

BOROUGH OF FLORHAM PARK

COUNTY OF MORRIS

REPORT OF AUDIT

2023

NISIVOCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOROUGH OF FLORHAM PARK

COUNTY OF MORRIS

REPORT OF AUDIT

2023

BOROUGH OF FLORHAM PARK
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023

<u>Part I – Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-3
<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet – Regulatory Basis	B
Statement of Fund Balance - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-1
Statement of Revenue - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-2
Statement of Expenditures - Assessment Trust Fund – Regulatory Basis (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Fund Balance	
- Water Utility Operating Fund – Regulatory Basis	D-1
Statement of Capital Fund Balance - Water Utility Capital Fund – Regulatory Basis	D-1A
Statement of Revenue - Water Utility Operating Fund – Regulatory Basis	D-2
Statement of Expenditures - Water Utility Operating Fund – Regulatory Basis	D-3
<u>Sewer Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	E
Comparative Statement of Operations and Change in Fund Balance	
- Sewer Utility Operating Fund – Regulatory Basis	E-1
Statement of Capital Fund Balance - Sewer Utility Capital Fund	
- Regulatory Basis	E-1A
Statement of Revenue - Sewer Utility Operating Fund – Regulatory Basis	E-2
Statement of Expenditures - Sewer Utility Operating Fund – Regulatory Basis	E-3
<u>Pool Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	F
Comparative Statement of Operations and Change in Fund Balance	
- Pool Utility Operating Fund – Regulatory Basis	F-1
Statement of Capital Fund Balance - Pool Utility Capital Fund – Regulatory Basis	F-1A
Statement of Revenue - Pool Utility Operating Fund – Regulatory Basis	F-2
Statement of Expenditures - Pool Utility Operating Fund – Regulatory Basis	F-3
<u>Public Assistance Fund (Not Applicable)</u>	
<u>General Fixed Assets Account Group</u>	
Comparative Balance Sheet – Regulatory Basis	H
<u>Notes to Financial Statements</u>	<u>Page</u>
	1-33

BOROUGH OF FLORHAM PARK
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

<u>Part I – Financial Statements and Supplementary Data (Cont’d)</u>	<u>Schedule</u>
<u>Supplementary Data</u>	
Officials in Office and Surety Bonds	1
<u>Current Fund</u>	
Schedule of Cash	A-4
Schedule of Cash - Collector	A-5
Schedule of Cash - Grant Funds	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Federal and State Grant Fund – Grants Receivable	A-10
Schedule of 2022 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12
Schedule of Regional High School Taxes Payable	A-13
Schedule of Federal and State Grant Fund – Appropriated Reserves	A-14
Schedule of Federal and State Grant Fund – Unappropriated Reserves	A-15
<u>Trust Funds</u>	
Schedule of Cash - Treasurer	B-4
Analysis of Cash - Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures	B-6
<u>General Capital Fund</u>	
Schedule of Cash	C-2
Analysis of Cash – General Capital Fund	C-3
Schedule of Deferred Charges to Future Taxation – Unfunded (Not Applicable)	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable (Not Applicable)	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of Green Trust Loan Payable (Not Applicable)	C-9
Schedule of Bonds and Notes Authorized But Not Issued (Not Applicable)	C-10
<u>Water Utility Fund</u>	
Schedule of Cash - Treasurer - Water Utility Fund	D-4
Schedule of Cash - Collector - Water Utility Operating Fund	D-4A
Analysis of Cash - Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable - Water Utility Operating Fund	D-6
Schedule of Fixed Capital - Water Utility Capital Fund	D-7
Schedule of Fixed Capital Authorized and Uncompleted - Water Utility Capital Fund	D-8
Schedule of 2022 Appropriation Reserves - Water Utility Operating Fund	D-9
Schedule of Improvement Authorizations - Water Utility Capital Fund	D-10
Schedule of Capital Improvement Fund - Water Utility Capital Fund	D-11
Schedule of Reserve for Amortization - Water Utility Capital Fund	D-12
Schedule of Deferred Reserve for Amortization - Water Utility Capital Fund	D-13
Schedule of Bond Anticipation Notes Payable - Water Utility Capital Fund (Not Applicable)	D-14
Schedule of Serial Bonds Payable - Water Utility Capital Fund	D-15
Schedule of Bonds and Notes Authorized But Not Issued - Water Utility Capital Fund	D-16

