

**TOWNSHIP OF SADDLE BROOK**

**Financial Statements with  
Supplementary Information  
December 31, 2023**

**(With Independent Auditor's Reports Thereon)**

**TOWNSHIP OF SADDLE BROOK**  
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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Township Council  
Township of Saddle Brook  
County of Bergen, New Jersey

### **Report on the Financial Statements**

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Saddle Brook in the County of Bergen, as of December 31, 2023 and 2022, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township of Saddle Brook, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



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

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

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

As described in Note 15 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$3,363,086 and \$2,716,855 for 2023 and 2022, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Qualified Opinion on Regulatory Basis of Accounting***

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

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

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

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



***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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



***Other Matters***

*Other Information*

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

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

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

Honorable Mayor and  
Members of the Township Council  
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***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2024 on our consideration of the Township of Saddle Brook's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Saddle Brook's internal control over financial reporting and compliance.



Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

July 5, 2024



## TOWNSHIP OF SADDLE BROOK

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	\$ 7,547,552	11,556,569
Change Fund	A-5	475	475
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-6	<u>37,200</u>	<u>38,974</u>
		<u>7,585,227</u>	<u>11,596,018</u>
Receivables and Other Assets with Full Reserves:			
Municipal Liens Receivable	A-7	112,333	109,822
Delinquent Taxes Receivable	A-8	235,262	419,816
Property Acquired for Taxes - Assessed Valuation	A-9	742,249	742,249
Revenue Accounts Receivable	A-10	12,257	10,608
Interfund Accounts Receivable	A-11	<u>210,260</u>	<u>47,294</u>
		<u>1,312,361</u>	<u>1,329,789</u>
Deferred Charges:			
Expenditures without Appropriations			29,528
Special Emergency	A-12	<u>120,903</u>	<u>161,204</u>
		<u>120,903</u>	<u>190,732</u>
		<u>9,018,491</u>	<u>13,116,539</u>
Federal and State Grant Fund:			
Grants Receivable	A-25	980	
Due from Current Fund	A-11	124,921	372,246
Over-expenditure of Appropriated Grants	A-26	<u>2,765</u>	<u>4,749</u>
		<u>128,666</u>	<u>376,995</u>
		<u>\$ 9,147,157</u>	<u>13,493,534</u>

**TOWNSHIP OF SADDLE BROOK**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2023 and 2022**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	\$ 816,036	1,570,411
Encumbrances Payable	A-3/A-14	145,934	212,348
Interfund Accounts Payable	A-11	267,142	1,099,766
Due to Free Public Library	A-15	37,425	37,425
Due to State of New Jersey:			
Construction Training Fees	A-16	7,812	5,125
Marriage License Fees	A-16	425	
Burial Permit Fees	A-16	290	400
Tax Overpayments	A-17	3,435	12,824
School Taxes Payable	A-18	1	1,238,635
County Taxes Payable	A-19	4,243	3,208
Prepaid Taxes	A-20	481,364	310,058
Reserve for Tax Appeals	A-21	292,301	335,928
Reserve for Municipal Relief Aid	A-22	150,217	75,125
Reserve for Police Salaries & Wages	A-23	27,187	216,162
Accounts Payable	A-24	52,324	56,145
		<hr/>	<hr/>
		2,286,136	5,173,560
Reserve for Receivables	Contra	1,312,361	1,329,789
Fund Balance	A-1	5,419,996	6,613,190
		<hr/>	<hr/>
		9,018,493	13,116,539
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-26	61,885	301,149
Unappropriated Reserve for Grants	A-27	66,779	75,846
		<hr/>	<hr/>
		128,664	376,995
		<hr/>	<hr/>
		\$ 9,147,157	13,493,534
		<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

## TOWNSHIP OF SADDLE BROOK

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Current Fund

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues and Other Income:		
Fund Balance Utilized	\$ 3,200,000	2,300,000
Miscellaneous Revenue Anticipated	3,486,828	4,430,519
Receipts from Delinquent Taxes	437,018	381,922
Receipts from Current Taxes	65,802,982	63,337,029
Non-Budget Revenue	411,056	543,267
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	692,677	1,416,595
Interfunds Returned	47,294	176,740
Liabilities Cancelled		341
	<hr/>	<hr/>
Total Revenues and Other Income	74,077,855	72,586,413
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	9,050,081	8,370,093
Other Expenses	12,041,850	11,385,707
Capital Improvement Fund	200,000	150,000
Municipal Debt Service	4,325,624	4,292,513
Deferred Charges and Statutory Expenditures -		
Municipal	2,497,320	2,439,466
Local District School Tax	36,805,103	35,987,037
County Taxes Including Added Taxes	7,005,590	6,753,187
Refunds	10,481	334
Expenditures without Appropriations		29,528
Interfunds Advanced	135,000	
	<hr/>	<hr/>
Total Expenditures	72,071,049	69,407,865
Excess (Deficit) Revenue Over Expenditures	<hr/>	<hr/>
	2,006,806	3,178,548
Adjustments to Income before Surplus:		
Expenditures Included Above Which are by Statute Deferred		
Charges to Budget of Succeeding Year:		
Expenditures without Appropriations		29,528
	<hr/>	<hr/>
Statutory Excess to Surplus	2,006,806	3,208,076

**TOWNSHIP OF SADDLE BROOK**  
**Comparative Statement of Operations and Changes in**  
**Fund Balance - Regulatory Basis**

**Current Fund**

**Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Fund Balance, January 1,	<u>6,613,190</u>	<u>5,705,114</u>
	8,619,996	8,913,190
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>3,200,000</u>	<u>2,300,000</u>
Fund Balance, December 31,	<u><u>\$ 5,419,996</u></u>	<u><u>6,613,190</u></u>

See accompanying notes to the financial statements.

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2023**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 3,200,000	3,200,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	22,000	22,400	400
Other	30,000	63,045	33,045
Fees and Permits	275,000	288,253	13,253
Fines and Costs:			
Municipal Court	190,000	176,455	(13,545)
Interest and Costs on Taxes	100,000	123,205	23,205
Interest on Investments and Deposits	85,000	181,180	96,180
Energy Receipts Tax	1,450,122	1,450,122	
Reserve for Municipal Relief Fund	75,125	75,125	
Uniform Construction Code Fees	200,000	176,689	(23,311)
Recycling Tonnage Grant	23,889	23,889	
Body Armor Replacement Fund	1,771	1,771	
Recycling Tonnage Grant	10,555	10,555	
Clean Communities Grant	25,612	25,612	
Body Armor Replacement Fund	2,380	2,380	
County of Bergen - Census Grant	1,500	1,500	
Drunk Driving Enforcement Fund	26,000	26,000	
Opioid Settlement	823	823	
Body Worn Camera Grant	82,500	82,500	
Uniform Fire Safety Act	39,000	38,066	(934)
Cable TV Franchise Fee - Cablevision	115,000	111,719	(3,281)
Cable TV Franchise Fee - Verizon	72,000	75,346	3,346
Hotel Fees	250,000	340,193	90,193
Pension Reimbursement - Water Utility	95,000	95,000	
Health Insurance Reimbursement - Water Utility	95,000	95,000	
	<hr/>	<hr/>	<hr/>
Total Miscellaneous Revenues	3,268,277	3,486,828	218,551
Receipts from Delinquent Taxes	410,000	437,018	27,018
	<hr/>	<hr/>	<hr/>
Subtotal General Revenues	6,878,277	7,123,846	245,569
	<hr/>	<hr/>	<hr/>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	22,249,024	22,992,289	743,265
	<hr/>	<hr/>	<hr/>
Budget Totals	29,127,301	30,116,135	988,834
	<hr/>	<hr/>	<hr/>
Non-Budget Revenue		411,056	411,056
	<hr/>	<hr/>	<hr/>
	\$ 29,127,301	30,527,191	1,399,890
	<hr/>	<hr/>	<hr/>

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2023**

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$	65,802,982
Allocated to County and Local and Regional School Taxes		<u>43,810,693</u>
Balance for Support of Municipal Budget Appropriations		21,992,289
Add : Appropriation - Reserve for Uncollected Taxes		<u>1,000,000</u>
Amount for Support of Municipal Budget Appropriations	\$	<u><u>22,992,289</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes - Cash Receipts		<u>437,018</u>
Delinquent Taxes	\$	<u><u>437,018</u></u>

Analysis of Non-budget Revenues

Police	\$	2,495
DMV Inspection Fines		3,700
Misc		47,161
FEMA Reimbursement		79,029
Prior Year Voided Checks		127,405
Fuel Reimbursement		66,409
Insurance Reimbursements		21,462
Sewer Connections		15,029
Kessler-Parking		14,400
Housing Authority		<u>33,966</u>
	\$	<u><u>411,056</u></u>

See accompanying notes to the financial statements.



TOWNSHIP OF SADDLE BROOK

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2023

Description	Budget	Budget after Modifications	Paid or Charged	Reserved	Unexpended Balance Canceled
Operations-within "CAPS"					
Administrative and Executive:					
Salaries and Wages	\$ 120,215	154,421	154,421		
Other expenses	15,000	31,260	31,260		
Other expenses - Postage	30,000	25,888	25,888		
Other expenses - Contractual Services	230,000	252,262	252,262		
Other expenses - Computer Service Contract	100,000	173,894	173,894		
Other expenses - SBCTV	35,000				
Other expenses - Grants	35,000	35,000	34,837	163	
Office of the Mayor:					
Salaries and Wages	12,500	13,096	13,096		
Other Expenses	6,000	18,817	18,817		
Council:					
Salaries and Wages	37,500	37,826	37,826		
Other Expenses	3,000	1,296	1,296		
Municipal Clerk:					
Salaries and Wages	210,170	189,583	189,583		
Other Expenses	8,500	8,575	8,575		
Other Expenses - Land Use	1,000				
Other Expenses - Codification of Ord.	12,000	12,000	12,000		
Other Expenses - Elections	27,500	6,486	1,236	5,250	

TOWNSHIP OF SADDLE BROOK

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Financial Administration:					
Salaries and Wages	267,030	267,030	230,333	36,697	
Other Expenses	35,000	70,071	70,071		
Other Expenses - Statements	20,250				
Other Expenses - Special Financial Services	1,000				
Other Expenses - Supplemental Disclosure	3,000	3,000		3,000	
Audit Services:					
Other Expenses	40,000	40,000	39,900	100	
Revenue Administration:					
Salaries and Wages	87,000	87,000	84,227	2,773	
Other Expenses	20,000	6,961	6,961		
Assessment of Taxes:					
Salaries and Wages	50,000	82,018	82,018		
Other Expenses	5,000	4,453	4,453		
Other Expenses - Tax Appeal Attorney	35,000	27,275	27,275		
Other Expenses - Appraisals	45,000	9,850	9,850		
Assessments	75,000	75,000	75,000		
Legal Services and Costs:					
Other Expenses	150,000	118,338	118,338		
Engineering:					
Salaries and wages					
Other Expenses	120,000	119,125	119,125		

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (NISA 40:55D-1):					
Planning Board:					
Salaries and Wages	5,200	5,200	5,200		
Other Expenses	1,500	2,488	2,488		
Zoning Board of Adjustment:					
Salaries and Wages	4,800				
Other Expenses	3,000	35			
Self Insurance Program:					
Liability	377,929	133,653	130,269	3,384	
Liability - Deductible	10,000	10,000	10,000		
Workers Compensation	305,325	219,053	198,332	20,721	
Employee Group Insurance	3,860,000	3,466,264	3,451,767	14,497	
Unemployment Compensation	1,000				
PUBLIC SAFETY:					
Police:					
Salaries and Wages	4,400,000	4,780,270	4,770,590	9,680	
Salaries and Wages - Retirements	150,000				
Salaries and Wages - Overtime	110,000	196,761	196,761		
Salaries and Wages - Clothing Allowance	42,000	46,585	46,585		
Other Expenses	120,000	274,308	274,308		
Other Expenses - Purchase of Vehicles	120,000	143,222	143,222		
Salaries and wages - School Law Enforcement	105,000	105,000	105,000		
Civilian Dispatch:					
Salaries and Wages	160,000	208,288	208,288		

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
School Marshalls:					
Salaries and Wages	645,000	610,953	610,953		
Other Expenses	10,000	696	696		
Police Clerical:					
Salaries and Wages	38,000	38,000	38,000		
Emergency Management:					
Salaries and Wages	12,500	7,500	7,500		
Other Expenses	10,000	3,793	3,793		
Fire:					
Other Expenses	160,000	154,546	154,546		
Other Expenses - Clothing Allowance	80,000	84,535	84,535		
Uniform Fire Safety:					
Salaries and Wages	197,500	142,845	142,845		
Other Expenses	9,000	12,206	12,206		
Aid to Volunteer Ambulance Companies:					
Other Expenses	65,000	65,000	65,000		
Municipal Prosecutor:					
Salaries and Wages	9,000	12,231	12,231		
Division of Sewers:					
Salaries and Wages	115,000				
Salaries and Wages - Overtime	10,000				
Other Expenses	10,000	247,603	247,603		
Other Expenses - Repairs	100,000	18,353	18,353		

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Sanitation:					
Solid Waste Collection					
Other Expenses - Type 10 Contractual	1,140,000	1,404,119	1,404,119		
Other Expenses - Recycling Contract	310,500	215,888	115,888	100,000	
Recycling:					
Other Expenses	5,000	1,690	1,690		
Buildings and Property:					
Salaries and Wages	87,000	24,024	24,024		
Other Expenses	225,000	100,580	100,580		
Purchase of Equipment	115,000	188,323	188,323		
Streets and Road Maintenance:					
Salaries and Wages	1,140,000	1,102,355	1,098,201	4,154	
Salaries and Wages - Overtime	45,000	95,892	95,892		
Other Expenses	170,000	362,593	362,593		
Snow Removal:					
Salaries and Wages	30,000				
Other Expenses	15,000				
Health and Welfare:					
Public Health Services:					
Salaries and Wages	5,000				
Other Expenses	25,000	25,000	24,748		252
Other Expenses - Wallington	2,000	2,000	2,000		
Other Expenses - Contract	48,000	48,000	48,000		

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Animal Control:					
Salaries and Wages	5,000	1,650	1,650		
Other Expenses - Contract	20,000				
Recreation:					
Salaries and wages	145,000	186,558	186,557	1	
Other Expenses	115,000	90,157	90,157		
Other Expenses - Project Graduation	1,500	1,500		1,500	
Other Expenses - Memorial Day	5,000	5,797	5,797		
Salaries and wages	80,000	150	150		
Other Expenses - Senior Citizens Center	6,000	9,603	9,603		
Other Expenses - Seniors Annual Dinner	8,000	8,025	8,025		
Other Expenses -Community Projects	80,000	80,000	69,453	10,547	
Other Expenses - Summer Program	15,000	15,000		15,000	
Other Expenses - Special Events	10,000	10,000	814		
Veterans Field Expenses	5,000	5,000		5,000	
Other Common Unclassified:					
Municipal Court:					
Salaries and Wages	181,400	191,354	191,354		
Salaries and Wages - Special Court Sessions	7,000	7,000	7,000		
Salaries and Wages - Overtime	15,000	16,179	16,179		
Other Expenses	25,000	25,000	18,248	6,752	

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2023**

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Code Enforcement and Administration:					
Salaries and Wages	290,000	350,312	350,312		
Other Expenses	5,000	10,606	1,277	9,329	
UNCLASSIFIED:					
Utilities:					
Electricity	400,000	400,000	377,241	22,759	
Street lighting	275,000	242,148	58,400	183,748	
Telephone	110,000	159,267	159,073	194	
Gasoline	150,000	150,000	128,780	21,220	
Landfill/Solid Waste Disposal Cost:					
Dump Fees	100,000	100,000	96,456	3,544	
Sick Time Payments	50,000	50,000	50,000	50,000	
Salary and Wage Adjustment	40,000	40,000	40,000	40,000	
	<u>18,589,819</u>	<u>18,585,683</u>	<u>18,006,232</u>	<u>579,451</u>	
Total Operations within "CAPS"					
Detail:					
Salaries & Wages	8,908,815	9,050,081	8,906,776	143,305	
Other Expenses (Including Contingent)	9,681,004	9,535,602	9,099,456	436,146	
	<u>18,589,819</u>	<u>18,585,683</u>	<u>18,006,232</u>	<u>579,451</u>	

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2023**

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES:					
Overexpenditure of Grants	4,749	4,749	4,749		
Expenditure Without Appropriation	29,528	29,528	29,528		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	435,000	435,000	376,427	58,573	
Local Firemen's Pension Fund	5,000	5,000	5,000		
Public Employees Retirement System	522,637	522,637	495,449	27,188	
Police and Firemen Retirement System of N.J.	1,460,105	1,460,105	1,460,105		
	<u>2,457,019</u>	<u>2,457,019</u>	<u>2,371,258</u>	<u>85,761</u>	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	21,046,838	21,042,702	20,377,490	665,212	
Total General Appropriations for Municipal Purposes within "CAPS"					
Operations-Excluded from "CAPS":					
Sewer Processing and Disposal:					
Other Expenses - PVSC	1,082,314	1,086,450	1,086,449	1	
Other Expenses - Lodi Boro	20,000	20,000	15,000	5,000	
Maintenance of Free Public Library:					
Other Expenses	1,004,949	1,004,949	989,126	15,823	



