1,552,000.00
24-21	King Street Drainage Improvements	12/20/2024	09/19/2025	3.76%		687,000.00		687,000.00
					<u>\$ 133,334.00</u>	<u>\$ 3,000,000.00</u>	<u>\$ 133,334.00</u>	<u>\$ 3,000,000.00</u>
					C	Below	Below	C
Analysis of New Issue:						Receipts	Disbursements	
	Rollover - Cash Received			C-2	\$ -	\$ -		
	BAN Paydown-Budget Appropriation			C-2,6	-	133,334.00		
	New BAN Issued			C-2,17	3,000,000.00	-		
					<u>\$ 3,000,000.00</u>	<u>\$ 133,334.00</u>		
					Above	Above		

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-13

SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding						Refunding/ Issued	Decreased	Balance Dec. 31, 2024
			December 31, 2024 Date	Amount	Coupon Rate	Yield	Balance Dec. 31, 2023				
General Improvement Bonds	09/15/2017	4,087,000.00	09/15/2025	425,000.00	2.000%	1.850%	\$ 2,162,000.00	\$ -	\$ 400,000.00	\$ 1,762,000.00	
			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	08/01/2025	445,000.00	4.000%	0.820%	3,075,000.00	\$ 450,000.00	2,625,000.00		
			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	4/15/2025	285,000	5.000%	2.300%	4,190,000.00	\$ 285,000.00	3,905,000.00		
			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%					
								\$ 9,427,000.00	\$ -	\$ 1,135,000.00	\$ 8,292,000.00
								C	C-5	C-5	C

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-14

SCHEDULE OF RESERVE FOR PURCHASE OF FIRE EQUIPMENT

Reference			
Balance December 31, 2023	C	\$	8,099.75
Decreased by:			
Cash Disbursements	C-4		8,097.77
Balance December 31, 2024	C	\$	1.98

C-15

SCHEDULE OF ENCUMBRANCES PAYABLE

	Reference	
Balance December 31, 2023	C	\$ 1,089,393.51
Increased by:		
Charges to Improvement Authorizations	C-8	1,594,588.01
		2,683,981.52
Decreased by:		
Restored to Improvement Authorizations	C-8	1,089,393.51
Balance December 31, 2024	C	\$ 1,594,588.01

C-16

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

Reference			
Balance December 31, 2023	C	\$	655,664.50
Increased by:			
Cash Receipts	C-7		
Balance December 31, 2024	C	\$	655,664.50

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

BOROUGH OF WALLINGTON
 CAPITAL FUND
 DECEMBER 31, 2024

C-17

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. <u>No.</u>	Improvement Description <u>General Improvements</u>	Balance <u>Dec. 31, 2023</u>	2024 <u>Authorizations</u>	Down Payments	Funded/Canceled <u>Issued</u>	Balance <u>Dec. 31, 2024</u>
2023-02	Construction of New Public Library	\$ 225,000.00	\$ -	\$ -	\$ 225,000.00	\$ -
2024-007	Various Public Impr. and Acq. of Vehicles & Equipment		764,500.00	38,425.00	726,075.00	-
2024-20/2024-30	Various Public Improvements		5,975,000.00	298,750.00	1,676,250.00	4,000,000.00
2024-21	King Street Drainage Improvements		851,000.00		851,000.00	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		\$ 225,000.00	\$ 7,590,500.00	\$ 337,175.00	\$ 3,478,325.00	\$ 4,000,000.00
		C	C-6,C-8	C-6,C-9	Below	C

Funded Through:

Fund Balance	C-1	\$ 24,825.00
Bond Anticipation Notes	C-12	3,000,000.00
Grants Receivable	C-4	453,500.00
	Above	\$ 3,478,325.00

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

BOROUGH OF WALLINGTON
CAPITAL FUND
DECEMBER 31, 2024

C-18

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

Reference			
Balance December 31, 2023	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, 2024	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, 2024

SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER

D-4

	<u>Reference</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2023	D	\$ 221,231.39	\$ 257,946.78
Increased by Cash Receipts:			
Receipts from Water Collector	D-2,9	2,361,450.05	-
Miscellaneous Receipts	D-2	20,034.32	
Water Capital Fund Balance	D-2	27,673.92	
Deficit (General Budget)-From Current	D-2	218,312.45	-
Utility Rents Overpayments	D-16	4,039.65	
Transfer from Current Fund	D-17	280,513.63	
Bank Reconciliation -Variance	D-1	93.82	
Budget Offsets	D-3	-	-
		<u>3,133,349.23</u>	<u>257,946.78</u>
Decreased by Cash Disbursements:			
Budget Appropriations	D-3	2,441,934.78	
Fund Balance Anticipated as Revenue	D-5		27,673.92
Improvement Authorizations	D-18	-	11,760.80
Appropriation Reserves	D-14	79,512.66	-
Equipment Reserve	D-15	3,862.00	
		<u>2,525,309.44</u>	<u>39,434.72</u>
Balance, December 31, 2024	D	<u>\$ 608,039.79</u>	<u>\$ 218,512.06</u>

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

**BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024**

SCHEDULE OF WATER CAPITAL FUND BALANCE

D-5

Reference

Balance, December 31, 2023	D	\$ 90,556.36
Increased by:		
Cancellation of Reserve for Preliminary Expenses	D-19	<u>27,673.92</u>
<hr/>		
Decreased by:		
Anticipated as Revenue	D-1,2,4	<u>27,673.92</u>
<hr/>		
Balance, December 31, 2024	D	<u><u>\$ 90,556.36</u></u>

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024

SCHEDULE OF WATER UTILITY CAPITAL CASH

D-7

	For the Years Ended December 31,				
	<u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfer</u>	<u>Balance</u>
	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2024</u>	<u>To/(From)</u>		<u>Dec. 31, 2024</u>
Encumbrance Payable	\$ 6,960.48	\$ -	\$ -	\$ 18,158.00	\$ 25,118.48
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		27,673.92	27,673.92	90,556.36
Reserve for Payment of Bond Anticipation Notes	-	-			-
<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				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 & Vehicle	145,457.93		11,760.80	(18,158.00)	115,539.13
	<u>\$ 257,946.78</u>	<u>\$ -</u>	<u>\$ 39,434.72</u>	<u>\$ -</u>	<u>\$ 218,512.06</u>
Ref	D	D-4	D-4		D

BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
DECEMBER 31, 2024

SCHEDULE OF CHANGE FUND

D-8

Reference

Balance, December 31, 2023	D	\$ 100.00
Balance, December 31, 2024	D	<u>\$ 100.00</u>

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-9

Reference

Balance, December 31, 2023	D	\$ 332,139.15
Increased by:		
Billings		2,407,068.24
		<u>2,739,207.39</u>
Decreased by:		
Applied from Overpayments	D-2,16	\$ 10,631.67
Collections	D-2	<u>2,361,450.05</u>
		<u>2,372,081.72</u>
Balance, December 31, 2024	D	<u>\$ 367,125.67</u>

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024

SCHEDULE OF FIXED CAPITAL

D-12

	For the Years Ended December 31, Completed		
	2023	Projects	2024
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
	<hr/>	<hr/>	<hr/>
	\$ 8,823,594.13	\$ -	\$ 8,823,594.13

Ref

D

D-13

D

BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-13

Ord. Number	Improvement Description	Original Issue		Balance December 31, 2023		Completed Projects	Improvement Authorizations	Balance December 31, 2024	
		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	
				\$ 1,055,000.00		\$ -	\$ -	\$ 1,055,000.00	
			<u>Reference</u>	D		D-12			D