BOROUGH OF FLORHAM PARK
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

<u>Part I – Financial Statements and Supplementary Data (Cont'd)</u>	<u>Schedule</u>
<u>Supplementary Data (Cont'd)</u>	
<u>Sewer Utility Fund</u>	
Schedule of Cash and Investments - Treasurer - Sewer Utility Fund	E-4
Schedule of Cash - Collector - Sewer Utility Operating Fund (Not Applicable)	E-4A
Analysis of Cash - Sewer Utility Capital Fund	E-5
Schedule of Consumer Accounts Receivable - Sewer Utility Operating Fund	E-6
Schedule of Fixed Capital - Sewer Utility Capital Fund	E-7
Schedule of Fixed Capital Authorized and Uncompleted - Sewer Utility Capital Fund	E-8
Schedule of 2022 Appropriation Reserves - Sewer Utility Operating Fund	E-9
Schedule of Improvement Authorizations - Sewer Utility Capital Fund	E-10
Schedule of Capital Improvement Fund - Sewer Utility Capital Fund	E-11
Schedule of Reserve for Amortization - Sewer Utility Capital Fund	E-12
Schedule of Deferred Reserve for Amortization - Sewer Utility Capital Fund	E-13
Schedule of Bond Anticipation Notes Payable - Sewer Utility Capital Fund (Not Applicable)	E-14
Schedule of Serial Bonds Payable - Sewer Utility Capital Fund (Not Applicable)	E-15
Schedule of New Jersey Environmental Infrastructure Trust Loan Payable - Sewer Utility Capital Fund	E-16
Schedule of Bonds and Notes Authorized But Not Issued – Sewer Utility Capital Fund	E-17
<u>Pool Utility Fund</u>	
Schedule of Cash - Treasurer - Pool Utility Fund	F-4
Schedule of Cash - Collector - Pool Utility Operating Fund	F-4A
Analysis of Cash - Pool Utility Capital Fund	F-5
Schedule of Consumer Accounts Receivable - Pool Utility Operating Fund	F-6
Schedule of Fixed Capital - Pool Utility Capital Fund	F-7
Schedule of Fixed Capital Authorized and Uncompleted - Pool Utility Capital Fund	F-8
Schedule of 2022 Appropriation Reserves - Pool Utility Operating Fund	F-9
Schedule of Improvement Authorizations - Pool Utility Capital Fund	F-10
Schedule of Capital Improvement Fund - Pool Utility Capital Fund	F-11
Schedule of Reserve for Amortization - Pool Utility Capital Fund	F-12
Schedule of Deferred Reserve for Amortization - Pool Utility Capital Fund (Not Applicable)	F-13
Schedule of Bond Anticipation Notes Payable - Pool Utility Capital Fund (Not Applicable)	F-14
Schedule of Serial Bonds Payable- Pool Utility Capital Fund (Not Applicable)	F-15
Schedule of Bonds and Notes Authorized But Not Issued - Pool Utility Capital Fund	F-16
<u>Part II – Single Audit</u>	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4-5
Schedule of Findings and Responses	6-7
Summary Schedule of Prior Audit Findings	8
<u>Part III – Comments and Recommendations</u>	<u>Page</u>
Comments and Recommendations	9-12
Summary of Recommendations	13

BOROUGH OF FLORHAM PARK

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Florham Park, in the County of Morris (the "Borough") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2023 and 2022, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

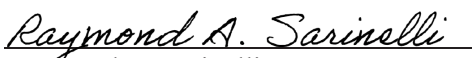
Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
June 24, 2024

NISIVOCIA LLP


Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
CURRENT FUND

BOROUGH OF FLORHAM PARK
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2023	2022
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 14,478,194.69	\$ 14,144,088.00
		14,478,194.69	14,144,088.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions		5,694.74	7,074.74
		14,483,889.43	14,151,162.74
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	738,665.14	328,916.38
Tax Title Liens Receivable	A-8	59,052.33	51,287.65
Due from Federal and State Grant Fund	A	6,561.15	
Due from Other Trust Funds	B	18,129.93	
Due from General Capital Fund	C	21,112.29	12,664.16
Due from Animal Control Trust Fund	B		17,684.56
Due from Sewer Utility Operating Fund	E	466.00	1,135.52
Due from Water Utility Operating Fund	D	830.26	54.35
Due from Payroll Account		2,141.49	333.40
Revenue Accounts Receivable	A-9	20,562.28	16,360.73
Total Receivables and Other Assets with Full Reserves		867,520.87	428,436.75
Total Regular Fund		15,351,410.30	14,579,599.49
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	1,307,516.03	1,232,243.88
Due from Current Fund	A		18,053.08
Grants Receivable	A-10	347,116.00	173,368.00
Total Federal and State Grant Fund		1,654,632.03	1,423,664.96
TOTAL ASSETS		\$ 17,006,042.33	\$ 16,003,264.45