TOWNSHIP OF SADDLE BROOK

Statement of Expenditures-Regulatory Basis

Current Fund

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
LOSAP - Ambulance	90,000	90,000		90,000	
LOSAP - Fire	40,000	40,000		40,000	
Recycling	49,500	49,500	49,500		
Public Employees Retirement System	19,598	19,598	19,598		
Workers Compensation	20,721	20,721	20,721		
<b>Total Other Operations - Excluded from "CAPS"</b>	<b>2,327,082</b>	<b>2,331,218</b>	<b>2,180,394</b>	<b>150,824</b>	
<b>Public and Private Programs Offset by Revenues:</b>					
Recycling Tonnage	23,889	23,889	23,889		
Body Armor Replacement Grant	1,771	1,771	1,771		
Recycling Tonnage	10,555	10,555	10,555		
Clean Communities	25,612	25,612	25,612		
Body Armor Replacement Grant	2,380	2,380	2,380		
County of Bergen Census	1,500	1,500	1,500		
Drunk Driving Enforcement Fund	26,000	26,000	26,000		
Opioid Settlement	823	823	823		
Body Worn Camera	82,500	82,500	82,500		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>175,030</b>	<b>175,030</b>	<b>175,030</b>		
<b>Total Operations - Excluded from "CAPS"</b>	<b>2,502,112</b>	<b>2,506,248</b>	<b>2,355,424</b>	<b>150,824</b>	

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

Year Ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Detail:					
Salaries and Wages	2,502,112	2,506,248	2,355,424	150,824	
Other Expenses	2,502,112	2,506,248	2,355,424	150,824	
Capital Improvements - Excluded from CAPS					
Capital Improvement Fund	200,000	200,000	200,000		
Total Capital Improvements - Excluded from CAPS	200,000	200,000	200,000		
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	1,974,050	1,974,050	1,974,050		
Payment of Bond Anticipation Notes	350,000	350,000	350,000		
Interest on Bonds	1,750,000	1,750,000	1,742,278		7,722
Interest on Notes	135,000	135,000	134,153		847
NJEIT Trust Loan Principal	110,000	110,000	110,000		
NJEIT Trust Loan Interest	19,000	19,000	15,143		3,857
Total Municipal Debt Service-Excluded from "CAPS"	4,338,050	4,338,050	4,325,624		12,426
Deferred Charges- Municipal Excluded from "CAPS"					
Emergency Authorization					
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	40,301	40,301	40,301		
Total Deferred Charges-Municipal-Excluded from "CAPS"	40,301	40,301	40,301		

**TOWNSHIP OF SADDLE BROOK**  
**Statement of Expenditures-Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2023**

<u>Description</u>	<u>Budget</u>	<u>Budget after Modifications</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	7,080,463	7,084,599	6,921,349	150,824	12,426
Subtotal General Appropriations	28,127,301	28,127,301	27,298,839	816,036	12,426
Reserve for Uncollected Taxes	1,000,000	1,000,000	1,000,000		
Total General Appropriations	\$ 29,127,301	29,127,301	28,298,839	816,036	12,426

Adopted Budget 29,127,301  
 \$ 29,127,301

Analysis of Paid or Charged  
 Reserve for Uncollected Taxes 1,000,000  
 Federal and State Grant Fund 175,030  
     Deferred Charges 69,829  
     4,749  
 Deferred Charge - Due to Federal and State Grant Fund 145,934  
     Reserve for Encumbrances  
         Cash 26,903,297

\$ 28,298,839

TOWNSHIP OF SADDLE BROOK

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal License Fund:			
Cash	B-1	\$ <u>12,185</u>	<u>12,539</u>
Other Trust Funds:			
Cash	B-1	1,856,535	2,166,160
Interfunds	B-3	<u>15,858</u>	<u>3,601</u>
		<u>1,872,393</u>	<u>2,169,761</u>
Length of Service Award Program: (Unaudited)			
Investments	B-1	3,273,386	2,716,855
Contributions Receivable	B-6	<u>88,550</u>	<u></u>
		<u>3,361,936</u>	<u>2,716,855</u>
		<u>\$ 5,246,514</u>	<u>4,899,155</u>
 <u>Liabilities and Reserves</u> 			
Animal License Fund:			
Due to Current Fund	B-3	\$ 4,123	4,489
Due to State of New Jersey	B-4	343	312
Reserve for Animal License Fund expenditures	B-5	<u>7,719</u>	<u>7,738</u>
		<u>12,185</u>	<u>12,539</u>
Other Trust Funds:			
Due to Current Fund	B-3	5,106	1,805
Reserve for Other Trust Fund Deposits	B-2	<u>1,867,287</u>	<u>2,167,956</u>
		<u>1,872,393</u>	<u>2,169,761</u>
Length of Service Award Program: (Unaudited)			
Net Assets Available for Benefits	B-7	<u>3,361,936</u>	<u>2,716,855</u>
		<u>\$ 5,246,514</u>	<u>4,899,155</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**  
**Comparative Balance Sheet-Regulatory Basis**

**General Capital Fund**

**December 31, 2023 and 2022**

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash:			
Checking	C-2,C-3	\$ 389,208	748,041
Grants Receivable	C-7	766,420	618,687
NJ Environmental Infrastructure Loan Receivable	C-8	56,846	56,846
Deferred charges to future taxation:			
Funded	C-4	45,663,984	47,745,711
Unfunded	C-5	13,327,268	9,538,528
Deferred Charges	C-9	16,939	
Interfund Receivable	C-6	125,763	258,319
		<u>\$ 60,346,428</u>	<u>58,966,132</u>
 <u>Liabilities, Reserves and Fund Balance</u> 			
Serial Bonds	C-10	45,196,250	47,170,300
NJ Environmental Infrastructure Trust Loan	C-11	467,734	575,411
Bond Anticipation Notes	C-12	8,316,000	5,849,000
Capital Improvement Fund	C-13	56,900	48,900
Reserve for:			
Payment of Debt	C-14	617,144	339,838
Various Reserves	C-15	105,962	105,962
Contracts Payable	C-16	1,137,705	869,932
Unappropriated State Grant	C-17	243,426	81,426
Grants Receivable	C-18	454,396	306,663
Interfund Payable	C-6		
Improvement authorizations:			
Funded	C-16	496,101	1,010,273
Unfunded	C-16	3,191,303	2,608,427
Fund Balance	C-1	63,507	
		<u>\$ 60,346,428</u>	<u>58,966,132</u>

There were bonds and notes authorized but not issued at December 31, 2023 and 2022 of \$5,011,268 and \$3,689,528 respectively. See Exhibit C-19.

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Fund Balance**

**General Capital Fund**

**Years Ended December 31,**

	<u>2023</u>	<u>2022</u>
Balance - December 31,	\$	56,965
Increased by:		
Premium Received from Note Sale	63,506	
Cancelled Liabilities	<u>1</u>	<u>          </u>
	63,507	56,965
Decreased by:		
Budgeted Revenue	<u>          </u>	<u>56,965</u>
Balance - December 31,	\$ <u><u>63,507</u></u>	<u><u>          </u></u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF SADDLE BROOK

Comparative Balance Sheet - Regulatory Basis

Water Utility Operating Fund

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ 538,166	777,533
Interfunds Receivable	D-8	<u>600</u>	<u>465,600</u>
		<u>538,766</u>	<u>1,243,133</u>
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-7	<u>256,841</u>	<u>194,360</u>
Total Water Utility Operating Fund		<u>795,607</u>	<u>1,437,493</u>
Capital Fund:			
Cash - Treasurer	D-5, D-6	820,351	215,129
Accounts Receivable - I-Bank	D-10	116,040	116,040
Fixed Capital	D-11	5,171,793	4,333,801
Fixed Capital Authorized and Uncompleted	D-12	3,830,000	4,667,992
Interfunds Receivable	D-9	<u>421,281</u>	<u>421,281</u>
Total Capital Fund		<u>9,938,184</u>	<u>9,754,243</u>
		<u>\$ 10,733,791</u>	<u>11,191,736</u>

## TOWNSHIP OF SADDLE BROOK

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Operating Fund

December 31, 2023 and 2022

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-4, D-13	229,606	165,846
Reserve for Encumbrances	D-4, D-14	29,942	25,837
Interfunds Payable	D-8		421,281
Overpayments	D-15	22,227	7,086
Accrued Interest on Bonds	D-16	37,742	40,960
Accrued Interest on Loans	D-17	3,946	4,258
		<u>323,463</u>	<u>665,268</u>
Reserve for Receivables	Contra	256,841	194,360
Fund Balance	D-1	<u>215,303</u>	<u>577,865</u>
Total Water Utility Operating Fund		<u>795,607</u>	<u>1,437,493</u>
Capital Fund:			
Improvement Authorization:			
Funded	D-18	143,176	743,980
Unfunded	D-18	664,616	794,871
Capital Improvement Fund	D-19	17,748	17,748
Interfunds Payable	D-9	135,000	
Reserve for:			
Amortization	D-20	2,955,088	2,552,012
Deferred Amortization	D-21	110,000	127,676
Serial Bonds Payable	D-22	4,183,750	4,504,700
NJ Environmental Infrastructure Trust Loans	D-23	937,369	1,001,819
Bond Anticipation Notes Payable	D-24	780,000	
Fund Balance	D-2	<u>11,437</u>	<u>11,437</u>
Total Capital Fund		<u>9,938,184</u>	<u>9,754,243</u>
		<u>\$ 10,733,791</u>	<u>11,191,736</u>

There were bonds and notes authorized but not issued at December 31, 2023 and December 31, 2022 of \$35,587 and \$815,587 (Exhibit D-25).

See accompanying notes to financial statements.



**TOWNSHIP OF SADDLE BROOK**

**Statement of Operations and Changes in Fund Balance - Regulatory Basis**

**Water Utility Operating Fund**

**For the Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
Revenue and other income:		
Fund Balance Anticipated	\$ 498,950	611,450
Rents	3,023,281	3,070,711
Interest on Delinquencies	20,522	19,255
Interest on Investments	12,185	5,214
Miscellaneous Revenues not Anticipated	637	4,383
Liabilities cancelled	4,936	9,756
Unexpended Balance of Appropriation Reserves	<u>148,827</u>	<u>168,064</u>
Total Revenue and Other Income	<u>3,709,338</u>	<u>3,888,833</u>
Expenditures:		
Operating	2,855,000	2,775,000
Capital Improvements	65,000	65,000
Debt Service	507,950	509,450
Deferred Charges and Statutory Expenditures	<u>145,000</u>	<u>140,000</u>
Total Expenditures	<u>3,572,950</u>	<u>3,489,450</u>
Excess (Deficit) in Revenues	136,388	399,383
Fund Balance, January 1	<u>577,865</u>	<u>789,932</u>
	714,253	1,189,315
Decreased by Utilization by Water Operating Budget	<u>498,950</u>	<u>611,450</u>
Balance, December 31	<u>\$ 215,303</u>	<u>577,865</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Fund Balance**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
Balance, December 31, 2022	\$ <u>11,437</u>	<u>11,437</u>
Balance, December 31, 2023	\$ <u><u>11,437</u></u>	<u><u>11,437</u></u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Statement of Revenues - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2023**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus	\$ 498,950	498,950	
Rents	3,050,000	3,023,281	(26,719)
Interest on Investments	5,000	12,185	7,185
Interest on Delinquent Billings	19,000	20,522	1,522
Miscellaneous	<u>                    </u>	<u>637</u>	<u>637</u>
	<u>\$ 3,572,950</u>	<u>3,555,575</u>	<u>(17,375)</u>

Analysis of Realized Revenue

Rents \$	<u>3,023,281</u>
<u>Miscellaneous</u>	
Miscellaneous \$	<u>637</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Statement of Expenditures - Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2023**

	<u>Appropriations</u>		<u>Expended</u>	
	<u>Budget</u>	Budget after Modifi- cation	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:				
Salaries and Wages	\$ 455,000	455,000	343,741	111,259
Other Expenses	2,400,000	2,400,000	2,335,305	64,695
	<u>2,855,000</u>	<u>2,855,000</u>	<u>2,679,046</u>	<u>175,954</u>
Capital Improvements				
Capital Outlay	65,000	65,000	34,826	30,174
	<u>65,000</u>	<u>65,000</u>	<u>34,826</u>	<u>30,174</u>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	50,000	50,000	26,522	23,478
Public Employees' Retirement System	95,000	95,000	95,000	
Total Deferred Charges and Statutory Expenditures	<u>145,000</u>	<u>145,000</u>	<u>121,522</u>	<u>23,478</u>
Debt Service:				
Payment of Bond Principal	320,950	320,950	320,950	
Interest on Bonds	110,000	110,000	110,000	
EIT Debt Service	77,000	77,000	77,000	
	<u>507,950</u>	<u>507,950</u>	<u>507,950</u>	
	<u>\$ 3,572,950</u>	<u>3,572,950</u>	<u>3,343,344</u>	<u>229,606</u>

Cash Disbursed	\$ 3,190,852
Reserve for Encumbrances	29,942
Accrued Interest on Bonds	110,000
Accrued Interest on Loans	12,550
	<u>\$ 3,343,344</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<u>General Fixed Assets:</u>		
Land and Land Improvements	\$ 15,921,387	15,921,387
Buildings	34,393,230	17,869,600
Machinery and Equipment	<u>12,879,075</u>	<u>12,057,964</u>
	<u>\$ 63,193,692</u>	<u>45,848,951</u>
 Investment in Fixed Assets	 <u>\$ 63,193,692</u>	 <u>45,848,951</u>

See accompanying notes to financial statements.

**TOWNSHIP OF SADDLE BROOK**  
**Comparative Balance Sheets-Regulatory Basis**  
**Payroll Account**  
**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ <u>83,616</u>	<u>86,942</u>
 <u>Liabilities</u>		
Interfund - Current Fund	\$ 66,031	41,000
Withholdings Payable	<u>17,585</u>	<u>45,942</u>
	<u>\$ 83,616</u>	<u>86,942</u>

See accompanying notes to the financial statements.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Township of Saddle Brook 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 accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Township of Saddle Brook (the "Township") operates under a Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

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

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township 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 Township has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Trust Fund - This fund is used to account for fees collected from animal licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating Fund – This fund is used to account for all revenues and expenditures applicable to the operations of the water and sewer department.

Water Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water and sewer capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for the processing of all payroll transactions including federal and state tax withholdings, employee deductions and net payroll distributed to employees.



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

General Fixed Assets Account Group – This fund is used to account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of Saddle Brook. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (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. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. 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 Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current year that taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. 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.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Water Utility Revenues - Water usage revenues are determined locally, based upon quarterly usage by property. The bills are mailed quarterly and are payable 30 days after billing. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum on the first \$1,500, or 18% on any delinquency amount in excess of \$1,500. When unpaid bills or any municipal lien, or part thereof, on real property, remains in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the water and sewer collection on a lien sale. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent water and sewer billings are realized as revenue when collected. Since delinquent bills and liens are fully reserved, no provision has been made to estimate that portion of the receivable and liens that are uncollectible. GAAP requires water and sewer revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund and Water Utility Operating 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 Township'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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund  
Trust Fund  
Water Utility Capital Fund

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

The governing body shall introduce and approve the annual budget not later than March 31, of the fiscal year. The budget shall be adopted not later than April 28, 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 the years ended December 31, 2023 and 2022, the Governing Body approved additional revenues and appropriations of \$-0- and \$-0-, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body in 2023 and 2022.

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

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.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(continued)

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

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

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

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates 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 Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. -39-

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

General Fixed Assets - The Township of Saddle Brook has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

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

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

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

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

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township'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.

Impact of Recently Issued Accounting Principles

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

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

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

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

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Impact of Recently Issued Accounting Principles, (continued)

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

C. Basic Financial Statements

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

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**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

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

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$-0- of the Township's bank balance of \$12,674,029 and \$20,066,489, respectively, were exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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



**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

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

**Unaudited Investments**

As more fully described in Note 11, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2023 and 2022 amounted to \$3,363,086 and \$2,716,855, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
American Funds Growth Fund	\$438,513	\$344,758
Fidelity VIP Growth	243,894	162,928
Fixed	347,734	326,402
LVIP SSGA S&P 500 Index Fund	997,479	814,383
All Others	<u>1,245,766</u>	<u>1,068,384</u>
Total	<u>\$3,273,386</u>	<u>\$2,716,855</u>

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**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 3. MUNICIPAL DEBT**

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

	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2023</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$47,170,300		\$1,974,050	\$45,196,250	\$2,315,550
Water Utility Obligation Debt	<u>4,504,700</u>	_____	<u>320,950</u>	<u>4,183,750</u>	<u>334,450</u>
Total Bonds Payable	<u>51,675,000</u>	<u>-</u>	<u>2,295,000</u>	<u>49,380,000</u>	<u>2,650,000</u>
Other Liabilities:					
Pension Deferral	101,527	30,963 (*)	63,553	68,937	68,937
General Capital:					
NJET Loans Payable	575,411		107,677	467,734	114,080
Water Capital:					
NJET Loans Payable	1,001,819		64,450	937,369	64,450
Compensated Absences Payable	<u>3,544,282</u>	<u>951,777</u>	<u>399,158</u>	<u>4,096,901</u>	_____
Total Other Liabilities	<u>5,223,039</u>	<u>982,740</u>	<u>634,838</u>	<u>5,570,941</u>	<u>247,467</u>
	<u>\$56,898,039</u>	<u>\$982,740</u>	<u>\$2,929,838</u>	<u>\$54,950,941</u>	<u>\$2,897,467</u>

\* - Adjustment was made to agree ending balance with billing amount from subsequent year. Additional adjustments will be needed in the future for additional amounts added by the State which are unknown at this time.