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
DECEMBER 31, 2024

STATEMENT OF 2023 APPROPRIATION RESERVES

D-14

	<u>Balance</u> <u>December 31,</u> <u>2023</u>	<u>Balance</u> <u>After Transfers</u> <u>& Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>	<u>Appropriation</u> <u>Reserves</u> <u>Over-Expenditure</u>
Operating:					
Salaries and Wages	\$ 30,556.46	\$ 30,556.46	\$ 53.58	\$ 30,502.88	\$ -
Other Expenses	153,478.46	165,607.24	87,285.08	78,322.16	
Statutory Expenditures:					
Public Employees' Retirement System	-	-		-	
Social Security System (O.A.S.I.)	<u>3,322.55</u>	<u>3,322.55</u>	-	<u>3,322.55</u>	
	<u><u>\$ 187,357.47</u></u>	<u><u>\$ 199,486.25</u></u>	<u><u>\$ 87,338.66</u></u>	<u><u>\$ 112,147.59</u></u>	<u><u>\$ -</u></u>
<u>Reference</u>	D, Below	Below	Below	D-1	
 Encumbrances Payable Restored					
Appropriation Reserves	D-23	\$ 12,128.78			
	Above	<u>187,357.47</u>			
	Above	<u><u>\$ 199,486.25</u></u>			
 Cash Disbursements					
Accounts Payable	D-4	\$ 79,512.66			
	D	<u>7,826.00</u>			
	Above	<u><u>\$ 87,338.66</u></u>			

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

**BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
DECEMBER 31, 2024**

SCHEDULE RESERVE FOR EQUIPMENT

D-15

<u>Reference</u>			
Balance, December 31, 2023	D	\$	3,862.00
Decreased by:			
Disbursements	D-4		<u>3,862.00</u>
Balance, December 31, 2024	D	\$	<u><u>-</u></u>
			.

SCHEDULE OF UTILITY RENT OVERPAYMENTS

D-16

<u>Reference</u>			
Balance, December 31, 2023	D	\$	10,631.67
Increased by:			
Cash Receipts- Utility Rent Overpayments	D-4		<u>4,039.65</u>
			<u>14,671.32</u>
Decreased by:			
Applied to Utility Rents	D-9		<u>10,631.67</u>
Balance, December 31, 2024	D	\$	<u><u>4,039.65</u></u>

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

D-17

<u>Reference</u>			
Balance, December 31, 2023	D	\$	-
Increased by:			
Payments to Current Fund	A-4, D-4	\$	-
	A-4		<u>-</u>
Decreased by:			
Payments to Current Fund	A-4, D-4	280,513.63	
			<u><u>280,513.63</u></u>
Balance, December 31, 2024	D	\$	<u>(280,513.63)</u>

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-18

Ord. Number	Improvement Description	Original Authorization	Balance		Improvement Authorizations	Paid or Charged	Balance	
			December 31, 2023 Funded	Unfunded			December 31, 2024 Funded	Unfunded
11-3	Acquisition of Two Dump Trucks with Plows (03/24/	\$ 110,000.00	\$ 52.43	\$ -	\$ -	\$ -	\$ 52.43	\$ -
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	145,457.93	2,972.00		29,918.80	115,539.13	2,972.00
			\$ 213,155.02	\$ 2,972.00	\$ -	\$ 29,918.80	\$ 183,236.22	\$ 2,972.00

<u>Reference</u>	D	D	D-13	Below	D	D
------------------	---	---	------	-------	---	---

Cash Disbursements	D-4	\$ 11,760.80
Encumbrances Restored	D-27	(6,960.48)
Encumbrance Payable	D-27	25,118.48
	Above	\$ 29,918.80

**BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024**

SCHEDULE OF CAPITAL IMPROVEMENT FUND /RESERVE FOR PRELIMINARY EXPENSES

D-19

Reference

Balance, December 31, 2023	D	\$	27,732.92
Decreased by:			
Cancelled	D-5		<u>27,673.92</u>
Balance, December 31, 2024			
	Below	\$	<u>59.00</u>
Analysis of Balance			
Capital Improvement Fund	D	\$	59.00
Reserve for Preliminary Expenses	D		<u>-</u>
	Above	\$	<u>59.00</u>