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

		December 31,	
	Ref.	2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 507,419.93	\$ 329,279.02
Unencumbered	A-3;A-11	663,780.72	1,157,198.29
		<u>1,171,200.65</u>	<u>1,486,477.31</u>
Accounts Payable - Vendors		147,041.67	48,839.82
Due to Other Trust Funds	B		252,572.07
Due to Pool Utility Operating Fund	F		6,228.00
Due to Federal and State Grant Fund	A		18,053.08
Due State of New Jersey:			
Marriage License Fees		600.00	
State Training Fees			10,911.00
County PILOTS Payable			82,653.44
County Added and Omitted Taxes Payable		156,540.19	225,673.07
Prepaid Taxes		422,875.00	532,734.29
Prepaid UCC Permits			98,455.00
Tax Overpayments		18,167.70	15,801.46
Reserve for:			
Pending Tax Appeals		5,631,476.89	5,460,991.89
Contingencies		25,000.00	25,000.00
Municipal Relief Fund		107,265.00	53,633.00
		<u>7,680,167.10</u>	<u>8,318,023.43</u>
Reserve for Receivables and Other Assets	A	867,520.87	428,436.75
Fund Balance	A-1	<u>6,803,722.33</u>	<u>5,833,139.31</u>
Total Regular Fund		<u>15,351,410.30</u>	<u>14,579,599.49</u>
Federal and State Grant Fund:			
Due to Current Fund	A	6,561.15	
Appropriated Reserves:			
Unencumbered	A-14	1,168,058.11	115,669.91
Encumbered		462,669.24	73,368.00
Unappropriated Reserves	A-15	<u>17,343.53</u>	<u>1,234,627.05</u>
Total Federal and State Grant Fund		<u>1,654,632.03</u>	<u>1,423,664.96</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 17,006,042.33</u>	<u>\$ 16,003,264.45</u>

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

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

	Year Ended December 31,	
Ref.	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 3,437,100.00	\$ 2,475,000.00
Miscellaneous Revenue Anticipated	6,959,180.09	4,328,178.51
Receipts from:		
Delinquent Taxes	328,916.38	386,735.53
Current Taxes	60,150,379.63	59,596,239.29
Nonbudget Revenue	294,310.42	266,092.90
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	547,378.05	568,900.69
Cancellations:		
Federal and State Grant Fund Appropriated Reserves		11,268.91
County PILOTS Payable	82,653.44	
Interfunds Returned	31,871.99	28,241.50
Total Income	71,831,790.00	67,660,657.33
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Municipal Purposes	24,263,687.04	21,389,563.12
County Taxes	10,250,406.82	9,982,287.35
Local School District Taxes	21,830,005.00	21,673,039.00
Regional High School Taxes	11,030,767.00	11,010,330.00
Interfunds Advanced	49,241.12	31,871.99
Total Expenditures	67,424,106.98	64,087,091.46
Excess in Revenue	4,407,683.02	3,573,565.87
<u>Fund Balance</u>		
Balance January 1	5,833,139.31	4,734,573.44
	10,240,822.33	8,308,139.31
Decreased by:		
Utilized as Anticipated Revenue	3,437,100.00	2,475,000.00
Balance December 31	A \$ 6,803,722.33	\$ 5,833,139.31