	<u>Balance Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2022</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$49,092,850		\$1,922,550	\$47,170,300	\$1,974,050
Water Utility Obligation Debt	<u>4,812,150</u>	_____	<u>307,450</u>	<u>4,504,700</u>	<u>320,950</u>
Total Bonds Payable	<u>53,905,000</u>	<u>-</u>	<u>2,230,000</u>	<u>51,675,000</u>	<u>2,295,000</u>
Other Liabilities:					
Pension Deferral	162,427		60,900	101,527	63,553
General Capital:					
NJET Loans Payable	685,126		109,715	575,411	107,677
Water Capital:					
NJET Loans Payable	1,066,269		64,450	1,001,819	64,450
Compensated Absences Payable	<u>3,544,282</u>	_____	_____	<u>3,544,282</u>	_____
Total Other Liabilities	<u>5,458,104</u>	<u>-</u>	<u>235,065</u>	<u>5,223,039</u>	<u>235,680</u>
	<u>\$59,363,104</u>	<u>\$-</u>	<u>\$2,465,065</u>	<u>\$56,898,039</u>	<u>\$2,530,680</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

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

The Township's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$53,979,984	\$53,594,711	\$54,492,976
Water Utility - Bonds, Notes and Loans	<u>5,901,119</u>	<u>5,506,519</u>	<u>5,878,419</u>
	<u>59,881,103</u>	<u>59,101,230</u>	<u>60,371,395</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	5,011,268	3,689,528	2,453,628
Water Utility - Bonds and Notes	<u>35,587</u>	<u>815,587</u>	<u>815,587</u>
	<u>5,046,855</u>	<u>4,505,115</u>	<u>3,269,215</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	64,927,958	63,606,345	63,640,610
Less: Deductions	<u>617,144</u>	<u>339,838</u>	<u>52,848</u>
Net Debt	<u>\$64,310,814</u>	<u>\$63,266,507</u>	<u>\$63,587,762</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.941% for 2023.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$3,939,000	\$3,939,000	\$0
Water Utility	5,936,706	5,936,706	0
General Debt	<u>58,991,252</u>	<u>617,144</u>	<u>58,374,108</u>
	<u>\$68,866,958</u>	<u>\$10,492,850</u>	<u>\$58,374,108</u>

Net debt of \$58,374,108 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,007,272,935 equals 1.941%.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

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

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 1.980% for 2022.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$4,874,000	\$4,874,000	\$0
Water Utility	6,322,106	6,322,106	0
General Debt	<u>57,284,239</u>	<u>339,838</u>	<u>56,944,401</u>
	<u>\$68,480,345</u>	<u>\$11,535,944</u>	<u>\$56,944,401</u>

Net debt of \$56,944,401 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,876,467,453 equals 1.980%.

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

	<u>2023</u>	<u>2022</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$105,254,553	\$100,676,361
Net Debt	<u>58,374,108</u>	<u>56,944,401</u>
Remaining Borrowing Power	<u>\$46,880,445</u>	<u>\$43,731,960</u>

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

	<u>2023</u>	<u>2022</u>
Cash receipts from fees, rents or other charges for year	\$3,555,575	\$3,711,013
Deductions:		
Operating and Maintenance Cost	3,000,000	2,915,000
Debt Service per Water Account	<u>507,950</u>	<u>509,450</u>
Total Deductions	<u>3,507,950</u>	<u>3,424,450</u>
Excess in Revenue - Self-Liquidating	<u>\$47,625</u>	<u>\$286,563</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

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

The Township's long-term debt consisted of the following at December 31, 2023:

**Paid by Current Fund:**

<u>General Serial Bonds:</u>	<u>2023</u>	<u>2022</u>
\$14,907,900 Refunding Bonds - with an interest rate of 2.00% to 5.00% issued December 23, 2014, due through September 1, 2030	\$8,486,250	\$9,495,300
\$14,600,000 General Improvement Bonds - with an interest rate of 2.00% to 2.375% issued May 15, 2020, due through February 15, 2036	12,790,000	13,390,000
\$24,635,000 County Guaranteed Lease Revenue Bonds - with an interest rate of 5.00% to 4.00% issued May 13, 2020, due through August 1, 2048	<u>23,920,000</u>	<u>24,285,000</u>
Total General Serial Bonds	<u>\$45,196,250</u>	<u>\$47,170,300</u>

**Intergovernmental Loans Payable**

The Township has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Township's combined storm water and sanitary sewer separation project:

	<u>2023</u>	<u>2022</u>
\$1,040,000 Trust Bonds Series 2007 - Trust Share - due in annual installments of \$50,000 to \$80,000 through August 1, 2027, interest at 3.40% to 5.00%	\$262,000	\$319,000
\$983,154 Trust Bond Series 2007 - Fund Share - due in annual installments of \$50,105 to \$52,934 through August 1, 2027 at a zero rate of interest	<u>205,734</u>	<u>256,411</u>
Total Infrastructure Loans	<u>\$467,734</u>	<u>\$575,411</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

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

Paid by Water Utility Fund:	<u>2023</u>	<u>2022</u>
<u>Water Utility Serial Bonds:</u>		
\$1,122,100 Refunding Water Utility Bonds - with an interest rate of 2.00% to 5.00% issued March 1, 2015, due through September 1, 2030	\$638,750	\$714,700
\$4,250,000 Water Utility Bonds - with an interest rate of 2.00% to 2.375% issued March 15, 2020, due through February 15, 2036	<u>3,545,000</u>	<u>3,790,000</u>
Total Water Utility Serial Bonds	<u>\$4,183,750</u>	<u>\$4,504,700</u>

Intergovernmental Loans Payable

The Township has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Township's replacement of water mains.

	<u>2023</u>	<u>2022</u>
\$325,000 Trust Bond Series 2018 - Trust Share - due in annual installments of \$10,000 to \$25,000 through August 1, 2037 with interest at 3.00% to 5.00%	\$265,000	\$280,000
\$972,520 Trust Bond Series 2018 - Fund Share - due in annual installments of \$32,967 to \$49,450 through August 1, 2038 at a zero rate of interest	<u>672,369</u>	<u>721,819</u>
Total Infrastructure Loans	<u>\$937,369</u>	<u>\$1,001,819</u>

Aggregate debt service requirements during the next five years and thereafter are as follows:

Year	General Capital					Water Utility				
	Bonds		Loans		Total	Bonds		Loans		Total
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest	
2024	\$2,315,550	\$1,743,809	\$114,080	\$13,100	\$4,186,539	\$334,450	\$100,840	\$64,450	\$9,469	\$509,209
2025	2,291,350	1,659,435	112,105	10,000	4,072,890	348,650	91,342	64,450	8,719	513,161
2026	2,192,150	1,479,450	118,265	6,900	3,796,765	362,850	81,422	64,450	7,969	516,691
2027	2,283,650	1,398,498	123,284	3,550	3,808,982	376,350	71,959	64,450	7,219	519,978
2028	2,480,150	1,313,093			3,793,243	389,850	62,142	69,450	6,469	527,911
2029-2033	11,693,400	5,245,888			16,939,288	1,946,600	163,693	347,252	23,319	2,480,864
2034-2038	8,525,000	3,507,100			12,032,100	425,000	5,047	262,867	7,350	700,264
2039-2043	6,025,000	2,270,800			8,295,800					
2044-2048	7,390,000	909,800			8,299,800					
	<u>\$45,196,250</u>	<u>\$19,527,873</u>	<u>\$467,734</u>	<u>\$33,550</u>	<u>\$65,225,407</u>	<u>\$4,183,750</u>	<u>\$576,445</u>	<u>\$937,369</u>	<u>\$70,514</u>	<u>\$5,768,078</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

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

General capital, water capital and assessment serial bonds are direct obligations of the Township for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township and/or water utilities revenues and special assessments.

At December 31, 2023 and 2022, the Township had authorized but not issued debt as follows:

	<u>2023</u>	<u>2022</u>
General Capital Fund	\$5,011,268	\$3,689,528
Water Utility Capital Fund	35,587	815,587

**NOTE 4. BOND ANTICIPATION NOTES**

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2023 and 2022, the Township had \$8,316,000 and \$5,849,000, respectively, in outstanding General Capital Bond Anticipation Notes. The Township also had \$780,000 and \$-0-, respectively, in outstanding Water Utility Capital Bond Anticipation Notes for the years ended December 31, 2023 and 2022.

The following activity related to bond anticipation notes occurred during the calendar years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable</u>					
BNY Mellon Capital Markets, LLC		\$0	\$9,096,000	\$	\$9,096,000
Spencer Savings Bank, SLA		<u>5,849,000</u>		<u>5,849,000</u>	<u>0</u>
		<u>\$5,849,000</u>	<u>\$9,096,000</u>	<u>\$5,849,000</u>	<u>\$9,096,000</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

<u>2022</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>General Capital Notes Payable</u>				
Piper Sandler & Co.	\$4,715,000	\$	\$4,715,000	\$0
Spencer Savings Bank, SLA		<u>5,849,000</u>		<u>5,849,000</u>
	<u>\$4,715,000</u>	<u>\$5,849,000</u>	<u>\$4,715,000</u>	<u>\$5,849,000</u>

**NOTE 5. LOCAL DISTRICT SCHOOL TAXES AND REGIONAL HIGH SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Saddle Brook has elected not to defer school taxes.

**NOTE 6. PENSION PLANS**

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems, (continued)

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

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS)*

Plan Description

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

Benefits Provided

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

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Defined Contribution Retirement Program

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

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

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

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19 (S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Township of Saddle Brook opted for this deferral in the amount of \$544,476. The amount outstanding at December 31, 2023 was \$68,937.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

Contribution Requirements

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

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2023	\$524,611	\$1,394,385	\$5,948
2022	444,501	1,381,699	5,277
2021	426,723	1,374,965	12,411

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS)**

At December 31, 2023, the Township had a liability of \$5,965,847 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Township's proportion was .0411881611 percent, which was a decrease of .0004130302 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Township recognized pension expense of \$524,611. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$57,041	\$24,386
Changes of assumptions	13,106	361,556
Net difference between projected and actual earnings on pension plan investments	27,474	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>437,260</u>	<u>264,964</u>
Total	<u>\$534,881</u>	<u>\$650,906</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(314,974)
2025	(175,807)
2026	245,678
2027	(43,967)
2028	749

**Changes in Proportion**

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

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Township's Proportion	.0411881611%	.0416011913%

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Long-Term Rate of Return**

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

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



**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Discount Rate**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$7,781,443	\$5,965,847	\$4,420,535

**Pension Plan Fiduciary Net Position**

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

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

At December 31, 2023, the Township had a liability of \$11,981,894 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Township's proportion was .10844553700 percent, which was an increase of .00123062 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Township recognized pension expense of \$1,394,385. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$513,041	\$571,430
Changes of assumptions	25,861	809,065
Net difference between projected and actual earnings on pension plan investments	610,215	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>563,356</u>	<u>1,388,736</u>
Total	<u>\$1,712,473</u>	<u>\$2,769,231</u>

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(466,293)
2025	(447,491)
2026	719,968
2027	(61,923)
2028	22,102
Thereafter	2,260

**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 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	13,084,649,602	13,483,472,009
Township's Proportion	.1084453700%	.1072147500%

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

**Mortality Rates**

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Long-Term Rate of Return**

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

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

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Discount Rate**

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1 - percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$17,563,054	\$11,951,893	\$7,334,120

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 6. PENSION PLANS, (continued)**

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

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

**Special Funding Situation - PFRS**

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$2,207,803 and \$2,184,089, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$251,133 and \$251,986, respectively, which is more than the actual contributions the State made on behalf of the Township of \$252,488 and \$271,908, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 7. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2023 which has been appropriated as revenue in the 2024 budget is as follows:

Current Fund	\$3,284,375
Water Utility Operating Fund	215,000

**NOTE 8. ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$4,096,901 as of December 31, 2023 and \$3,544,282 as of December 31, 2022. The amount is not reported either as an expenditure or liability.

**NOTE 9. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2023 consist of the following:

\$124,921	Due to the Federal and State Grant Fund from the Current Fund for grant receipts less expenditures made.
4,123	Due to the Current Fund from the Animal License Trust Fund for current years statutory excess.
24	Due to the Current Fund from the Escrow Trust Fund for the Township's share of interest earned on developer deposits.
22	Due to the Current Fund from the Health Claims Trust Fund for interest earnings.
3,595	Due to the Current Fund from Redemption Trust Fund for interest earned on investments.
66,031	Due to the Current Fund from the Net Payroll Fund to return funds transferred in excess of that required to cover payroll.
1,465	Due to the Other Trust Fund from the Current Fund for interest earned on investments.
125,763	Due to the Current Fund from the General Capital Fund for interest earnings and funds transferred in error less grant proceeds received in current.
15,858	Due to the Unemployment Trust Fund from the Current Fund for employee payroll deductions.
600	Due to the Water Utility Operating Fund from the Current Fund to correct funds transferred in error.
<u>135,000</u>	Due to the Current Fund from the Water Utility Capital fund to return interfunds advanced.
<u>\$477,402</u>	

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



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 10. DEFERRED CHARGES**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023 and 2022, the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, <u>2023</u>	Subsequent Budget <u>Appropriation</u>	Balance to Succeeding Year's <u>Budget</u>
Current Fund:			
Special Emergency - NJSA 40A:4-53			
COVID Revenue Losses	\$120,903	\$40,301	\$80,602
Expenditures without Appropriation			-
Federal and State Grant Fund:			
Over-expenditure of Appropriated Grant Reserves	2,765	2,765	-
General Capital Fund:			
Over-expenditure of Improvement Authorization	<u>16,939</u>	<u>16,939</u>	<u>-</u>
	<u>\$140,607</u>	<u>\$60,005</u>	<u>\$80,602</u>
	Balance	Subsequent	Balance to
	December 31,	Budget	Succeeding
	<u>2022</u>	<u>Appropriation</u>	<u>Budget</u>
Current Fund:			
Special Emergency - NJSA 40A:4-53			
COVID Revenue Losses	\$161,204	\$40,301	\$120,903
Expenditures without Appropriation	29,528	29,528	-
Federal and State Grant Fund:			
Over-expenditure of Appropriated Grant Reserves	<u>4,749</u>	<u>4,749</u>	<u>-</u>
Total Deferred Charges	<u>\$195,481</u>	<u>\$74,578</u>	<u>\$120,903</u>

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

In 1999, the Division of Local Government Services approved the Township's LOSAP plan, provided by the Lincoln Financial Group. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for an annual contribution of \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Township's contribution shall be included in the current years budget.

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

We have reviewed the plan for the year ended December 31, 2023 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 12. RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2023 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of Saddle Brook is a member of the South Bergen Municipal Joint Insurance Fund (the "Fund"). The Fund provides its members with Liability, Property, Worker's Compensation, Public Official and Employer Liability and Environmental Insurance coverage. The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicle and equipment liability and worker's compensation. The coverage amounts are on file with the Township.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 12. RISK MANAGEMENT, (continued)**

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township 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 Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Interest</u> <u>Earnings</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$1,403	\$12,688	\$144,855	\$33,223
2022	463	12,711	-0-	163,988
2021	329	10,889	-0-	150,814

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 13. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec 31, 2023</u>	<u>Balance Dec 31, 2022</u>
Prepaid Taxes	<u>\$481,364</u>	<u>\$310,058</u>
Cash Liability for Taxes Collected in Advance	<u>\$481,364</u>	<u>\$310,058</u>

**NOTE 14. LITIGATION**

The Township is a defendant in various legal proceedings. These cases, if decided against the Township, would be raised by future taxation. The Township's legal counsel estimate such amounts to be immaterial.

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated.

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension benefits described in Note 6, the Township provides post-employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

**General Information about the OPEB Plan**

Employees who retire from the Township may be eligible for postemployment medical, prescription drug, dental and life insurance benefits. Medical and prescription drug coverage is offered to retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Two medical plans and one prescription drug plan is available to retirees. Dental benefits are self-funded.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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

Life insurance is provided to retirees on a fully insured basis with differing life benefits for police retirees and all other retirees. The predominant life benefit for police retirees is \$25,000 and all other retirees is \$12,500.

**Employees Covered by Benefit Terms:** At January 1, 2023, the following employees were covered by the benefit terms:

Actives	171
Retirees	<u>68</u>
Total	<u>239</u>

**Total OPEB Liability**

At December 31, 2023, the Township had a liability of \$68,632,817 for its OPEB Liability. The OPEB liability was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The Total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

*[THIS AREA INTENTIONALLY LEFT BLANK]*

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

1. Valuation Date	January 1, 2023
2. Initial Implementation Year for GASB 75	January 1, 2019 to December 31, 2019
3. Assets	Not applicable. Assets are zero.
4. Expected Return on Assets	Not applicable. Assets are zero.
5. Discount Rate	3.88% - End of Year Measurement Date The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of two 20-year municipal bond indices (e.g., S&P Municipal Bond 20 Year High Grade Rate Index - 4.00%, and Fidelity GO AA 20 Years - 3.77%) as of December 31, 2023.  Prior discount rate used in January 1, 2019 to December 31, 2019 GASB 74/75 report was 2.92%.
6. Information for Valuation	All information was provided by the Township.
7. Retirement Benefits	Coverage for pre-65 and post-65 retirement benefits. This valuation is provided to a single employer plan.
8. Covered Benefits	Medical and prescription drug coverage is offered to retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Two medical plans and one prescription drug plan is available to retirees, including the Direct Access 15 and Omnia 11 plans with the majority of enrollment in the DA 15 plan. Dental coverage is self funded.  Life insurance is provided to retirees on a fully insured basis with differing life benefits for police retirees and all other retirees. The predominant life benefit for police retirees is \$25,000 and all other retirees is \$12,500.
9. Insurance Coverage and Funding Basis	Medical, prescription drugs, and life insurance benefits are all fully insured. Dental benefits are self-funded.
10. Actuarial Cost Method	Entry Age Normal as a Level of Percentage of Payroll

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

11. Health Care Cost Trend Assumption

The following assumptions are used for annual healthcare cost inflation (trend):

	<u>Year</u>	<u>Pre-65</u>	<u>Post-65</u>
Year 1 Trend	January 1, 2025	7.00%	7.00%
Ultimate Trend	January 1, 2035 & Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

12. Starting Claim Cost

Base plan costs for pre-65 and post-65 retirees are based on rates provided by the Township effective January 1, 2023, and January 1, 2024, and are outlined in Section VI, page 16 of this report. Plan costs are based 100% before retiree contributions and assumed to include all administrative expenses and PPACA fees. The rates illustrated on page 16 are prior to the application of aging.