SCHEDULE OF RESERVE FOR AMORTIZATION

D-20

Reference

Balance, December 31, 2023	D	\$	5,099,364.13
Increased by:			
Bond Principal Payment	D-30	\$	330,000.00
Completed Projects	D-21		<u>-</u>
			<u>330,000.00</u>
Balance, December 31, 2024	D	\$	<u>5,429,364.13</u>

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-21

Reference

Balance, December 31, 2023	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, 2024	D, Below	\$	<u>35,800.00</u>

Analysis of Balance General Improvements:	Date of Ordinance
Ord. # 20-16 Water Main Replacement, Water Pump Equipment & Vehicle	10/13/2020
	<u>35,800.00</u>
	Above
	<u>35,800.00</u>

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - OPERATING FUND
DECEMBER 31, 2024

SCHEDULE OF ACCRUED INTEREST ON BONDS & NOTES

D-22

Reference

Balance, December 31, 2023	D	\$ 39,666.67
Increased by:		
Charges to 2024 Budget	D-3	<u>178,712.50</u>
		<u>218,379.17</u>
Decreased by:		
Cash Disbursements	Below	<u>182,150.00</u>
Balance, December 31, 2024	D	<u>\$ 36,229.17</u>
Analysis:		
Charges to Budget		\$ 178,712.50
Cash Disbursements	Above	<u>(182,150.00)</u>
Accrued Interest	D-3, Above	<u>\$ (3,437.50)</u>

SCHEDULE OF RESERVE FOR ENCUMBRANCES

D-23

Reference

Balance, December 31, 2023	D	\$ 12,128.78
Increased by:		
Charges to 2024 Budget	D-3	\$ 3,970.91
		<u>3,970.91</u>
		<u>3,970.91</u>
Decreased by:		
Canceled	D-1	
Restored to Appropriation Reserves	D-14	<u>12,128.78</u>
		<u>12,128.78</u>
Balance, December 31, 2024	D	<u>\$ 3,970.91</u>

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-24

Ord. Number	Improvement Description	Balance		Bond Issue	Balance	
		December 31, 2023	Improvement Authorizations		December 31, 2024	2024
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
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		\$ 83,430.00	\$ -	\$ -	\$ 83,430.00	

Reference

D

D-18

D

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

BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024

SCHEDULE OF WATER OPERATING UTILITY BONDS

D-25

<u>Purpose</u>	<u>Date of Issue</u>	Maturities of Bonds					<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2024</u>			
		Outstanding		Interest	Balance							
		<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Dec. 31, 2023</u>						
Water Operating Utility Bond	04/15/22	4/15/2025	330,000	5.00%	2.300%	\$ 4,660,000	\$ -	\$ 330,000	\$ 4,330,000			
		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%							
						<u>\$ 4,660,000</u>	<u>\$ -</u>	<u>\$ 330,000</u>	<u>\$ 4,330,000</u>			
						D	D-4	D-3,20	D			

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

**BOROUGH OF WALLINGTON
WATER UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024**

SCHEDULE OF ENCUMBRANCE PAYABLE

D-27

Reference

Balance December 31, 2023	D	\$ 6,960.48
Increased by:		
Encumbrance Payables	D-18	<u>\$ 25,118.48</u>
		<u>25,118.48</u>
		<u>32,078.96</u>
Decreased by:		
Encumbrances Restored to Ordinances	D-18	<u>6,960.48</u>
Balance December 31, 2024	D	<u>\$ 25,118.48</u>