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

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 3,437,100.00		\$ 3,437,100.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	18,000.00		18,064.00	\$ 64.00
Other	59,000.00		63,440.00	4,440.00
Fees and Permits - Other	52,000.00		91,214.25	39,214.25
Fines and Costs - Municipal Court	115,000.00		140,731.62	25,731.62
Interest and Costs on Taxes	107,000.00		119,301.50	12,301.50
Interest on Investments and Deposits	349,438.00		1,400,236.54	1,050,798.54
Payments in Lieu of Taxes	459,000.00		498,471.52	39,471.52
Park Avenue Club Contribution	52,500.00		52,500.00	
Energy Receipts Tax	1,035,265.00		1,035,265.00	
Municipal Relief Fund	53,633.00		53,633.00	
Uniform Construction Code Fees	500,000.00		900,000.00	400,000.00
Uniform Construction Code Fees - Prior Year Prepaid			98,455.00	98,455.00
Recycling Tonnage Grant	14,074.27		14,074.27	
Clean Communities Program		\$ 27,450.83	27,450.83	
Morris County Little Red School House		218,880.00	218,880.00	
Body Armor Replacement Fund	822.30		822.30	
Alcohol Education, Rehabilitation, and Enforcement Fund	4,264.17	6,230.14	10,494.31	
Distracted Driving Statewide Crackdown Grant		7,000.00	7,000.00	
American Rescue Plan	1,203,269.70		1,203,269.70	
Stormwater Assistance Grant		25,000.00	25,000.00	
Bullet Proof Vest Partnership Grant	3,941.90		3,941.90	
Lakes Management Grant	176,900.00		176,900.00	
Opioids Settlement	22,328.98		22,328.98	
EMAA Grant		10,000.00	10,000.00	
Uniform Fire Safety Act	169,000.00		177,651.03	8,651.03
Hotel Occupancy Tax	315,000.00		363,400.32	48,400.32
Sewer Utility Operating Surplus	80,000.00		80,000.00	
Outside Detail - Administrative Fees	40,000.00		40,000.00	
School Resource Officer Revenue	81,000.00		106,654.02	25,654.02
	4,911,437.32	294,560.97	6,959,180.09	1,753,181.80
Receipt from Delinquent Taxes	237,300.00		328,916.38	91,616.38
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	15,716,220.82		17,372,132.88	1,655,912.06
Minimum Library Tax	1,285,129.63		1,285,129.63	
Total Amount to be Raised by Taxes	17,001,350.45		18,657,262.51	1,655,912.06
Budget Totals	25,587,187.77	294,560.97	29,382,458.98	\$ 3,500,710.24
Nonbudget Revenue			294,310.42	
	\$ 25,587,187.77	\$ 294,560.97	\$ 29,676,769.40	

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 60,150,379.63
Allocated to County, Local School District, Regional High School and Local Open Space Taxes	<u>43,111,178.82</u>
Balance for Support of Municipal Budget	17,039,200.81
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>1,618,061.70</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 18,657,262.51</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 328,916.38</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 328,916.38</u></u>

Analysis of Interest on Investments Collected:

Collected in Current Fund	\$ 1,191,746.90
Due from:	
Federal and State Grant Fund	6,561.15
Other Trust Fund	178,674.71
General Capital Fund	21,112.29
Payroll Account	<u>2,141.49</u>
	<u><u>\$ 1,400,236.54</u></u>

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:	
Cablevision Franchise Fees	\$ 188,858.44
State of New Jersey:	
Motor Vehicle Inspections	200.00
Senior Citizens' and Veterans' Deductions Administrative Reimbursement	1,130.00
Marriage Fees	90.00
Return Check Fee	200.00
Other Miscellaneous Revenue	<u>103,831.98</u>
	<u><u>\$ 294,310.42</u></u>

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

BOROUGH OF FLORHAM PARK**CURRENT FUND****STATEMENT OF EXPENDITURES - REGULATORY BASIS****YEAR ENDED DECEMBER 31, 2023**

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 180,415.00	\$ 180,415.00	\$ 176,763.99	\$ 3,651.01
Other Expenses	26,500.00	25,500.00	22,605.93	2,894.07
Mayor and Council:				
Other Expenses	27,000.00	27,000.00	26,167.59	832.41
Municipal Clerk:				
Salaries and Wages	176,270.00	176,270.00	176,260.15	9.85
Other Expenses	67,350.00	68,350.00	63,528.22	4,821.78
Financial Administration:				
Salaries and Wages	142,155.00	142,155.00	130,343.51	11,811.49
Other Expenses	40,710.00	49,710.00	44,210.63	5,499.37
Annual Audit	22,450.00	22,450.00	22,450.00	
Revenue Administration (Tax Collection):				
Salaries and Wages	50,720.00	50,720.00	50,460.00	260.00
Other Expenses	8,580.00	8,580.00	6,919.23	1,660.77
Tax Assessment Administration:				
Salaries and Wages	77,020.00	77,020.00	77,017.58	2.42
Other Expenses	64,380.00	34,380.00	29,208.55	5,171.45
Legal Services and Costs:				
Other Expenses	183,500.00	158,500.00	132,487.62	26,012.38
Engineering Services and Costs:				
Salaries and Wages	62,455.00	62,455.00	62,455.00	
Other Expenses	82,350.00	82,350.00	76,482.83	5,867.17
Historic Commission:				
Other Expenses	5,500.00	5,500.00	548.20	4,951.80

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

LAND USE ADMINISTRATION (Cont'd):