The medical and prescription drug costs provided in Section VI reflect a combined active and retiree population (pre-65 & post-65), therefore adjustments were necessary to convert the base plan costs into specific pre-65 and post-65 retiree costs to appropriately reflect Medicare integration and plan morbidity.

Plan costs effective January 1, 2025 and beyond are trended forward using the trend rates illustrated under the "Health Care Cost Trend Assumptions" section above.

13. Projected Benefit Costs

The Township's plan costs are self-funded and experience rated and therefore adjusted for aging. Actuarial Standards of Practice No. 6 requires age adjusted costs be measured by estimating the expected costs by age whether or not a pooling or community rating applies. The current valuation contemplates an assumption for aging, which is consistent with the prior valuation.

14. Medicare Part B Reimbursements

Valuation reflects the reimbursement of Medicare Part B premium to retirees, spouses, and surviving spouses over age 65 that are eligible for the benefit. For valuation purposes, it is assumed the Township reimburses 100% of the standard Medicare Part B premium plus the additional premium due to income level surcharge (IRMAA) for retirees required to pay this.

15. Medicare Part D Reimbursements

The Township does not reimburse Medicare Part D premiums to retirees or spouses.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

16. Implicit Subsidy
- This reflects the difference between the premium rate or cost charged to a retiree for a particular benefit as compared to the estimated rate of cost to the retiree, if those benefits were calculated reflecting retirees as a separate group (rather than their costs bundled with the active population). The results in this valuation reflect an implicit subsidy in the cost projections.
17. Healthcare Reform Impact
- The Patient Protection and Affordable Care Act (PPACA) enacted in March 2010 (Healthcare Reform) includes several fees and/or taxes levied on employer groups either directly (e.g., self-funded employer groups which calculates and pays the fees directly) or indirectly (e.g., fully insured employer groups in which the health insurer pays and passes on to the group in their premium rates). The fees included in this valuation are 1) Comparative Effectiveness Research fee (aka PCORI), 2) Health Insurance Industry fee, and 3) High Cost Excise Tax ("Cadillac tax"). The Reinsurance Assessment, also initiated with the passing of the PPACA, was a short-term fee levied on fully insured and self-funded employer groups between 2014 and 2016.
- The Comparative Effectiveness Research fee runs through 2029 and is tax deductible. The initial fee was \$1 per participant per year increasing to \$2 in the next year. Subsequent years are increased based on medical inflation. The fee applies to post-65 retirees where Medicare is the primary payer. Initially, this fee was to expire in 2019, however, legislation signed into law by President Trump on December 20, 2019 HR 1865 "Further Consolidated Appropriations Act 2020" extended the fee 10 years.
- The Health Insurance Industry fee is based on targeted fixed fees to be paid by the health insurance industry and is not tax deductible. The total fee amount to be paid by health insurers starts at \$8 billion in 2014 and increases to \$14.3 billion in 2018. After 2018, the fee increases annually based on premium growth. The fee was suspended for the 2017 plan year and resumed in 2018 with the estimated fee to be approximately 3.0% to 4.0% of premium. The fee applies to fully insured plans including Medicare Advantage plans and excludes self-funded employer sponsored group health plans. Effective with legislation passed on January 22, 2018, this fee was suspended again for the 2019 plan year and will resume in 2020, however has been repealed beginning 2021 and beyond based on 12/20/19 HR 1865 "Further Consolidated Appropriations Act, 2020".



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

The High Cost Plans Excise tax included a 40% tax (Cadillac Tax") on high cost plans to be levied on insurers and third party administrators (TPA) beginning in 2022 and was to be tax deductible. The calculation was to be done separately for single and family coverage and was equal to 40% of the excess of per employee plan costs, net of patient cost sharing, over the 2022 stated costs limits of:

- o - \$10,200 single/\$27,500 family
- o - \$11,850 single/\$30,950 family for retirees age 55-64

This valuation excludes the Cadillac tax in its entirety based on recent legislation signed into law by President Trump on 12/20/19, HR 1865 "Further Consolidated Appropriations Act, 2020" repealing the "Cadillac Tax".

**18. COVID-19 Pandemic**

No special adjustments or considerations were made to valuation results due to the COVID-19 pandemic. Since the Township is not funding this benefit in a separate OPEB trust, no special considerations were made for the impact on assets. Similarly, no special adjustments were made to the OPEB liability calculations. The impact of COVID-19 will be reviewed in future years including the potential impact on selected assumptions (e.g., mortality, morbidity, etc.).

**19. Plan Design Changes**

Valuation assumes no changes in future plan designs (e.g., deductibles coinsurance, etc.) from current benefits offered for the current plan year. It is assumed that the current level of benefits will remain, with no modifications to avoid the potential excise tax imposed by the Patient Protection and Affordable Care Act (PPACA) described in detail above.

**20. % Future Retirees Opting Out**

It is assumed that 100% of future retirees (active employees) eligible for coverage will elect benefits in retirement. All eligible active and retiree employee records provided by the Township were valued.

**21. Census Information**

Participant information was provided by the Township in August 2020. We relied on information as being accurate and have not conducted any data audits.

**22. New Hires**

This valuation is based on a closed group and does not reflect the impact of future new entrants (e.g., new hires after date of data collection, i.e., April 2024) into the plan.



**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

28. Turnover Assumptions	This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table varies by age and years of service with rates of turnover based on the NJ PERS and NJ PFRS.
29. Disability Assumptions	This reflects disability assumptions from the active plan for ordinary and accidental disability and is based on age. This is the assumption used for the NJ PERS and NJ PFRS.
30. Retirement Assumptions	This reflects the rate of retirement from the active plan and is based on age and years of service. That is the assumption used for the NJ PERS and NJ PFRS.
31. Surviving Spouses & Surviving Dependents	Surviving spouses may elect to continue medical coverage and receive the same subsidy as retirees, including their Medicare Part B premiums and IRMAA surcharge. Valuation includes eleven (11) surviving spouses.
32. Valuation of Spouses & Marital Status	Spouses are valued for benefits similar to retired employees. Employees with spouses are assumed to be married to those spouses at and throughout retirement. Employees that are without spouses (or not covering a spouse) are assumed to be single at and throughout retirement. Based on the contribution rates for future retirees, it is assumed that active employees with dependent coverage will elect dependent coverage in retirement 100% of the time.
33. Spouse Age Assumptions	It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information was provided.
34. Waivers & Buyouts	Valuation includes 101 active employees that currently waive coverage. For valuation purposes, it is assumed that 50% of these individuals elect coverage in retirement 30% electing single coverage consistent with the current retiree election distribution.
35. Vested & Leave of Absence	No individuals were as vested or on leave of absence.
36. COBRA & Terminated Participants	No individuals were listed on Cobra or terminated from the plan.
37. Eligible Population	Population reflects all benefit eligible employees provided. Any new hires after date of data collection are not reflected herein.
38. Medicare Tax Subsidy	The Medicare tax subsidy is not reflected in valuation. There is no offset in premium rates charged to employer and post-65 costs are illustrated gross of subsidy.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

39. Special Adjustments	No other special adjustments were provided since client data was complete for purposes of completing the valuation. All active and retired employees provided were valued.
40. Missing Census Information	
Dates of Birth	One (1) active employee was missing date of birth and assumed to have hire age of 50 consistent with the group.
Dates of Hire	No active employees were missing date of hire, so no special adjustments were needed.
Gender	No individuals were missing gender, so no special adjustments were needed.
Coverage Tier	No individuals electing coverage were missing coverage tier, so no special adjustments were needed. For individuals waiving coverage, it is assumed they elect single coverage 30% of the time consistent with current retiree election distinction.
Status	No individuals required changes to their active/retiree status.
Salary	No active employees were missing salary, so no special adjustments were needed. Salary information was provided by individual and reflected in the valuation for use with the actuarial cost method and active employee contributions.
41. Rounding of Results	Results are illustrated to the nearest dollar. In using unrounded results (exact dollars), no implication is made as to the degree of precision in those results. Clients and their auditors should apply their own judgement as to the desirability of rounding when transferring results from this valuation report to the clients financial statements.
42. Employee Contracts & Collective Bargaining Agreements	Employee contracts and collective bargaining agreements specific to retiree benefits were reviewed to the extent available. Results are based on information as provided by the organization.  A summary of benefits and eligibility are provided in this report for illustrative purposes in order to understand the types of benefits reflected in the valuation. We recommend reviewing you organization's plan document for details on eligibility and covered benefits. Information in this report should not be used instead of the plan document and/or summary plan description.
43. Initial Year of Recognition of GASB No. 43/45 & 74/75	We have not reviewed the audited financials of client so are not providing and opinion on your organization and auditor for this determination.
44. Other Comments	Actuarial methods, considerations, and analyses used in forming this certification conform to the appropriate Standards of Practice and guidelines of the Actuarial Standards Board (ASB).

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2023, the Township recognized OPEB expense of \$3,884,719 based on actuarial estimates at December 31, 2023.

**Changes in Net OPEB Liability FYE 2023**

Discount Rate (Proj.)                      3.88% FYE 12/31/2023

Investment Return Rate (Proj.)    N/A; Index will apply

**Changes in Total OPEB Liability During the Year**

Total OPEB Liability at beginning of year	\$68,373,511
Service Cost	1,499,007
Interest Cost	2,616,391
Change in Assumption	(1,974,609)
Benefit Payments	<u>(1,881,483)</u>
Total OPEB Liability at end of year	<u>\$68,632,817</u>

\*Note: Annual OPEB cost based on latest actuarial results.

**TOTAL GASB #75 Expense for FYE 2023**

1. Service Cost with Interest - Period January 1, 2023 to December 31, 2023	\$1,499,007
2. Interest Cost - Period January 1, 2023 to December 31, 2023	
(a) Discount Rate	3.88%
(b) Total OPEB Liability as of January 1, 2023	68,373,511
(c) Actual Benefit Payments - Illustrated as Project for Period January 1, 2023 to December 31, 2023	1,881,483
(d) Interest Cost: (2a)x[(2b)-(2c)/2]	2,616,391
3. Investment Return - Period January 1, 2023 to December 31, 2023	
4. Employee Contributions - Period January 1, 2023 to December 31, 2023 (Amount is illustrated as zero since employer contributions are illustrated net of employee contributions)	
5. Administrative expenses	

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 15. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

6. Plan Changes

7. Amortization of Unrecognized Amounts

(a) Liability (Gain)/Loss: Page 5, Section H, Line 6	\$(230,679)
(b) Asset (Gain)/Loss:	_____
(c) Net (Gain)/Loss: (7a)+(7b)	_____

8. Total Expense - Period January 1, 2023 to December 31, 2023  
(1)+(2)(d)+(3)+(4)+(5)+(6)+(7c)

**Sensitivity of Total OPEB Liability to Changes in the Discount Rate**

The following presents the Township's total OPEB liability as well as what the Township's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>At Current Discount Rate</u>	<u>1% Increase</u>
Township's Total OPEB Liability	<u>2.88%</u> \$81,219,057	<u>3.88%</u> \$68,632,817	<u>4.88%</u> \$58,735,524

**Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate**

The following presents the Township's total OPEB liability as well as what the Township's total OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>At Current Discount Rate</u>	<u>1% Increase</u>
Township's Total OPEB Liability	\$58,109,404	\$68,632,817	\$82,171,100

**TOWNSHIP OF SADDLE BROOK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(continued)**

**NOTE 16. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2023 and 2022:

	Balance			Balance
	<u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec. 31, 2023</u>
Land	\$15,921,387	\$	\$	\$15,921,387
Buildings	17,869,600	16,523,630		34,393,230
Machinery and Equipment	<u>12,057,964</u>	<u>821,111</u>	_____	<u>12,879,075</u>
	<u>\$45,848,951</u>	<u>\$17,344,741</u>	<u>\$0</u>	<u>\$63,193,692</u>

	Balance			Balance
	<u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec. 31, 2022</u>
Land	\$15,921,387	\$	\$	\$15,921,387
Buildings	17,869,600			17,869,600
Machinery and Equipment	<u>12,007,586</u>	<u>50,378</u>	_____	<u>12,057,964</u>
	<u>\$45,798,573</u>	<u>\$50,378</u>	<u>\$0</u>	<u>\$45,848,951</u>

**NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES**

The Township is currently involved in a dispute with the Internal Revenue Service regarding the incorrect filing of a Form 945 for tax period ending December 31, 2017. Reported taxes owed along with accumulated penalties and interest are of a material nature, however, Township officials have been in contact with representatives at the IRS to correct this erroneous filing. It is anticipated that once corrective measures are taken there will be no taxes owed and a resolution regarding any penalties and interest charges will be agreed upon.

**TOWNSHIP OF SADDLE BROOK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(continued)**

**NOTE 18. OTHER MATTERS**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses and 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 Township of Saddle Brook is \$1,419,515 which will be available for use until December 31, 2024.

**NOTE 19. SUBSEQUENT EVENTS**

The Township has evaluated subsequent events through July 5, 2024, the date which the financial statements were available to be issued and the following item was noted for disclosure.



**SUPPLEMENTARY DATA**

**TOWNSHIP OF SADDLE BROOK**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax rate	<u>2.336</u>	<u>2.402</u>	<u>2.604</u>
Apportionment of tax rate:			
Municipal	0.751	0.756	0.820
Library	0.035	0.037	0.037
School	1.301	1.354	1.478
County	<u>0.249</u>	<u>0.255</u>	<u>0.269</u>

Assessed Value

2023	\$ 2,827,877,300
2022	2,658,193,300
2021	2,394,914,000

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Collections</u>	<u>Percentage of Collection</u>
2023	\$ 66,099,255	65,802,982	99.55%
2022	63,880,023	63,337,029	99.15%
2021	62,370,700	61,976,015	99.37%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2023	\$ 235,262	112,333	347,595	0.53%
2022	419,816	109,822	529,638	0.83%
2021	338,676	107,223	445,899	0.71%

**TOWNSHIP OF SADDLE BROOK**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2023 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2023	\$ 742,249
2022	742,249
2021	742,249

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund	2023	\$ 5,419,996	3,284,375
	2022	6,613,190	3,200,000
	2021	5,705,114	2,300,000
	2020	5,953,489	2,000,000
	2019	4,692,368	1,550,000
Water Utility Operating Fund	2023	\$ 215,303	215,000
	2022	577,865	498,950
	2021	789,932	611,450
	2020	1,206,541	551,400
	2019	1,091,913	228,150

## TOWNSHIP OF SADDLE BROOK

### Supplementary Data

#### Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Robert D. White	Mayor	
David Gierek	Council President	
Sarah Sanchez	Councilmember	
Florence Mazzer	Councilmember	
Todd J. Accomando	Councilmember	
Andrew Cimiluca	Councilmember	
Jimmy Homs	Township Administrator - from 11/6/23	
Maureen Ruane	Township Administrator - to 9/30/23	
Peter Lo Dico	Township Clerk	
Vince Buono	Treasurer, Chief Financial Officer	Note
Linda Pellicier	Tax Collector	(A)
Donna Kovalovsky	Water and Sewer Collector	Note
Arthur Carlson Jr.	Tax Assessor	
John Schettino	Township Attorney	
Martin P. Geisler	Magistrate	(A)
Christine Oravetz	Court Administrator	(A)
Robert Kugler	Police Chief	
Anthony Ambrogio	Construction Official	
Tracy Nafash	Register of Vital Statistics	

(A) - Statutory positions are covered under the South Bergen Municipal Joint Insurance Fund (\$50,000) and the Municipal Excess Joint Insurance Fund (Excess Crime Policy - Public Employment Bond of \$950,000).

Note: Surety bond were not updated to reflect coverage for the Water/Sewer Collector or the appointment of the new Chief Financial Officer.

TOWNSHIP OF SADDLE BROOK, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2023

Program	Assistance Listing number	Grant Number	Grant period	Award Amount	Cash Received	Expenditures	MEMO Cumulative Total Expenditures
<u>Current Fund:</u>							
(2) U.S. Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Coronavirus Pandemic	97.036		2023	79,029 \$	79,029	79,029	79,029
Total Current Fund					79,029	79,029	79,029
<u>Federal and State Grant Fund</u>							
U.S. Department of Health and Human Services Centers for Disease Control & Prevention	93.788	National Opioid Settlement	2022	21,198	13,170		
Total Federal and State Grant Fund					13,170		
<u>General Capital Fund:</u>							
<u>Department of Housing and Urban Development</u>							
Passed through the County of Bergen - Community Development Block Grants							
Senior Center ADA Improvements Ord. 1471-09	14.218		2009	316,814			261,514
2019 Road Improvement Program - Leswing Avenue Road Imps. - Ord. 1		21-213-74-915-532-54	2019	110,000			192,000
Rochelle Parkway Road Resurfacing - Ord. 1651		21-213-75-015-532-92	2019	227,169			203,665
Albany Street to Congress - Ord. 1697-21		21-213-751-155-32-92	2021	101,000			101,000
Washington and Blanche Street Imps - Ord. 1719-22		21-00216/21-00434	2022	231,644	231,644	231,644	231,644
Congress Street - Ord. 1734-23		22-00250	2023	136,976	136,976	136,976	136,976
Total General Capital Fund				231,644	368,620	1,126,799	
<u>Water Utility:</u>							
(2) U.S. Department of Health and Human Services Low Income Household Water Assistance Program	93.499		2023	9,151	9,151	9,151	9,151
Total Federal Awards				\$ 332,994	456,800	1,214,979	

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance.