See independent auditor's report and the 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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Borough's proportionate share of the net pension liability (asset) **	0.08090%	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	\$ 8,353,841	\$ 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	<u>8,353,841</u>	<u>8,984,358</u>	<u>9,428,137</u>	<u>5,782,905</u>	<u>10,064,353</u>	<u>9,094,078</u>	<u>10,474,644</u>	<u>11,927,428</u>	<u>14,445,974</u>	<u>-</u>
Borough's covered employee payroll	2,809,521	2,841,982	2,880,612	2,950,392	2,878,538	2,710,719	2,519,591	Not Available	Not Available	Not Available
Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	297%	316%	327%	350%	350%	335%	416%	Not Available	Not Available	Not Available
Plan fiduciary net position as a percentage of the total pension liability (Local)	72.66%	70.16%	68.33%	77.26%	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%

Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Borough's proportionate of the net pension liability (asset)	0.01316%	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)	\$ 1,787,729	\$ 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	914,003	931,659	901,678	954,276	982,528	1,051,752	1,136,074	Not Available	Not Available	Not Available
Borough's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	196%	204%	233%	163%	243%	282%	281%	Not Available	Not Available	Not Available
Plan fiduciary net position as a percentage of the total pension liability (Local)	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

* 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 the 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)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution*	\$ 1,118,990	\$ 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*	(1,118,990)	(1,082,471)	(1,071,240)	(922,100)	(870,159)	(834,076)	(723,057)	(692,135)	(676,287)	(656,514)
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's covered employee payroll	2,809,521	2,841,982	2,880,612	2,950,392	2,878,538	2,710,719	2,519,591	Not Available	Not Available	Not Available
Contributions as a percentage of covered-employee payroll	39.83%	38.09%	37.19%	31.25%	30.23%	30.77%	28.70%	Not Available	Not Available	Not Available

Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution*	\$ 179,025	\$ 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*	(179,025)	(175,232)	(175,363)	(153,934)	(160,110)	(147,226)	(157,416)	(160,269)	(152,138)	(148,084)
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's covered employee payroll	914,003	931,659	901,678	954,276	982,528	1,051,752	1,136,074	Not Available	Not Available	Not Available
Contributions as a percentage of covered-employee payroll	19.59%	18.81%	19.45%	16.13%	16.30%	14.00%	13.86%	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, 2024

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 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, 2023 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 Employer mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability retirement rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 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

Year	Total Tax Rate	Municipal (Includes Library)	County	Local School	Assessed Valuations
2024	3.401	1.191	0.364	1.846	\$ 962,926,156
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

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

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>
2024	\$ 32,888,622.08	\$ 32,500,359.97	98.82%
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%

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

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>
2024	\$	-	\$ 293,774.22	\$ 293,774.22	0.89%
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%

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

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

<u>Year</u>	<u>Amount</u>
2024	\$ -
2023	- -
2022	- -
2021	- -
2020	- -

* None were presented at time of audit

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

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>
2024	\$ 2,407,068.24	\$ 2,372,081.72	98.55%
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%

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

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
2024	\$ 1,861,120.47	\$ 1,400,000.00	\$ 121,892.98	\$ -
2023	1,823,443.61	972,000.00	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

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

BOROUGH OF WALLINGTON
OFFICIALS IN OFFICE AND SURETY BONDS

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

Name	Title	Amount of Bond
Melissa Dabal	Mayor	
Sywlia Hejzner	President of Council	
Justyna Marciniak	Councilperson	
Beata Balik	Councilperson	
Dennis Graham	Councilperson	
Eugeniusz Rachelski	Councilperson	
Susanne Preinfalk	Councilperson	
Jennifer Appice	Administrator	\$1,000,000 (A)
David Sireci	Chief Financial Officer	
Carol West	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)
Mark DiPisa	Borough Attorney	
	Prosecutor	
Neglia Engineering	Borough Engineer	
Risa D'Angelo	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 the notes to the financial statements.

GARBARINI & CO., P.C.
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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, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated September 3, 2025. 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. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

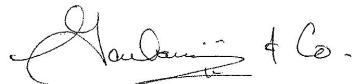
As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 schedule of comments and recommendations as item numbers 2024-001 through 2024-009.

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

September 3, 2025
River Edge, New Jersey

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Licensed Public School Accountants

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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, 2024. 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, 2024.