TOWNSHIP OF SADDLE BROOK, N.J.  
 Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2023

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	MEMO Cumulative Total Expenditures
<b>Federal and State Grant Funds:</b>						
<u>Department of Law and Public Safety</u>						
Body Armor Replacement Fund	98-718-066-1020-001	2021	2,464			*
Body Armor Replacement Fund	98-718-066-1020-001	2021	1,771			*
Body Armor Replacement Fund	98-718-066-1020-001	2022	2,380			*
Body Armor Replacement Fund	98-718-066-1020-001	2023	2,676	2,676		*
Body Worn Camera	21-BWC-388 DEL 1-3	2023	82,500	81,520	81,520	*
Drunk Driving Enforcement Fund	6400-100-078-6400	2009	10,783			*
Drunk Driving Enforcement Fund	6400-100-078-6400	2010	28,332			*
Drunk Driving Enforcement Fund	6400-100-078-6400	2022	26,000	12,327		*
Alcohol Education and Rehabilitation	9735-760-0600000-60	2009	1,310			*
Alcohol Education and Rehabilitation	9735-760-0600000-60	2017	965			*
				84,196	93,847	* 87,540
<u>Department of Environmental Protection</u>						
Clean Communities Act	765-042-4900-004-6020	2013	41,224		23,442	* 41,224
Clean Communities Act	765-042-4900-004-6020	2014	20,876		3,271	* 20,876
Clean Communities Act	765-042-4900-004-6020	2015	25,397		1,819	* 25,397
Clean Communities Act	765-042-4900-004-6020	2016	29,033		9,108	* 29,033
Clean Communities Act	765-042-4900-004-6020	2018	23,605		578	* 23,605
Clean Communities Act	765-042-4900-004-6020	2019	26,343		8,193	* 26,343
Clean Communities Act	765-042-4900-004-6020	2020	23,753		4,024	* 23,753
Clean Communities Act	765-042-4900-004-6020	2021	25,286		25,286	* 25,286
Clean Communities Act	765-042-4900-004-6020	2022	25,612		25,612	* 25,612
Clean Communities Act	765-042-4900-004-6020	2023	28,728	28,728		*
Water Resources Monitoring/Planning - Stormwater Mgmt	022-8020-100-304	2023	15,000	15,000		*
Recycling Grant	765-042-4900-004-6020	2013	37,199		31,764	* 5,435
Recycling Grant	765-042-4900-001-6020	2014	62,945		53,515	* 9,430
Recycling Grant	765-042-4900-001-6020	2015	37,251		34,510	* 2,741
Recycling Grant	765-042-4900-001-6020	2016	21,442		21,442	* 21,442
Recycling Grant	765-042-4900-001-6020	2017	15,959		10,492	* 5,467
Recycling Grant	765-042-4900-001-6020	2018	15,959		16,817	* 16,817
Recycling Grant	765-042-4900-001-6020	2021	22,079		16,130	* 5,949
Recycling Grant	765-042-4900-001-6020	2022	10,555		10,555	* 10,555
Recycling Grant	765-042-4900-001-6020	2023	23,889	23,889		* 23,889
				67,617	320,447	* 342,854
<b>Total Federal and State Grant Fund</b>			<b>151,813</b>	<b>414,294</b>	<b>430,394</b>	*

TOWNSHIP OF SADDLE BROOK, N.J.  
 Schedule of Expenditures of State and Local Financial Assistance

Year ended December 31, 2023

	Grant Number	Grant Period	Award Amount	Cash Received	Budgetary Expenditures	MEMO Cumulative Total Expenditures
General Capital Fund:						
Department of Transportation						
Passed through the NJ Department of Transportation -						
FY2016 Municipal Aid	16-480-078-6320-AMF-6010	2016	155,500			155,500
Mayhill Street - Phase I	20-480-078-6320-10-AN8-6010	2020	182,653	45,663		182,653
Mayhill Street - Phase II		2021	200,000			200,000
Improvements to Cambridge Drive		2022	216,000	162,000		
Improvements to Alberta Drive		2023	225,680	169,260	194,631	169,260
				376,923	194,631	1,099,413
Department of Environmental Protection						
Water Supply Flood Plan Management		2018				
Total General Capital Fund				376,923	194,631	1,099,413
Other Financial Assistance						
Federal and State Grant Fund:						
Bergen County Census Grant		2023	1,500	1,500		
Firehouse Subs		2018	11,070			8,779
				1,500		8,779
Federal and State Grant Fund						
General Capital Fund:						
Bergen County Open Space Preservation Trust Fund						
Construction of the Tri-Centennial Park	03-200-56-130-910	2018	49,100			17,660
Basketball/Tennis Court Upgrades - Mayhill St. Park	2100073	2021	30,000			
				1,500		17,660
General Capital Fund						
Total Other Financial Assistance				1,500		26,439
			\$ 530,236	608,925		1,556,246

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 15-08.

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Cash - Collector-Treasurer**  
**Current Fund**  
**Year Ended December 31, 2023**

		<u>Current Fund</u>
Balance - December 31, 2022	\$	11,556,569
Increased by Receipts:		
Taxes Receivable		65,846,192
Miscellaneous Revenue Not Anticipated		411,056
Tax Overpayments		23,398
Prepaid Taxes		481,364
Due from State - Senior Citizen and Veteran Deductions		85,524
Revenue Accounts Receivable		3,190,227
Reserve for Municipal Relief Fund		150,217
Due to State of New Jersey		28,792
Interfunds		231,762
Reserve for Police Salaries and Wages		27,157
Grants Receivable		105,409
Unappropriated Reserves for Grants		59,574
		<hr/>
		70,640,672
		<hr/>
		82,197,241
Decreased by Disbursements:		
Current Year Budget Appropriations		26,903,297
Interfunds		858,319
Due to State of New Jersey		25,790
Appropriation Reserves		1,037,760
Tax Overpayment Refunds		32,787
Local District School Taxes		38,043,737
County Taxes Payable		7,004,555
Refunds		10,481
Tax Appeal Refunds		43,627
Accounts Payable		56,145
Reserve for Police Salaries and Wages		216,132
Appropriated Reserves for Grants		417,059
		<hr/>
		74,649,689
		<hr/>
Balance - December 31, 2023	\$	<u>7,547,552</u>



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$ <u>475</u>
Balance - December 31, 2023	\$ <u><u>475</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Amount Due (to)/from State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022		\$	38,974
Increased by:			
Senior Citizens' Deductions Per Tax Billing	\$	13,000	
Veterans' Deductions Per Tax Billing		70,250	
Senior Citizen's and Veteran's Allowed - 2023		<u>500</u>	
			<u>83,750</u>
			122,724
Decreased by:			
State Share of Senior Citizens and Veteran Deductions Received in Cash			<u>85,524</u>
Balance - December 31, 2023		\$	<u><u>37,200</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Municipal Liens**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$ 109,822
Increased by:	
Transferred from Delinquent Taxes	<u>2,511</u>
Balance - December 31, 2023	<u><u>\$ 112,333</u></u>

TOWNSHIP OF SADDLE BROOK

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2023

Year	Balance, Dec. 31, 2022	Levy	2022 Collected	2023 Collected	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2023
2022	419,816	17,202		437,018				
	419,816	17,202		437,018				
2023		66,099,255	310,058	65,409,174	83,750	2,511	58,500	235,262
	419,816	66,116,457	310,058	65,846,192	83,750	2,511	58,500	235,262

Cash Receipts 65,846,192

\$ 65,846,192

Analysis of Tax Levy

Tax yield:  
General Purpose Tax \$ 66,059,447  
Added Tax (R.S. 54:4-63.1 et seq.) 39,808

\$ 66,099,255

Tax Levy:  
Local District School Tax \$ 36,805,103  
County Open Space Taxes \$ 293,692  
County Tax 6,707,655  
County Added and Omitted Taxes 4,243

7,005,590

Local Tax for Municipal Purposes \$ 22,249,024  
Add: Additional Taxes Levied 39,538

Local Tax for Municipal Purposes 22,288,562

\$ 66,099,255

**TOWNSHIP OF SADDLE BROOK**

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

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$ <u>742,249</u>
Balance - December 31, 2023	\$ <u><u>742,249</u></u>

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year Ended December 31, 2023**

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$	22,400	22,400	
Other		63,045	63,045	
Fees and Permits		288,253	288,253	
Fines and Costs:				
Municipal Court	10,608	178,104	176,455	12,257
Interest and Costs on Taxes		123,205	123,205	
Interest on Investments and Deposits		181,180	181,180	
Energy Receipts Tax		1,450,122	1,450,122	
Reserve for Municipal Relief Fund		75,125	75,125	
Uniform Construction Code Fees		176,689	176,689	
Uniform Fire Safety Act		38,066	38,066	
Cable TV Franchise Fee - Cablevision		111,719	111,719	
Cable TV Franchise Fee - Verizon		75,346	75,346	
Hotel Fees		340,193	340,193	
Pension Reimbursement - Water Utility		95,000	95,000	
Health Insurance Reimbursement - Water Utility		95,000	95,000	
	\$ <u>10,608</u>	<u>3,313,447</u>	<u>3,311,798</u>	<u>12,257</u>
			Interest on Investments \$ 46,446	
			Reserve for Municipal Relief Fund 75,125	
			Cash <u>3,190,227</u>	
			\$ <u>3,311,798</u>	

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Interfunds**

**Current Fund**

**Year Ended December 31, 2023**

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2023</u>
Water Utility				
Water Operating Fund	\$ (465,600)	465,000		(600)
Water Operating Fund		135,000		135,000
Federal and State Grant Fund	(372,246)	417,057	169,732	(124,921)
Trust				
Escrow Trust	276	138	390	24
Health Claims Trust Fund		22		22
Redemption Trust Fund	1,529	3,595	1,529	3,595
Unemployment Trust Fund	(3,170)		12,688	(15,858)
Other Trust Fund	(431)	1,896		1,465
Animal Trust	4,489	4,123	4,489	4,123
General Capital Fund	(258,319)	304,336	171,780	(125,763)
Net Payroll		66,031		66,031
Payroll Agency	41,000		41,000	
	<u>\$ (1,052,472)</u>	<u>1,397,198</u>	<u>401,608</u>	<u>(56,882)</u>
Due from Current Fund	(1,099,766)	1,186,824	354,200	(267,142)
Due to Current Fund	47,294	210,374	47,408	210,260
	<u>\$ (1,052,472)</u>	<u>1,397,198</u>	<u>401,608</u>	<u>(56,882)</u>
			184,468	
			Cash Receipts \$	
			Cash Receipts - Interfunds Returned	47,294
		135,000	Cash Disbursements - Interfunds Advanced	
		723,319	Cash Disbursements	
		4,123	Statutory Excess	
			Unappropriated Grant Receipts	59,574
		51,666	Interest on Investments	114
		417,059	Appropriated Grant Reserves	
			Deferred Charge	4,749
			Grants Receivable	105,409
		66,031	Payroll Transfers in excess of required amounts	
		<u>\$ 1,397,198</u>	<u>401,608</u>	

TOWNSHIP OF SADDLE BROOK

Schedule of Deferred Charges - N.J.S.A. 40A:4-53 Special Emergency

Current Fund

Year Ended December 31, 2023

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2022</u>	<u>Reduced in 2023</u>	<u>Balance, Dec. 31, 2023</u>
Dec. 3, 2020	COVID-19 Revenue Losses	\$ 466,505	93,301	161,204	40,301	120,903



TOWNSHIP OF SADDLE BROOK

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>				
Administrative and Executive	\$ 934	934		934
Council	2,193	2,193		2,193
Municipal Clerk	2,794	2,794		2,794
Financial Administration	1,752	1,752		1,752
Revenue Administration	759	759		759
Tax Assessment Administration	1,783	1,783		1,783
School Marshals	4,800	4,800		4,800
Police Clerical	19,161	19,160	1,194	17,966
Uniform Fire Safety Act	46,385	46,385		46,385
Public Health	5,000	5,000		5,000
Division of Sewers - Overtime	3,500	3,500		3,500
Buildings & Property	4,314	4,314		4,314
Streets & Road Maintenance	1,965	1,965		1,965
Streets & Road Maintenance - Overtime	2,265	2,265		2,265
Recreational Services & Programs	34,525	34,525		34,525
Sick Time Payments	50,000	50,000	50,000	
Salary and Wage Adjustment	4,227	4,227		4,227
<b>Total Salaries and Wages Within "CAPS"</b>	<u>186,357</u>	<u>186,356</u>	<u>51,194</u>	<u>135,162</u>
<b>Other Expenses Within "CAPS":</b>				
Administrative and Executive				
Other Expenses		960	960	
Postage	5,842	5,842		5,842
Contractual Services	985	985		985
Computer Svc. Contract	5,547	7,547	2,000	5,547
SBCTV	26,027	26,026	18,326	7,700
Grants Consultant	163	163	163	
Office of the Mayor	454	624	170	454
Council	628	832	655	177
Municipal Clerk				
Other Expenses	2,013	2,016	639	1,377
Land Use	1,000	1,000		1,000
Codification Code	12,000	12,000		12,000
Elections	26,450	26,450	26,042	408

## TOWNSHIP OF SADDLE BROOK

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Financial Administration				
Other Expenses	9,244	9,862	9,015	847
Statements	25	25		25
Revenue Administration	6,009	6,009		6,009
Tax Assessment Administration	2,698	2,698		2,698
Tax Appeal Attorney	15,843	16,090	1,293	14,797
Legal Services	28,319	31,399	23,071	8,328
Engineering Services	55,873	56,335	32,896	23,439
Planning Board	1,196	1,196	68	1,128
Zoning Board of Adjustment	2,976	2,976	473	2,503
Insurance:				
Liability	68,876	68,876	68,876	
Liability - Deductible	10,000	10,000	10,000	
Workers Compensation	75,088	75,088	73,000	2,088
Employee Group Health	472,557	472,557	314,301	158,256
Unemployment Compensation	1,000	1,000		1,000
Police	16,009	26,393	25,981	412
Police - Purchase of Vehicles	17,982	89,374	89,374	
School Marshalls	4,851	4,851		4,851
Office of Emergency Mangement	1,207	1,207		1,207
Fire Department	2,082	22,065	21,162	903
Fire Department - Clothing Allowance	750	750		750
Buildings and Grounds	4,190	7,579	7,033	546
Purchase of Equipment	24,739	52,113	27,375	24,738
Snow Removal	106	106		106
Uniform Fire Safety Act	640	1,058	858	200
Streets & Road Maintenance	12,412	37,823	33,819	4,004
Division of Sewers	2,794	18,931	17,952	979
Division of Sewers - Repairs	85	8,488	8,488	
Solid Waste Collection - Type 10 (Contract)	1,746	1,746		1,746
Recycling	3,310	3,310		3,310
Animal Control	5,000	5,000		5,000
Health & Welfare	2,517	3,937	1,495	2,442
Health & Welfare - Wallington	2,000	2,000		2,000
Health & Welfare - Contract	12,800	12,800		12,800
Recreational Services & Programs				
Other Expenses	21,498	30,065	20,406	9,659
Salaries & Wages	528	528		528
Senior Citizens Center	819	819	445	374

TOWNSHIP OF SADDLE BROOK

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Summer Program	7,500	7,500		7,500
Community Projects	12,224	17,593	11,543	6,050
Special Events	4,850	4,850		4,850
Veteran's Field	2,600	5,000	2,400	2,600
Municipal Court Administration	4,233	6,294	1,169	5,125
Code Enforcement & Administration	267	649	353	296
Utility Expenses				
Electricity	92,095	92,102	88,383	3,719
Street Lighting	64,277	64,277		64,277
Telephone	5,212	5,212	5,212	
Gasoline	17,727	17,727	17,727	
Dump Fees	5,843	7,352	6,767	585
Social Security (O.A.S.I)	54,050	54,050		54,050
	<u>1,239,756</u>	<u>1,452,105</u>	<u>969,890</u>	<u>482,215</u>
Total Other expenses Within "CAPS"				
Other Expenses Excluded From "CAPS":				
Sewer				
Lodi Boro	5,000	5,000		5,000
Garbage & Trash Removal Tonnage Tax	15,000	15,000		15,000
LOSAP - Fire	84,300	84,300	69,000	15,300
LOSAP - Ambulance	40,000	40,000		40,000
	<u>144,300</u>	<u>144,300</u>	<u>69,000</u>	<u>75,300</u>
Total Other Expenses Excluded from "CAPS"				
Total Reserves	<u>\$ 1,570,413</u>	<u>1,782,761</u>	<u>1,090,084</u>	<u>692,677</u>
		Appropriation Reserves 1,570,413		
		Encumbrances <u>212,348</u>		
		<u>\$ 1,782,761</u>		
		Accounts Payable 52,324		
		Cash Disbursements <u>1,037,760</u>		
			<u>\$ 1,090,084</u>	

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	212,348
Increased by:		
Transferred from Current Year Budget		<u>145,934</u>
		358,282
Decreased by:		
Transferred to Appropriation Reserves		<u>212,348</u>
Balance - December 31, 2023	\$	<u><u>145,934</u></u>

**Schedule of Reserve for Due to Free Public Library**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	<u>37,425</u>
Balance - December 31, 2023	\$	<u><u>37,425</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Amount Due to the  
State of New Jersey**

**Current Fund**

**Year Ended December 31, 2023**

	<u>Marriage License Fee</u>	<u>Burial Permit Fee</u>	<u>Construction Training Fee</u>	<u>Total</u>
Balance - December 31, 2022	\$	400	5,125	5,525
Increased by:				
Cash Receipts	<u>1,125</u>	<u>1,060</u>	<u>26,607</u>	<u>28,792</u>
	1,125	1,460	31,732	34,317
Decreased by:				
Cash Disbursements	<u>700</u>	<u>1,170</u>	<u>23,920</u>	<u>25,790</u>
Balance - December 31, 2023	<u>\$ 425</u>	<u>290</u>	<u>7,812</u>	<u>8,527</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	12,824
Increased by:		
Cash Receipts		<u>23,398</u>
		36,222
Decreased by:		
Cash Disbursements		<u>32,787</u>
Balance - December 31, 2023	\$	<u><u>3,435</u></u>

**Schedule of Local School District Tax Payable**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	1,238,635
Increased by:		
2023 Levy		<u>36,805,103</u>
		38,043,738
Decreased by:		
Payments		<u>38,043,737</u>
Balance - December 31, 2023	\$	<u><u>1</u></u>

**Exhibit A-19**

**TOWNSHIP OF SADDLE BROOK**

**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022		\$	3,208
Increased by:			
2023 Levy	\$	6,707,655	
2023 Open Space		293,692	
2023 Added Assessments		<u>4,243</u>	
			7,005,590
Decreased by:			
Payments			<u>7,004,555</u>
Balance - December 31, 2023		\$	<u><u>4,243</u></u>

**Exhibit A-20**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022		\$	310,058
Increased by:			
Collections			<u>481,364</u>
			791,422
Decreased by:			
Applied to 2023 Taxes Receivable			<u>310,058</u>
Balance - December 31, 2023		\$	<u><u>481,364</u></u>

TOWNSHIP OF SADDLE BROOK

Schedule of Reserve for Tax Appeals

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$	335,928
Decreased by:		
Refunds		<u>43,627</u>
Balance - December 31, 2023	\$	<u><u>292,301</u></u>

Schedule of Reserve for Municipal Relief Fund

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$	75,125
Increased by:		
Cash Receipts		<u>150,217</u>
		225,342
Decreased by:		
Realized as Budget Revenue		<u>75,125</u>
Balance - December 31, 2023	\$	<u><u>150,217</u></u>



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserve for Police Salaries and Wages**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$ 216,162
Increased by:	
Cash Receipts	<u>27,157</u>
	243,319
Decreased by:	
Cash Disbursements	<u>216,132</u>
Balance - December 31, 2023	<u><u>\$ 27,187</u></u>

**Schedule of Accounts Payable**

**Current Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$ 56,145
Increased by:	
Transferred from 2022 Budget	<u>52,324</u>
	108,469
Decreased by:	
Cash Disbursements	<u>56,145</u>
Balance - December 31, 2023	<u><u>\$ 52,324</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year Ended December 31, 2023**

<u>Grant</u>	<u>Revenue</u>	<u>Received</u>	<u>Dec. 31, 2023</u>
Body Armor Replacement Program	\$ 4,151	4,151	
Recycling Tonnage Grant	23,889	23,889	
Bergen County Census Grant	1,500	1,500	
Drunk Driving Enforcement Fund	26,000	26,000	
National Opioid Settlement	823	823	
Body Worn Cameras	82,500	81,520	980
Clean Communities Grant	25,612	25,612	
Recycling Tonnage Grant	<u>10,555</u>	<u>10,555</u>	
	<u>\$ 175,030</u>	<u>174,050</u>	<u>980</u>
		Cash Receipts \$ 105,409	
		Unappropriated Grants 68,641	
		<u>\$ 174,050</u>	

TOWNSHIP OF SADDLE BROOK

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, <u>2022</u>	Transfer From 2023 <u>Budget</u>	<u>Expended</u>	Over- <u>Expenditure</u>	Balance, Dec. 31, <u>2023</u>
Alcohol Education Rehabilitation - 2009	\$ 677				677
Alcohol Education Rehabilitation - 2017	965				965
Body Worn Camera Replacement		82,500	81,520		980
Body Armor Replacement Program - 2022	2,464				2,464
2021		4,151			4,151
Clean Communities Program - 2013	23,442		26,207	(2,765)	
2014	3,271		3,271		
2015	1,819		1,819		
2016	9,108		9,108		
2018	578		578		
2019	8,193		8,193		
2020	29,310		29,310		
2022		25,612	25,612		
Drunk Driving Enforcement Fund - 2009	6,574				6,574
2010	27,787				27,787
2022		26,000	12,327		13,673
Recycling Tonnage Grant - 2013	31,764		31,764		
2014	53,515		53,515		
2015	34,510		34,510		
2016	21,442		21,442		
2017	10,492		10,492		
2018	16,817		16,817		
2018	16,130		16,130		
2019		10,555	10,555		
2020		23,889	23,889		
National Opioid Settlement Funds		823			823
Bergen County - Census Grant		1,500			1,500
Firehouse Subs Grant	2,291				2,291
	<u>\$ 301,149</u>	<u>175,030</u>	<u>417,059</u>	<u>(2,765)</u>	<u>61,885</u>

Adopted Budget \$ 175,030

Cash Disbursements 417,059

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Unappropriated Reserves for Grants**

**Federal and State Grant Fund**

**Year Ended December 31, 2023**

<u>Grant</u>	Balance, Dec. 31, <u>2022</u>	Transfer To 2023 <u>Budget</u>	<u>Received</u>	Balance, Dec. 31, <u>2023</u>
Census Grant	\$ 1,500	1,500		
Stormwater Assistance Grant			15,000	15,000
Opioid Settlement Funds	8,028	823	13,170	20,375
Drunk Driving Enforcement Fund	26,000	26,000		
Body Armor Replacement Grant	1,771	1,771	2,676	2,676
Body Armor Replacement Grant	2,380	2,380		
Clean Communities Program	25,612	25,612	28,728	28,728
Recycling Tonnage Grant	10,555	10,555		
	<u>\$ 75,846</u>	<u>68,641</u>	<u>59,574</u>	<u>66,779</u>
		Cash Receipts	<u>59,574</u>	

TOWNSHIP OF SADDLE BROOK

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2023

	Animal License Fund	Other Trust Funds	Length of Service Award Program
Balance, December 31, 2022	\$ 12,539	2,166,160	2,716,855
Increased by:			
Animal License Fees	4,104		
Due to State of New Jersey - Dog License Fees	639		
Miscellaneous Reserves		1,077,134	
Interfunds		5,651	
Gain on Investments			566,646
Township Contribution			67,850
	<u>4,743</u>	<u>1,082,785</u>	<u>634,496</u>
	17,282	3,248,945	3,351,351
Decreased by:			
Due to State of New Jersey	608		
Interfunds	4,489	1,919	
Miscellaneous Reserves		1,390,491	
Account Charges/Tax			3,675
Benefit Distributions			74,290
	<u>5,097</u>	<u>1,392,410</u>	<u>77,965</u>
Balance, December 31, 2023	\$ <u>12,185</u>	<u>1,856,535</u>	<u>3,273,386</u>

TOWNSHIP OF SADDLE BROOK

Schedule of Miscellaneous Reserves

Trust Funds

Year Ended December 31, 2023

	Balance, December 31 <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2023</u>
Reserve for:				
Tax Title Liens	\$ 44,359	170,105	170,105	44,359
Tax Title Lien Premiums	328,650	33,100	246,700	115,050
Recreation Trust	5,539	4,795		10,334
Community Activities Fund	88,164	26,930	31,042	84,052
Senior Center Donations	648	109	299	458
Police Dept. Trust	48,071	3,315	15,732	35,654
Police Outside Duty	52,766	595,952	561,035	87,683
Treasurer's Trust	138,194			138,194
Escrow	818,030	121,661	96,691	843,000
Public Defender	53,250	6,200	2,250	57,200
Unemployment	163,988	14,090	144,855	33,223
POAA	6,447	241		6,688
Mount Laurel Trust	375,872	4,761	1,378	379,255
Citizens Against Substance Abuse	29,893	3,402	1,158	32,137
Health Benefits Claims Trust	14,085	105,161	119,246	
	<u>\$ 2,167,956</u>	<u>1,089,822</u>	<u>1,390,491</u>	<u>1,867,287</u>
		Cash \$ 1,077,134	1,390,491	
		Interfunds 12,688		
		<u>\$ 1,089,822</u>	<u>1,390,491</u>	

TOWNSHIP OF SADDLE BROOK

Schedule of Amount Due from/(to) Various Funds  
Trust Funds

Year Ended December 31, 2023

<u>Fund</u>	Balance December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2023</u>
Current Fund:				
Escrow	\$ (276)	390	138	(24)
Health Benefit Claims			22	(22)
Unemployment	3,170	12,688		15,858
Redemption Trust	(1,529)	1,529	3,595	(3,595)
Other Trust	431		1,896	(1,465)
Animal Trust	(4,489)	4,489	4,123	(4,123)
	<u>(2,693)</u>	<u>19,096</u>	<u>9,774</u>	<u>6,629</u>
Due to Trust Funds	3,601	12,688	1,918	14,371
Due from Trust Funds	<u>(6,294)</u>	<u>6,408</u>	<u>7,856</u>	<u>(7,742)</u>
	<u>\$ (2,693)</u>	<u>19,096</u>	<u>9,774</u>	<u>6,629</u>
			Receipts \$ 5,651	
		Disbursements 6,408		
		Deposit errors - Employee Payroll Deductions 12,688		
		Statutory Excess	4,123	
		<u>\$ 19,096</u>	<u>9,774</u>	

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Due to State of New Jersey-**  
**Animal License Fees**

**Trust Funds**

**Year Ended December 31, 2023**

Balance, December 31, 2022	\$	312
Increased by:		
2023 Fees Collected		<u>639</u>
		951
Decreased by:		
Cash Disbursements		<u>608</u>
Balance, December 31, 2023	\$	<u><u>343</u></u>



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserve for Expenditures -  
Animal License Fund**

**Trust Funds**

**Year Ended December 31, 2023**

Balance, December 31, 2022		\$	7,738
Increased by:			
Dog License Fees	\$	3,599	
Cat License Fees		220	
Late Fees		87	
Miscellaneous		1	
Interest on Investments		<u>197</u>	
			<u>4,104</u>
			11,842
Decreased by:			
Statutory Excess			<u>4,123</u>
Balance, December 31, 2023		\$	<u><u>7,719</u></u>

License Fees Collected

2021	3,969
2022	<u>3,750</u>
\$	<u><u>7,719</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Service Award Contributions Receivable**

**Emergency Services Volunteer - Length of Service Award Program**

**Year Ended December 31 2023**

Increased by:		
2023 Service Award Contribution	\$	88,550
2022 Service Award Contribution		<u>69,000</u>
		157,550
Decreased by:		
Contributions Cancelled	\$	1,150
Contributions Received		<u>67,850</u>
		<u>69,000</u>
Balance, December 31, 2023	\$	<u>88,550</u>
		<u>69,000</u>
		<u>88,550</u>
	\$	<u>88,550</u>

**Schedule of Net Assets Available for Benefits**

**Emergency Services Volunteer - Length of Service Award Program**

**Year Ended December 31 2023**

Balance, December 31, 2022	\$	2,716,855
Increased by:		
Net Unrealized Appreciation	\$	566,646
Township Contributions		<u>157,550</u>
		<u>724,196</u>
		3,441,051
Decreased by:		
Account Charges/Tax	\$	3,675
Contributions Cancelled		1,150
Distributions		<u>74,290</u>
		<u>79,115</u>
Balance, December 31, 2023	\$	<u>3,361,936</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Cash - Treasurer**

**General Capital Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022		\$	748,041
Increased by receipts:			
Grants Receivable	\$	45,663	
Interfunds		304,336	
Bond Anticipation Note		8,316,000	
Reserve for Payment of Debt		231,644	
Principal on Notes		350,000	
Premium received from Note Sale		63,506	
Unappropriated State Grants		162,000	
Capital Improvement Fund		<u>200,000</u>	
			<u>9,673,149</u>
			10,421,190
Decreased by Disbursements:			
Interfunds		2,520	
Improvement Authorizations		4,180,462	
Bond Anticipation Note		<u>5,849,000</u>	
			<u>10,031,982</u>
Balance - December 31, 2023		\$	<u><u>389,208</u></u>

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of General Capital Fund Cash**  
**General Capital Fund**  
**Year Ended December 31, 2023**

Capital Improvement Fund	\$ 56,900
Grant Receivable	(766,420)
NJ Environmental Infrastructure Trust Loan	(56,846)
Over-expenditure of Improvement Authorization	(16,939)
Interfunds Receivable	(125,763)
Reserve for Payment of Debt/Notes	617,144
Various Reserves	105,962
Contracts Payable	1,137,705
Reserve for Unappropriated State Grant	243,426
Reserve for Grants Receivable	454,396
<u>Improvement description</u>	
1519-11 Replace Water Mains	1,341
1605-15 Flood Mitigation Improvements	85,396
1606-15 Various Public Improvements	(265,052)
1623-17 Various Sanitary Sewer Force Main Repairs	81,935
1627-17 Road Resurfacing, Curb Replacement & Repair/ Replacement of Sanitary Sewer Lines	(1,187)
1631-17 Various Public Improvements	(200,000)
1632-17 Tax Appeal Refunding Ordinance	20,551
1639-18 Acquisition of Ambulance and Pagers	27,929
1641-18 Construction of Tri-Centennial Park	46,939
1642-18 Acquisition of Fire Truck and Other Related Equipment for Fire Department	701
1643-18 2018 Road Improvement Program	(155,000)
1647-18 Improvement to Fair Lawn Parkway, Phase I	363
1651-19 2019 Road Improvement Program	(100,912)
1659-19 Sanitary Sewer System Improvements	6,116
1664-19 Various Public Improvements	57,499
1668-19 Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	8,342
1673-19 2020 Road Improvement Program	98,989
1677-20 Various Sanitary Sewer Improvements	96
1681-20 Improvements to Mayhill Street, Phase I	6,131
1697-21 2021 Road Improvement Program	1,528
1700-21 Improvements to Mayhill Park	60,000
1712-21 Various Sanitary Sewer Improvements	15,982
1713-21 Acquisition of New Communications System	4,662
1727-22 Various Public Improvements	201,044
1733-23 Improvement of Albert Drive	(285,901)
1734-23 2023 Road Improvement Program	(649,278)
1741-23 Various Public Improvements	(392,078)
	<hr/>
	\$ <u>389,208</u>

**TOWNSHIP OF SADDLE BROOK**

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

**General Capital Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022		\$	47,745,711
Decreased by:			
Budget appropriations:			
Bond Principal	\$	1,974,050	
NJ Environmental Infrastructure Trust Loan		<u>107,677</u>	
			<u>2,081,727</u>
Balance - December 31, 2023		\$	<u><u>45,663,984</u></u>

TOWNSHIP OF SADDLE BROOK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Item Description	Balance, Dec. 31, 2022	2023 Authorizations	Decreased by:	Balance, Dec. 31, 2023	Analysis of Balance - December 31, 2023		
						Funded by	Expenditures	Unexpended Improvement Authorization
1606-15	Various Public Improvements	\$ 400,000			400,000		265,052	134,948
1627-17	Road Resurfacing, Curb Replacement & Repair/Replacement of Sanitary Sewer Lines	1,628			1,628		1,187	441
1631-17	Various Public Improvements	200,000			200,000		200,000	
1632-17	Tax Appeal Refunding Ordinance	350,000		350,000				
1643-18	2018 Road Improvement Program	155,000			155,000		155,000	
1647-18	Improvement of Fair Lawn Parkway, Phase I	110,000			110,000		100,912	9,088
1651-19	2019 Road Improvement Program	3,000			3,000			3,000
1673-19	2020 Road Improvement Program	1,571,000			1,571,000	1,571,000		
1676-20	Acquisition of Fire Truck and Other Related	452,000			452,000	452,000		
1677-20	Various Sanitary Sewer Improvements	375,000			375,000	373,000		2,000
1681-20	Imps. To Mayhill Street, Phase I	1,619,000			1,619,000	1,619,000		
1697-21	2021 Road Improvement Program	480,000			480,000	480,000		
1698-21	Improvement of Mayhill Street, Phase II	452,000			452,000	452,000		
1712-21	Various Sanitary Sewer Improvements	552,000			552,000	552,000		
1713-21	Acquisition of New Police Communications System							

TOWNSHIP OF SADDLE BROOK

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Description	Balance, Dec. 31, 2022	2023 Authorizations	Decreased by:	Balance, Dec. 31, 2023	Analysis of Balance - December 31, 2023		
						Funded by	Expenditures	Unexpended Improvement Authorization
1719-22	2022 Road Improvement Program	1,523,000			1,523,000	Bond		
1720-22	Various Improvements to Municipal Buildings/Property	357,000			357,000	Anticipation Notes		
1727-22	Various Public Improvements	937,900			937,000			900
1733-23	Improvement of Alberta Drive		490,000	169,260	320,740		285,901	34,839
1734-23	2023 Road Improvement Program		1,066,000		1,066,000		649,278	416,722
1741-23	Various Public Improvements		2,752,000		2,752,000		392,078	2,359,922
		\$ 9,538,528	4,308,000	519,260	13,327,268		2,049,408	2,961,860

Improvement Authorizations \$ 4,308,000

Improv. Authorizations - Unfunded \$ 3,191,303

Less: Unexpended Note Proceeds:

Ord. 1677-20	96
Ord. 1681-20	6,131
Ord. 1697-21	1,528
Ord. 1712-21	15,982
Ord. 1713-21	4,662
Ord. 1727-22	201,044

Grant Proceeds Applied	169,260
Budget Appropriation	350,000
	<u>\$ 519,260</u>

229,443

\$ 2,961,860

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Interfunds**

**General Capital Fund**

**Year Ended December 31, 2023**

	Balance due from/(to) Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2023</u>
Current Fund	\$ <u>258,319</u>	<u>171,780</u>	<u>304,336</u>	<u>125,763</u>
			Cash Receipts \$ 304,336	
		Cash Disbursements 2,520		
		Grant Proceeds - Deposit Errors <u>169,260</u>		
		\$ <u>171,780</u>	<u>304,336</u>	