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 2024-001. 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

September 3, 2025
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, 2024

SCHEDULE 1

Federal Department and Program	Federal CFDA Number	Grant Year	Grant Award	Current Year Grant Received	Funds Available December 31, 2023	Current Year Appropriations	Current Year Disbursements and Charges	PY Adjustments Cancellation/ Transfers	Funds Available December 31, 2024	Cumulative Expenditures
<u>U.S. Department of Homeland Security</u>										
FEMA Firefighters Scuba Grant	97.044	2017	\$ 7,950.00	\$ -	\$ 1,951.62		\$ 930.00		\$ 1,021.62	\$ 5,998.38
FEMA Assistance to Firefighters	97.044	2021	389,447.00		34,432.84				34,432.84	374,487.16
FEMA Assistance to Firefighters	97.044	2024	73,000.00	180,074.91		73,000.00				73,000.00
FEMA COVID 19- Public Assistance Grant	97.036	2024	3,906.20	3,906.20		3,906.20	3,906.20			3,906.20
FEMA Hurricane IDA	97.030	2021	127,454.86		42,659.30		42,659.30			127,454.86
FEMA Hurricane IDA	97.030	2024	249,191.86	249,191.86	-	249,191.86	207,308.66		41,883.20	207,308.66
				433,172.97	79,043.76	326,098.06	254,804.16	-	150,337.66	719,155.26
<u>Coronavirus State & Local Fiscal Recovery Fund</u>										
American Recovery Program	21.027	2021	1,203,165.04		435,419.52		435,419.52		-	1,203,165.04
Spotted Laternfly Gant		2024	20,000.00	834.00		20,000.00	9,174.00		10,826.00	9,174.00
Automated License Plate Reader		2024	86,400.00	63,974.00		86,400.00	86,400.00		-	86,400.00
				64,808.00	435,419.52	106,400.00	530,993.52	-	10,826.00	1,298,739.04
<u>U.S. Department of Housing & Urban Development</u>										
(Pass through County Dept. of Community Development)										
2024 Parkview Drive Phase II Ord # 2024-07		2024	122,300.00	122,300.00		122,300.00	122,300.00		-	122,300.00
				122,300.00	-	122,300.00	122,300.00	-	-	122,300.00
<u>Department of Transportation</u>										
NJ Transportation Municipal Aid- Ord # 19-07		2019	202,000.00	50,207.96				(292.04)	-	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		59,189.30		28,631.52		30,557.78	131,841.50
NJ Transportation Municipal Aid- Ord # 22-016		2022	236,000.00		-				-	236,000.00
NJ Transportation Municipal Aid- Ord # 24-21		2024	163,700.00	122,775.00		163,700.00	163,700.00		-	163,700.00
Total Department of Transportation					172,982.96	59,189.30	163,700.00	192,331.52	(292.04)	30,557.78
										948,541.50
<u>Bullet Proof Vest Program</u>										
Bullet Proof Vest Program	16.607	2021	50,950.00		-				-	50,950.00
		2022	3,600.00		1,532.53		1,532.53		-	3,600.00
		2024	1,955.20			1,955.20	1,921.67		33.53	1,921.67
					-	1,532.53	1,955.20	3,454.20	-	33.53
										56,471.67
Total Federal Awards					\$ 793,263.93	\$ 575,185.11	\$ 720,453.26	\$ 1,103,883.40	\$ (292.04)	\$ 191,754.97
										\$ 3,145,207.47

BOROUGH OF WALLINGTON
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
DECEMBER 31, 2024