TOWNSHIP OF SADDLE BROOK

Schedule of Grants and Contributions Receivable

General Capital Fund

Year Ended December 31, 2023

	Grant Amount	Year	Ordinance	Balance		2023 Grants Authorized	Decreased by:	Balance Dec. 31, 2023
				Dec. 31, 2022				
<u>New Jersey Department of Transportation</u>								
Mayhill Street, Phase I	182,653	2020	1681-20	\$ 45,663		45,663		50,000
Mayhill Street, Phase II	200,000	2021	1698-21	50,000				56,420
Imps. to Alberta Drive	225,680	2023	1733-23			225,680	169,260	
<u>Community Development Block Grant</u>								
Senior Citizen ADA Improvements	316,814	2009	1471-09	202,924				202,924
2018 - Road Imps. - Leswig Road	192,000	2019	1668-19	110,000				110,000
Imps. to Albany Street, from Congress to the end	101,000	2021	1697-21	101,000				101,000
2023 Road Imp. Program	136,976	2023	1734-23			136,976		136,976
<u>Bergen County Open Space Preservation Trust Fund:</u>								
Construction of the Tri-Centennial Park	49,100	2018	1641-18	49,100				49,100
Imps. to Mayhill Park	30,000	2021	1700-21	30,000				30,000
<u>Contributions - Columbia Bank</u>								
Imps. to Mayhill Park	30,000	2021	1700-21	30,000				30,000
				\$ 618,687		362,656	214,923	766,420

Cash Receipts 45,663  
 Due from Current Fund 169,260  
 \$ 214,923

**TOWNSHIP OF SADDLE BROOK**

**Schedule of New Jersey Infrastructure Loans Receivable**

**General Capital Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022 \$ 56,846

Balance - December 31, 2023 \$ 56,846

**Schedule of Deferred Charges**

**General Capital Fund**

**Year Ended December 31, 2023**

Increased by:  
    Overexpenditure of Ordinance \$ 16,939

Balance - December 31, 2023 \$ 16,939

TOWNSHIP OF SADDLE BROOK

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
BCIA Refunding Bond 2015	March 1, 2015	14,907,900	Sept. 1, 2024	1,055,550	5.000% \$	9,495,300	1,009,050	8,486,250
			Sept. 1, 2025	1,111,350	5.000%			
			Sept. 1, 2026	1,167,150	4.000%			
			Sept. 1, 2027	1,213,650	4.000%			
			Sept. 1, 2028	1,260,150	4.000%			
			Sept. 1, 2029	1,315,950	4.000%			
			Sept. 1, 2030	1,362,450	3.00%			
General Improvement Bonds	May 15, 2020	14,600,000	Feb. 15, 2024	875,000	2.125%	13,390,000	600,000	12,790,000
			Feb. 15, 2025	775,000	2.125%			
			Feb. 15, 2026	600,000	2.125%			
			Feb. 15, 2027	625,000	2.125%			
			Feb. 15, 2028	750,000	2.125%			
			Feb. 15, 2029	990,000	2.125%			
			Feb. 15, 2030	1,025,000	2.125%			
			Feb. 15, 2031	1,175,000	2.125%			
		Feb. 15, 2032	1,175,000	2.125%				
		Feb. 15, 2033	1,200,000	2.125%				
		Feb. 15, 2034	1,200,000	2.25%				
		Feb. 15, 2035	1,200,000	2.25%				
		Feb. 15, 2036	1,200,000	2.375%				

TOWNSHIP OF SADDLE BROOK

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
Bergen County Improvement Authority County Guaranteed Lease Revenue Bonds	May 13, 2020	24,635,000	Aug. 1, 2024	385,000	5.000%	24,285,000	365,000	23,920,000
			Aug. 1, 2025	405,000	5.000%			
			Aug. 1, 2026	425,000	5.000%			
			Aug. 1, 2027	445,000	5.000%			
			Aug. 1, 2028	470,000	5.000%			
			Aug. 1, 2029	490,000	5.000%			
			Aug. 1, 2030	515,000	5.000%			
			Aug. 1, 2031	775,000	5.000%			
			Aug. 1, 2032	815,000	5.000%			
			Aug. 1, 2033	855,000	5.000%			
			Aug. 1, 2034	895,000	5.000%			
			Aug. 1, 2035	940,000	5.000%			
			Aug. 1, 2036	990,000	4.000%			
			Aug. 1, 2037	1,030,000	4.000%			
			Aug. 1, 2038	1,070,000	4.000%			
			Aug. 1, 2039	1,110,000	4.000%			
			Aug. 1, 2040	1,155,000	4.000%			
			Aug. 1, 2041	1,200,000	4.000%			
			Aug. 1, 2042	1,250,000	5.000%			
			Aug. 1, 2043	1,310,000	4.000%			
		Aug. 1, 2044	1,365,000	4.000%				
		Aug. 1, 2045	1,420,000	4.000%				
		Aug. 1, 2046	1,475,000	4.000%				
		Aug. 1, 2047	1,535,000	4.000%				
		Aug. 1, 2048	1,595,000	4.000%				
						\$ 47,170,300	1,974,050	45,196,250

Budget Appropriations \$ 1,974,050

**TOWNSHIP OF SADDLE BROOK**

**Schedule of New Jersey Infrastructure Loans**

**General Capital Fund**

**Year Ended December 31, 2023**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
NJ Environmental Infrastructure Trust Loan	November 8, 2007	952,000	August 1, 2024	62,000	4.500%	319,000	57,000	262,000
			August 1, 2025	62,000	4.500%			
			August 1, 2026	67,000	4.500%			
			August 1, 2027	71,000	4.250%			
NJ Environmental Infrastructure Fund Loan	November 8, 2007	983,154	August 1, 2024	52,080		256,411	50,677	205,734
			August 1, 2025	50,105				
			August 1, 2026	51,265				
			August 1, 2027	52,284				
						\$ 575,411	107,677	467,734
						Budget Appropriations 107,677		

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Bond Anticipation Notes Payable**  
**General Capital Fund**

**Year Ended December 31, 2023**

Ord. Number	Purpose	Date of Original Issue	Date Issued	Date of Maturity	Interest Rate	Balance, Dec. 31, 2022	Increased	Decreased	Balance, Dec. 31, 2023
1632-17	Tax Appeal Refunding Bonds	Dec. 20, 2017	May 12, 2023	May 10, 2024	4.50% \$	350,000		350,000	1,571,000
1676-20	Acq. Of Fire Truck and Fire Fighting Equipment	May 13, 2021	May 12, 2023	May 10, 2024	4.50%	1,571,000	1,571,000	1,571,000	452,000
1677-20	Various Sanitary Sewer Improvements	May 13, 2021	May 12, 2023	May 10, 2024	4.50%	452,000	452,000	452,000	373,000
1681-20	Imps. To Mayhill Street, Phase 1	May 13, 2021	May 12, 2023	May 10, 2024	4.50%	373,000	373,000	373,000	1,619,000
1697-21	2021 Road Improvement Program	May 13, 2021	May 12, 2023	May 10, 2024	4.50%	1,619,000	1,619,000	1,619,000	480,000
1698-21	Imps. To Mayhill Street, Phase 2	May 13, 2022	May 12, 2023	May 10, 2024	4.50%	480,000	480,000	480,000	452,000
1712-21	Various Sanitary Sewer Improvements	May 13, 2022	May 12, 2023	May 10, 2024	4.50%	452,000	452,000	452,000	552,000
1713-21	Acq. of New Police Communications System	May 13, 2022	May 12, 2023	May 10, 2024	4.50%	552,000	552,000	552,000	1,523,000
1719-22	2022 Road Improvement Program	May 12, 2023	May 12, 2023	May 10, 2024	4.50%		357,000		357,000
1720-22	Various Imps. To Municipal Buildings/Property	May 12, 2023	May 12, 2023	May 10, 2024	4.50%		937,000		937,000
1727-22	Various Public Improvements	May 12, 2023	May 12, 2023	May 10, 2024	4.50%				
						\$ 5,849,000	8,316,000	5,849,000	8,316,000

Cash \$	2,817,000
Renewed	5,499,000
Budget Appropriation	350,000
	\$ 8,316,000
	5,849,000

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	48,900
Increased by:		
Budget Appropriation		200,000
		248,900
Decreased by:		
Appropriated to Finance Improvement Authorizations		192,000
Balance - December 31, 2023	\$	56,900

**Schedule of Reserve for Payment of Debt/Notes**  
**General Capital Fund**  
**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	339,838
Increased by:		
Cash Receipts:		
Cash Receipts	\$	231,644
Grant Proceeds Received - Transferred from Reserve for Receivables		45,663
		277,307
		617,145
Decreased by:		
Cancelled to Fund Balance		1
Balance - December 31, 2023	\$	617,144

<u>Analysis of Balance</u>	
Notes - Ord. 1681-20	182,653
Notes - Ord. 1698-21	150,000
Notes - Ord. 1719-22	231,644
Payment of Debt	51,227
Ord. 1672-19	1,620
	\$ 617,144

TOWNSHIP OF SADDLE BROOK

Schedule of Reserves

General Capital Fund

Year Ended December 31, 2023

	Balance Dec. 31, <u>2022</u>	Balance Dec. 31, <u>2023</u>
Reserve for:		
Mount Laurel Development	\$ 100,000	100,000
Non Residential Development	<u>5,962</u>	<u>5,962</u>
	<u>\$ 105,962</u>	<u>105,962</u>



TOWNSHIP OF SADDLE BROOK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2022		Authorized	Expended	Over-Expenditures	Balance, Dec. 31, 2023	
				Funded	Unfunded				Funded	Unfunded
1519-11	Replace Water Mains	8/11/2011	985,000 \$	1,341					1,341	
1605-15	Flood Mitigation Improvements	Nov. 5, 2015	850,000	91,409		6,013			85,396	
1606-15	Various Public Improvements	Nov. 5, 2015	760,000		293,606	158,658				134,948
1623-17	Various Sanitary Sewer Force Main Repairs	Mar. 2, 2017	325,000	99,298		17,363			81,935	
1627-17	Road Resurfacing, Curb Replacement & Repair/Replacement of Sanitary Sewer Lines	Jun. 1, 2017	995,000	49,478	1,628	50,665				441
1632-17	Tax Appeal Refunding Ordinance	Nov. 2, 2017	2,100,000		20,551				20,551	
1639-18	Acquisition of Ambulance and Pagers	Mar. 1, 2018	325,000	27,929				(328)		
1641-18	Construction of Tri-Centennial Park	Apr. 5, 2018	76,200	46,939					27,929	
1642-18	Acquisition of Fire Truck and Other Related Equipment for Fire Department	Apr. 5, 2018	1,625,000	701					701	
1643-18	2018 Road Improvement Program	Apr. 5, 2018	1,550,000		40,465	40,793				
1647-18	Improvement to Fair Lawn Parkway, Phase I	Sept. 6, 2018	410,000	100,185		99,822			363	
1651-19	2019 Road Improvement Program	Mar. 14, 2019	1,200,000		9,088					9,088
1659-19	Sanitary Sewer System Improvements	July 11, 2019	400,000	6,116					6,116	
1664-19	Various Public Improvements	Aug. 1, 2019	710,000	63,608		6,109			57,499	
1668-19	Improvement of Fair Lawn Parkway, Phase II and Hubert Terrace	Oct. 3, 2019	650,000	41,131		32,789			8,342	
1672-19	Acquisition of Property and Construction of New Municipal Building - Lease/Purchase	Dec. 26, 2019	28,000,000	234,215		234,215			98,989	3,000
1673-20	2020 Road Improvement Program	Dec. 26, 2019	1,400,000	140,823	3,000	41,834				
1676-20	Acquisition of Fire Truck and related Equipment	Mar. 5, 2020	1,650,000		58,666	75,277	(16,611)			
1677-20	Various Sanitary Sewer Improvements	Mar. 5, 2020	475,000		96					96
1681-20	Improvements to Mayhill Street, Phase I	Apr. 9, 2020	375,000		84,565	76,434				8,131
1697-21	2021 Road Improvement Program	Apr. 1, 2021	1,700,000		162,361	160,833				1,528
1698-21	Improvement of Mayhill Street, Phase II	Apr. 1, 2021	480,000		130,451	130,451				
1700-21	Improvements to Mayhill Street Park	Jun. 3, 2021	60,000	60,000					60,000	
1712-21	Various Sanitary Sewer Improvements	Dec. 2, 2021	475,000		64,565	48,583				15,982
1713-21	Acquisition of new Police Communications System	Dec. 2, 2021	580,000		4,662					4,662
1719-22	2022 Road Improvement Program	Apr. 7, 2022	1,600,000		771,663	771,663				
1720-22	Improvements to Municipal Buildings/Property	Apr. 7, 2022	375,000		25,160	25,160				
1727-22	Various Public Improvements	Dec. 27, 2022	985,000	47,100	937,900	783,056				201,944

TOWNSHIP OF SADDLE BROOK

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2022		Authorized	Expended	Over-Expenditures	Balance, Dec. 31, 2023	
				Funded	Unfunded				Funded	Unfunded
1733-23	Improvement of Alberta Drive	May 4, 2023	490,000		490,000	455,161			34,839	
1734-23	2023 Road Improvement Program	May 4, 2023	1,120,000		1,120,000	703,278			416,722	
1741-23	Various Public Improvements	Aug. 28, 2023	2,890,000		2,890,000	530,078			2,359,922	
			\$ 1,010,273	2,608,427	4,500,000	4,448,235	(16,939)		496,101	3,191,303
					Capital Improvement Fund	192,000				
					Deferred Charges Unfunded	4,308,000				
					\$ 4,500,000					
					Contracts Payable	1,137,705				
					Prior Year Contracts Payable Reversed	(869,932)				
					Cash Disbursements	4,180,462				
					\$ 4,448,235					

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Reserve for Unappropriated State Grant**

**General Capital Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	81,426
Increased by:		
Cash Receipts		162,000
Balance - December 31, 2023	\$	243,426

**Schedule of Reserve for Grants Receivable**

**General Capital Fund**

**Year Ended December 31, 2023**

Balance - December 31, 2022	\$	306,663
Increased by:		
Grants Awarded		
Community Development Block Grant	\$	136,976
NJ Department of Transportation		225,680
		362,656
		669,319
Decreased by:		
Grants Received - Applied to Authorized not Issued		
Reserve for Payment of Notes	\$	169,260
		45,663
		214,923
Balance - December 31, 2023	\$	454,396

<u>Analysis of Balance</u>		
Dept. of Transportation - Ord. 1698		50,000
Community Development Block Grant - Ord. 1697		101,000
Community Development Block Grant - Ord. 1651		110,000
Community Development Block Grant - Ord. 1734-23		136,976
Dept. of Transportation - Ord. 1733-23		56,420
	\$	454,396

TOWNSHIP OF SADDLE BROOK

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance, Dec. 31, 2022	Authorized	Decreased	Balance, Dec. 31, 2023
1606-15	Various Capital Improvements	\$ 400,000			400,000
1631-17	Various Public Improvements	200,000			200,000
1627-17	Road Resurfacing, Curb Replacement & Repair/Replacement of Sanitary Sewer Lines	1,628			1,628
1643-18	2018 Road Program	155,000			155,000
1651-19	2019 Road Improvement Program	110,000			110,000
1673-19	2020 Road Improvement Program	3,000			3,000
1681-20	Imps. To Mayhill Street, Phase I	2,000			2,000
1719-22	2022 Road Improvements Program	1,523,000		1,523,000	
1720-22	Various Improvements to Municipal Buildings/Property	357,000		357,000	
1727-22	Various Public Improvements	937,900		937,000	900
1733-23	Improvement of Alberta Drive		490,000	169,260	320,740
1734-23	2023 Road Improvement Program		1,066,000		1,066,000
1741-23	Various Public Improvements		2,752,000		2,752,000
		\$ 3,689,528	4,308,000	2,986,260	5,011,268
	Current Year Improvement Authorizations		4,308,000		
			\$ 4,308,000		
	Grant Proceeds Applied			169,260	
	Bond Anticipation Notes Issued			2,817,000	
				\$ 2,986,260	

## TOWNSHIP OF SADDLE BROOK

## Schedule of Cash - Treasurer

## Water Utility Fund

Year ended December 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2022	\$ <u>777,533</u>	<u>215,129</u>
Increased by receipts:		
Water Collector	3,023,281	
Interest on Investments	12,185	
Interest on Delinquents	20,522	
Miscellaneous	637	
Overpayments	15,141	
Interfunds	465,000	556,281
Bond Anticipation Note		780,000
	<u>3,536,766</u>	<u>1,336,281</u>
	4,314,299	1,551,410
Decreased by disbursements:		
2023 Appropriations	3,190,852	
2022 Appropriation Reserves	42,856	
Accrued Interest on Bonds	109,950	
Accrued Interest on Loans	11,194	
Improvement Authorizations		731,059
Interfunds	421,281	
	<u>3,776,133</u>	<u>731,059</u>
Balance, December 31, 2023	\$ <u><u>538,166</u></u>	<u><u>820,351</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Analysis of Cash**

**Water Utility Capital Fund**

**December 31, 2023**

	Balance, Dec. 31, <u>2023</u>
Accounts Receivable	\$ (116,040)
Capital Improvement Fund	17,748
Interfund Payable	135,000
Fund Balance	11,437
 Improvement Authorizations:	
Ordinance	
<u>Number</u>	<u>General Improvements</u>
1514-11	Water Utility Improvements
	6,471
1557-13	Replacement of Water Mains
	88,614
1652-19	Replacement of Water Mains-Sheelee Place
	7,183
1674-19	Replacement of Water Mains-Bell Avenue
	40,908
1711-21	Various Public Improvements & Acquisition of
	new, additional or replacement equipment/machinery
	<u>629,029</u>
	<u>\$ 820,350</u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Consumers' Accounts Receivable**