SCHEDULE 2

State Department and Program	State Acct. Number/ Grant Number	Grant Award Year	Grant Award	Current Year Received	Funds Available December 31, 2023	Current Year Appropriations	Current Year Disbursements and Charges	Cancellation/ Transfers	Funds Available December 31, 2024	Cumulative Expenditures
Recycling Tonnage Grant	4900-752-042-4900	2023	\$ 17,884.23	\$ -	\$ 9,437.59				\$ 9,437.59	\$ 8,446.64
		2024	\$ 14,948.55	\$ 14,948.55		14,948.55			\$ 14,948.55	
					\$ 14,948.55	\$ 9,437.59	\$ 14,948.55		\$ 24,386.14	\$ 8,446.64
Municipal Recycling Assistance	4900-752-1788-4060									
Drunk Driving Enforcement Fund	6400-100-078-6400	2019	13,415.72	-	12,772.35				12,772.35	643.65
Drunk Driving Enforcement Fund	6400-100-078-6400	2018	34,529.73	-	10,588.66		377.25		10,211.41	24,097.72
					\$ 23,361.01		\$ 377.25		\$ 22,983.76	\$ 24,741.37
Clean Communities	4900-765-042-4900	2022	20,161.60		6,252.60				6,252.60	13,909.00
		2023	22,613.89							
		2024	25,685.73	\$ 25,685.73	\$ 22,613.89	\$ 199.85			\$ 22,414.04	
				\$ 25,685.73	\$ 6,252.60	\$ 22,613.89	\$ 199.85		\$ 28,666.64	\$ 13,909.00
Pass Through County of Bergen										
Municipal Alliance Alcoholism and Drug Abuse		2024	4,507.18	4,507.18		4,507.18			4,507.18	
Municipal Alliance Alcoholism and Drug Abuse	*	2023	4,507.18		3,050.95				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		735.13		1,233.86	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
					\$ 4,507.18	\$ 12,657.32	\$ 4,507.18	\$ 6,833.94		\$ 10,330.56
										\$ 24,796.04
Stormwater Assistance	*	2024	15,000.00	15,000.00	-	25,000.00			25,000.00	-
Alcohol Education and Rehabilitation	9735-760-098-4900	2024	5,249.47	3,432.35	-	5,249.47			5,249.47	
		2023	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	
		PY			11,552.00				11,552.00	
					\$ 3,432.35	\$ 4,644.67	\$ 5,249.47			\$ 21,446.14
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
		2023	2,099.70							2,099.70
		2024	2,110.92	\$ 2,110.92	-	\$ 2,099.70	\$ 2,099.70			\$ 8,844.59
Safe & Secure Neighborhood	1020-100-232	2023	32,400.00							32,400.00
		2024	77,550.00	\$ 45,150.00	-	\$ 77,550.00	\$ 77,550.00			\$ 77,550.00
				\$ 45,150.00		\$ 77,550.00	\$ 77,550.00			\$ 109,950.00
NJ Library Construction Fund (Ord. #21-01)		2022	1,525,475.00		381,368.75					
		2024			1,144,106.25		1,525,475.00	1,525,475.00		1,525,475.00
					\$ 1,525,475.00		\$ 1,525,475.00	\$ 1,525,475.00		\$ 1,525,475.00
National Opiod Settlement		2024	24,879.08	16,909.46		29,712.73	25,999.40		3,713.33	25,999.40
Total State Awards					\$ 1,653,219.19	\$ 56,353.19	\$ 1,707,156.52	\$ 1,638,535.14	\$ -	\$ 1,742,162.04

* - Information Not Available

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

DECEMBER 31, 2024

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	\$ 314,631.52	\$ 1,525,475.00	\$ 1,840,106.52
Grant Fund	103,864.40	113,060.14	216,924.54
Current Fund	685,387.48	-	685,387.48
	<hr/> <u>\$ 1,103,883.40</u>	<hr/> <u>\$ 1,638,535.14</u>	<hr/> <u>\$ 2,742,418.54</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, 2024 is \$0.

GENERAL COMMENTS

**BOROUGH OF WALLINGTON
GENERAL COMMENTS**

DECEMBER 31, 2024

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 10th 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

There was no need for a tax sale for 2023 taxes as all were collected.