**Water Utility Operating Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022	\$ 194,360
Increased by:	
Water Utility Billings	<u>3,085,762</u>
	3,280,122
Decreased by:	
Cash Receipts	<u>3,023,281</u>
Balance, December 31, 2023	<u><u>\$ 256,841</u></u>

TOWNSHIP OF SADDLE BROOK

Schedule of Interfunds

Water Utility Operating Fund

Year ended December 31, 2023

	Due from/(to) Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2023</u>
Current Fund	\$ 465,600		465,000	600
Water Utility Capital Fund	<u>(421,281)</u>	<u>421,281</u>	<u>465,000</u>	<u>600</u>
	<u>\$ 44,319</u>	<u>421,281</u>	<u>465,000</u>	<u>600</u>
Cash Disbursements	\$	421,281		
Cash Receipts		<u>465,000</u>		
	\$	<u>421,281</u>	<u>465,000</u>	



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

	Due from/(to) Dec. 31, <u>2022</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2023</u>
Current Fund	\$	135,000	(135,000)
Water Utility Operating Account	<u>421,281</u>	<u>421,281</u>	<u>                    </u>
	\$ <u>421,281</u>	<u>556,281</u>	<u>(135,000)</u>
		Cash Receipts \$ <u>556,281</u>	

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Accounts Receivable - I-Bank**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022	\$ <u>116,040</u>
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Balance, December 31, 2023	\$ <u><u>116,040</u></u>
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**TOWNSHIP OF SADDLE BROOK**

**Schedule of Fixed Capital**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

<u>Account</u>	Balance, Dec. 31, <u>2022</u>	Transferred from Fixed Capital Authorized and <u>Uncompleted</u>	Balance, Dec. 31, <u>2023</u>
Additional Water Mains	\$ 516,996		516,996
Fire Hydrants	5,000		5,000
General Equipment	650,833		650,833
Water Mains	337,650	837,650	1,175,300
Water Meters	813,897	342	814,239
Water Utility Improvements	<u>2,009,425</u>		<u>2,009,425</u>
	<u>\$ 4,333,801</u>	<u>837,992</u>	<u>5,171,793</u>

TOWNSHIP OF SADDLE BROOK

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2022	Transferred to Fixed Capital	Balance, Dec. 31, 2023
		Date	Amount			
1200/1411	Extension of Water Mains/Meter Purchase	March 29, 2007	215,000	\$ 12,650	12,650	
1205-00	Automatic Meter Reading Equipment	March 9, 2000	295,000	342	342	
1514-11	Water Utility Improvements	June 9, 2011	225,000	225,000		225,000
1557-13	Replacement of Water Mains	Oct. 10, 2013	2,000,000	2,000,000		2,000,000
1645-18	Replacement of Water Mains	May 3, 2018	825,000	825,000	825,000	
1652-19	Replacement of Water Mains-Sheele Place	March 7, 2019	425,000	425,000		425,000
1674-19	Replacement of Water Mains-Bell Avenue	Dec. 26, 2019	400,000	400,000		400,000
1711-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/machinery	Dec. 2, 2021	780,000	780,000		780,000
				\$ 4,667,992	837,992	3,830,000

**TOWNSHIP OF SADDLE BROOK**

**Schedule of 2022 Appropriation Reserves**

**Water Utility Operating Fund**

**Year ended December 31, 2023**

	Balance, Dec. 31, <u>2022</u>	Balance after transfers and <u>encumbrances</u>	<u>Paid or charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$		(2,043)	2,043
Other Expenses	77,281	103,118	44,899	58,219
Capital Improvements:				
Capital Outlay	65,000	65,000		65,000
Statutory Expenditures - Contribution to:				
Social Security System (O.A.S.I.)	<u>23,565</u>	<u>23,565</u>		<u>23,565</u>
	<u>\$ 165,846</u>	<u>191,683</u>	<u>42,856</u>	<u>148,827</u>
Appropriation Reserves		165,846		
Encumbrances		<u>25,837</u>		
		<u>\$ 191,683</u>		

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Encumbrances Payable**

**Water Utility Operating Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022	\$	25,837
Increased by:		
Transferred from Current Year Budget		<u>29,942</u>
		55,779
Decreased by:		
Transferred to Appropriation Reserves		<u>25,837</u>
Balance, December 31, 2023	\$	<u><u>29,942</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Overpayments**

**Water Utility Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022	\$	7,086
Increased by:		
Cash Receipts		<u>15,141</u>
Balance, December 31, 2023	\$	<u><u>22,227</u></u>

TOWNSHIP OF SADDLE BROOK

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year ended December 31, 2023

Balance, December 31, 2022		\$	40,960
Increased by:			
Budget Appropriation			<u>110,000</u>
			150,960
Decreased by:			
Liabilities Cancelled	\$	3,268	
Cash Disbursements		<u>109,950</u>	
			<u>113,218</u>
Balance, December 31, 2023		\$	<u><u>37,742</u></u>

Principal Outstanding Dec. 31, 2023	Interest Rate	From	To	Required Amount
3,545,000	2.00 - 2.375%	8/16/23	12/31/23	\$ 29,023
714,700	2.00 - 5.00%	9/1/23	12/31/23	<u>8,719</u>
				\$ <u><u>37,742</u></u>



**TOWNSHIP OF SADDLE BROOK**

**Schedule of Accrued Interest on Loans**

**Water Utility Operating Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022		\$ 4,258
Increased by:		
Budget Appropriation		<u>12,550</u>
		16,808
Decreased by:		
Liabilities cancelled	\$ 1,668	
Cash Disbursements	<u>11,194</u>	
		<u>12,862</u>
Balance, December 31, 2023		<u><u>\$ 3,946</u></u>

<u>Principal Outstanding Dec. 31, 2023</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Required Amount</u>
265,000	3.00% - 5.00%	8/1/23	12/31/23	\$ <u>3,946</u>
				<u><u>\$ 3,946</u></u>

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Improvement Authorizations**

**Water Utility Capital Fund**

Year ended December 31, 2023

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance, Dec. 31, 2022		Balance, Dec. 31, 2023	
				Funded	Unfunded	Funded	Unfunded
<b>General Improvements:</b>							
1200/1411	Extension of Water Mains/Purchase of Meters	March 29, 2007	215,000 \$	3,889	3,889		
1205	Automatic Meter Reading Equipment	March 9, 2000	295,000	342	342		
1514-11	Water Utility Improvements	June 9, 2011	225,000	6,471	6,471		
1557-13	Replacement of Water Mains	Oct. 10, 2013	2,000,000	88,614	88,614		35,587
1645-18	Replacement of Water Mains	May 3, 2018	825,000	320,138	320,138		
1652-19	Replacement of Water Mains-Sheele Place	March 7, 2019	425,000	261,618	254,435	7,183	
1674-19	Replacement of Water Mains-Bell Avenue	Dec. 26, 2019	400,000	62,908	22,000	40,908	
1711-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/mach	Dec. 2, 2021	780,000	759,284	130,255		629,029
				\$ 743,980	794,871	731,059	143,176
							664,616

Cash Disbursements \$ 731,059

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Capital Improvement Fund**  
**Water Utility Capital Fund**  
**Year ended December 31, 2023**

Balance, December 31, 2022	\$ <u>17,748</u>
Balance, December 31, 2023	\$ <u><u>17,748</u></u>

**TOWNSHIP OF SADDLE BROOK**

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022		\$ 2,552,012
Increased by:		
Serial Bond Principal	\$ 320,950	
NJ Environmental Infrastructure Trust		
Loan Principal	64,450	
Reclassify from Deferred Reserve for Amortization	<u>17,676</u>	
		<u>403,076</u>
Balance, December 31, 2023		\$ <u><u>2,955,088</u></u>

**Schedule of Reserve for Deferred Amortization**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

Balance, December 31, 2022		\$ 127,676
Decreased by:		
Reclassified to Reserve for Amortization		<u>17,676</u>
Balance, December 31, 2023		\$ <u><u>110,000</u></u>

TOWNSHIP OF SADDLE BROOK

Schedule of Water Utility Serial Bonds

Water Utility Capital Fund

Year ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
BCIA Refunding Bond	March 1, 2015	1,122,100	Sept. 1, 2024	79,450	5.000%	\$ 714,700	75,950	638,750
			Sept. 1, 2025	83,650	5.000%			
			Sept. 1, 2026	87,850	4.000%			
			Sept. 1, 2027	91,350	4.000%			
			Sept. 1, 2028	94,850	4.000%			
			Sept. 1, 2029	99,050	4.000%			
			Sept. 1, 2030	102,550	3.000%			
								3,790,000
General Improvement Bonds	May 15, 2020	4,250,000	Feb. 15, 2024	255,000	2.125%			
			Feb. 15, 2025	265,000	2.125%			
			Feb. 15, 2026	275,000	2.125%			
			Feb. 15, 2027	285,000	2.125%			
			Feb. 15, 2028	295,000	2.125%			
			Feb. 15, 2029	305,000	2.125%			
			Feb. 15, 2030	315,000	2.125%			
			Feb. 15, 2031	325,000	2.125%			
			Feb. 15, 2032	375,000	2.125%			
			Feb. 15, 2033	425,000	2.125%			
			Feb. 15, 2034	425,000	2.250%			
						\$ 4,504,700	320,950	4,183,750

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of New Jersey Infrastructure Trust Loans Payable**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
NJ Environmental Infrastructure Trust Loan Ord. 1557-13	May 22, 2018	325,000	August 1, 2024	15,000	5.000%	\$ 280,000	15,000	265,000
			August 1, 2025	15,000	5.000%			
			August 1, 2026	15,000	5.000%			
			August 1, 2027	15,000	5.000%			
			August 1, 2028	20,000	5.000%			
			August 1, 2029	20,000	3.000%			
			August 1, 2030	20,000	3.000%			
			August 1, 2031	20,000	3.000%			
			August 1, 2032	20,000	3.125%			
			August 1, 2033	20,000	3.125%			
			August 1, 2034	20,000	3.250%			
			August 1, 2035	20,000	3.250%			
			August 1, 2036	20,000	3.375%			
August 1, 2037	25,000	3.375%						

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of New Jersey Infrastructure Trust Loans Payable**

**Water Utility Capital Fund**

Year ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
NJ Environmental Infrastructure Fund Loan Ord. 1557-13	May 22, 2018	972,520	August 1, 2024	49,450	*	721,819	49,450	672,369
			August 1, 2025	49,450	*			
			August 1, 2026	49,450	*			
			August 1, 2027	49,450	*			
			August 1, 2028	49,450	*			
			August 1, 2029	49,450	*			
			August 1, 2030	49,450	*			
			August 1, 2031	49,450	*			
			August 1, 2032	49,450	*			
			August 1, 2033	49,450	*			
			August 1, 2034	49,450	*			
			August 1, 2035	49,451	*			
			August 1, 2036	49,451	*			
			August 1, 2037	29,517	*			

\$ 1,001,819      64,450      937,369

Budget Appropriations      64,450  
 \$      64,450

\* - Interest Free

**TOWNSHIP OF SADDLE BROOK**  
**Schedule of Bond Anticipation Notes**

**Water Utility Capital Fund**

**Year ended December 31, 2023**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance, Dec. 31, 2023</u>
1771-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/machinery	May 12, 2023	May 12, 2023	May 10, 2024	4.50%	\$ 780,000	780,000
						\$ 780,000	780,000
						<u>Cash Receipts \$ 780,000</u>	



TOWNSHIP OF SADDLE BROOK

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, Dec. 31, <u>2022</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
1557-13	Replacement of Water Mains	\$ 35,587		35,587
1771-21	Various Public Improvements & Acquisition of new, additional or replacement equipment/machinery	<u>780,000</u>	<u>780,000</u>	
		<u>\$ 815,587</u>	<u>780,000</u>	<u>35,587</u>

**TOWNSHIP OF SADDLE BROOK**

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**PART II**

**LETTER ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2023**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and  
Members of the Township Council  
Township of Saddle Brook  
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Saddle Brook in the County of Bergen as of and for the year ended December 31, 2023 and the related notes to the financial statements, and have issued our report thereon dated July 5, 2024, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Saddle Brook's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Saddle Brook's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Saddle Brook's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A



*significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


### **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the Township of Saddle Brook's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Saddle Brook in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Saddle Brook internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Saddle Brook internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

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

July 5, 2024



## TOWNSHIP OF SADDLE BROOK

### GENERAL COMMENTS

#### Contracts and Agreements

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

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of 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

**TOWNSHIP OF SADDLE BROOK**  
**GENERAL COMMENTS, CONTINUED**

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000. On July 1, 2020, the amount was increased to \$44,000.

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

The minutes indicate that bids were requested by public advertising for the following items:

- Hutter Street Storm Sewer Repairs Project
- Cambridge Avenue Project - 2022 Municipal Aid
- Recycling Services
- 2022 CDBG Congress Street Roadway Improvement
- 2023 Road Improvement Program
- 2023 Alberta Drive Improvement
- Hobson and Midland Avenue Water Main Project

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

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

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

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

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

**TOWNSHIP OF SADDLE BROOK**  
**GENERAL COMMENTS, CONTINUED**

The governing body, on January 2, 2023, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Township of Saddle Brook, that taxes due to the Township shall be payable February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on October 26, 2023, and was complete.

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

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

<u>Year</u>	<u>Number of liens</u>
2023	5
2022	5
2021	5

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

**TOWNSHIP OF SADDLE BROOK**  
**GENERAL COMMENTS, CONTINUED**

**Suggestions to Management:**

- Stale outstanding checks and various reconciling items on Township bank reconciliations be reviewed and cancelled/adjusted if necessary.
- The fixed assets report be periodically reviewed in its entirety to determine if deletions of some assets are warranted.
- The payment of clothing allowance stipends be treated consistently across all departments.



**TOWNSHIP OF SADDLE BROOK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**COMMENTS:**

**FINANCE**

1. \*There are instances in which cash balances per the general ledger are not in agreement with the client prepared bank reconciliations.
  - a. Escrow Trust Fund
  - b. Health Care Claims Trust Fund
2. \*Dedication by Riders for the following Trust Funds have not been submitted and/or approved:
  - a. Mount Laurel Trust Fund
  - b. Animal License Trust Fund
3. \*Goods and services are being ordered and/or paid for prior to encumbrance.
4. \*There are various old outstanding grant receivables in the general capital fund.
5. \*A review of Township purchase orders revealed the following:
  - a. Not all purchase orders were available for review.
  - b. There were instances in which expenses were charged to the incorrect budget year and/or account.
6. \*There are Capital Fund Improvement Authorizations greater than five years old that have unfunded portions outstanding.
7. Certificates of availability of funds were not prepared and/or available for review for various professional service and bid contracts.
8. 1099 forms were not issued for all individuals and vendors paid in excess of IRS thresholds.
9. Payroll related to outside duty/outside employment of township police officers is not being paid in a timely manner in accordance with Local Finance Notice 2000-14.
10. There were over-expenditures of appropriated grant reserves and capital improvement authorizations of \$2,765 and \$16,939 respectively.

**ADMINISTRATION/CLERK**

1. Proposals and executed contracts for various bids and professional service contracts were not available for auditor review. Awarding resolutions for professional service contracts did not include "not to exceed" cost language.
2. 2023 budget appropriation transfers were not approved by resolution of the Mayor and Council.
3. The surety bonds were not updated to reflect coverage for the new chief financial officer or the water and sewer collector.

**TOWNSHIP OF SADDLE BROOK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**COMMENTS, cont.**

**PAYROLL**

1. \*A review of payroll processes revealed the following:
  - a. W-4's and I-9 forms, health waiver forms, and termination support could not be provided for some employees.
2. There were instances of employees receiving manual payroll checks that were not subsequently accounted for in the payroll system.

**TOWNSHIP OF SADDLE BROOK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**RECOMMENDATIONS:**

**FINANCE**

1. \*General Ledgers be updated to reflect audited balances and postings be reviewed to ensure agreement with client prepared bank reconciliations.
2. \*Dedication by Rider applications be submitted to the Division for the following accounts:
  - a. Mount Laurel Trust Fund
  - b. Animal License Trust Fund
3. \*A purchase order is initiated and approved prior to the placement of an order for goods and services in accordance with Technical Accounting Directive 85-1.
4. \*Outstanding grant receivables in the general capital fund need to be investigated and the appropriate paperwork be filed for reimbursement.
5. \*All purchase orders be provided for auditor review and a more thorough review of budget charges be made to ensure correct budget years and accounts are charged for the expenditure.
6. \*Unfunded improvement authorizations that are over five years old, where projects have been completed, be funded through either a budget appropriation or through the issuance of temporary or permanent debt.
7. A certificate of availability of funds be prepared and approved by the Chief Financial Officer prior to contract approval and be made available for auditor review.
8. 1099's be issued to those individuals and/or vendors paid in excess of IRS thresholds.
9. Outside duty overtime be paid in a timely manner in accordance with Local Finance Notice 2000-14.
10. More oversight of expenditures and available budget balances be taken to ensure that all disbursements are appropriately charged to the budget.

**ADMINISTRATION/CLERK**

1. All contracts and professional service agreements be available for auditor review and awarding resolutions contain "not to exceed" cost language as required.
2. All budget transfers be authorized by resolution of the Mayor and Council.
3. Surety bond coverages be reviewed on a yearly basis and declarations be updated to include all statutory positions and employees.

**TOWNSHIP OF SADDLE BROOK  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2023**

**RECOMMENDATIONS, cont.**

**PAYROLL**

1. \*Greater oversight of the payroll department be maintained to ensure all proper payroll documents are maintained.
2. All payments made by manual checks to employees should be subsequently entered into the payroll system for accurate tax reporting purposes.

**TOWNSHIP OF SADDLE BROOK**  
**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an “\*”.

**ACKNOWLEDGMENT**

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



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

July 5, 2024