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>
2024	0
2023	0
2022	0
2021	0

**BOROUGH OF WALLINGTON
GENERAL COMMENTS**

DECEMBER 31, 2024

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:

Solid Waste – Garbage
Roadway Improvements

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, 2024

Part 1- Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued	Unmodified		
B) Internal Control over Financial Reporting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1) Material weakness identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2) Were reportable conditions identified that were not considered to be material weaknesses?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
C) Noncompliance material to financial statements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Federal Awards Section

Internal Control over major programs:

1) Material weakness identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2) Significant deficiencies identified?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--	--------------------------	-------------------------------------	--------------------------

Identification of major programs:

	<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
(Type A)		
(Type B)	21.027	American Rescue Program

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

**Borough of Wallington
Schedule of Findings and Responses
For the Year Ended December 31, 2024**

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:

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

Identification of major programs:

(Type A)	State Grant/ Project Number
(Type A)	_____
(Type B)	_____

Name of State Program

Borough of Wallington
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2024

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*.

None

Borough of Wallington
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2024

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

Borough of Wallington
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2024

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:

***23-001 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.

Status:

Corrective action has been taken.

23-002 Recommendation: That the Borough maintain an analysis of escrow deposits and mail monthly or quarterly statements to the developers.

Status:

Corrective action has not been taken.

23-003 Recommendation: That all receipts be turned over to the Treasurer and deposits made within 48 hours of receipt.

Status:

Corrective action has been taken.

***23-004 Recommendation:** That all cash deficits for capital ordinances in excess of five years be funded.

Status:

Corrective action has not been taken.

***23-005 Recommendation:** That internal controls be implemented to ensure payroll and all related responsibilities are met by the Borough.

Status:

Corrective action has not been taken.

***23-006 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.

Status:

Corrective action has not been taken.

Borough of Wallington
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2024

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS (Continued):

***23-007 Recommendation:** That the UCC Annual Report be filed online with the State of New Jersey DCA every year.

Status: Corrective action has been taken.

BOROUGH OF WALLINGTON
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2024

Trust Fund

Comment 24-001: 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.

Animal Trust Fund

Comment 24-002: Audit of cash receipts revealed instances of deposits for the Animal Trust Fund were not made within 48 hours.

Recommendation: That all receipts be deposited within 48 hours of receipt.

Water Utility Fund

***Comment 24-003:** 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 24-004:** Audit of the payroll procedures indicated that:

- a. There were two instances that employees were not paid by the approved salary contract.
- b. There were numerous 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. Employee's health insurance waiver forms were not available for inspection. There was one instance that an employee's health insurance waiver was calculated incorrectly.
- e. Timesheets were not signed by the supervisor/manager.
- f. Employee contracts did not comply with N.J.S.A.40A:9-10.4 for sick leave payments.

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, 2024

Construction Code

***Comment 24-005:**

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.

Municipal Court

***Comment 24-006:**

Review of ATS/ACS Municipal Court Monthly Management Report for the month of December 2024 indicated some backlog in ticket and complaint processing:

- a). There were 1,195 tickets and 370 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. There were 934 parking tickets over 3 years old for which dismissal is required.
- c. There were 1,334 tickets eligible for Order of Driver's License Suspension.
- d. There were 1,549 parking tickets and 4 complaints eligible for warrant.

***Comment 24-007:**

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, 2024

LOSAP

Comment 24-008: During review of the Borough's LOSAP, it was noted that:

- a. The 2022 LOSAP contribution made to one volunteer was not approved by resolution of the Borough's governing body.
- b. The LOSAP contributions for 2022 and 2023 were not made timely.

Recommendation: The LOSAP award process should be followed by N.J.A.C. 5:30-14.10.

Deferred Compensation Plan:

Comment 24-009: During review of the employee 457 Deferred Compensation Plan, it was noted that:

- a. Statements were unavailable for review at the time of the audit.
- b. Plan statements are not being obtained, reviewed, and reconciled to Borough's payroll records and contribution remittances.

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.

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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.

September 3, 2025