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Planning Board:				
Salaries and Wages	\$ 26,565.00	\$ 26,565.00	\$ 25,564.61	\$ 1,000.39
Other Expenses	72,840.00	69,840.00	60,605.52	9,234.48
Board of Adjustment:				
Salaries and Wages	11,960.00	11,960.00	10,956.25	1,003.75
Other Expenses	21,360.00	21,360.00	13,464.33	7,895.67
Municipal Court:				
Salaries and Wages	107,830.00	107,830.00	106,770.40	1,059.60
Other Expenses	11,500.00	14,500.00	8,393.47	6,106.53
Public Defender:				
Salaries and Wages	10,000.00	10,000.00	9,584.05	415.95
PUBLIC SAFETY:				
Police:				
Salaries and Wages	4,718,423.75	4,703,423.75	4,684,516.82	18,906.93
Other Expenses	401,700.00	416,700.00	369,779.76	46,920.24
Police Vehicles:				
Other Expenses	118,000.00	118,000.00	118,000.00	
Municipal Prosecutor:				
Salaries and Wages	25,000.00	25,000.00	24,479.25	520.75
Emergency Management Services:				
Other Expenses	15,000.00	15,000.00	14,131.60	868.40
Fire:				
Salaries and Wages	128,910.00	128,910.00	125,841.46	3,068.54
Other Expenses	142,900.00	142,900.00	118,713.94	24,186.06
First Aid Organization Contribution:				
Other Expenses	15,000.00	15,000.00	15,000.00	

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

PUBLIC SAFETY (Cont'd):
 Fire Safety:
 Salaries and Wages
 Other Expenses
 Contribution to Volunteer Fire Department:
 Other Expenses
PUBLIC WORKS:
 Road Repairs and Maintenance:
 Salaries and Wages
 Other Expenses
 DPW and Other Public Works:
 Salaries and Wages
 DPW Solid Waste Collection:
 Other Expenses
 DPW Buildings and Grounds:
 Salaries and Wages
 Other Expenses
 DPW Vehicle Maintenance:
 Salaries and Wages
 Other Expenses
HEALTH AND HUMAN SERVICES:
 Board of Health:
 Salaries and Wages
 Other Expenses
 Environmental Commission:
 Other Expenses

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
\$	135,635.00	\$ 135,635.00	\$ 130,448.00	\$ 5,187.00
	16,220.00	16,220.00	5,411.20	10,808.80
	75,000.00	75,000.00	71,445.00	3,555.00
	769,480.00	769,480.00	726,958.24	42,521.76
	269,950.00	269,950.00	260,808.67	9,141.33
	166,005.00	166,005.00	157,301.28	8,703.72
	171,500.00	171,500.00	138,036.40	33,463.60
	797,915.00	832,915.00	801,459.56	31,455.44
	229,472.00	254,472.00	254,040.36	431.64
	210,520.00	210,520.00	198,269.17	12,250.83
	104,900.00	104,900.00	103,364.86	1,535.14
	69,580.00	69,580.00	69,576.03	3.97
	179,965.00	179,965.00	165,958.82	14,006.18
	28,000.00	28,000.00	26,591.71	1,408.29

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

HEALTH AND HUMAN SERVICES (Cont'd):

Social Services:

Other Expenses

RECREATION AND EDUCATION:

Recreation:

Salaries and Wages

Other Expenses

Public Events:

Other Expenses

Condo Services:

Other Expenses

INSURANCES:

General Liability

Workers Compensation

Group Insurance for Employees

UNIFORM CONSTRUCTION CODE:

Construction Official:

Salaries and Wages

Other Expenses

UTILITIES:

Bulk Utilities

Total Operations Within "CAPS"

Contingent

Total Operations including Contingent within "CAPS"

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
\$	17,500.00	\$ 17,500.00	\$ 17,162.12	\$ 337.88
143,420.00		143,420.00	126,743.62	16,676.38
82,125.00		82,125.00	79,240.41	2,884.59
6,000.00		6,000.00	5,000.00	1,000.00
80,000.00		80,000.00	71,680.33	8,319.67
220,945.00		188,726.00	187,988.00	738.00
188,726.00		220,945.00	212,525.43	8,419.57
2,697,240.00		2,697,240.00	2,595,314.38	101,925.62
546,410.00		546,410.00	543,697.14	2,712.86
152,965.00		176,965.00	174,766.58	2,198.42
737,500.00		737,500.00	652,722.14	84,777.86
15,141,316.75		15,179,316.75	14,580,219.94	599,096.81
10,000.00		10,000.00		10,000.00
15,151,316.75		15,189,316.75	14,580,219.94	609,096.81

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Detail:				
Salaries and Wages	\$ 8,556,688.75	\$ 8,576,688.75	\$ 8,415,466.11	\$ 161,222.64
Other Expenses	6,594,628.00	6,612,628.00	6,164,753.83	447,874.17
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	497,823.00	497,823.00	497,173.64	649.36
Social Security System (O.A.S.I.)	425,398.00	387,398.00	387,398.00	
DCRP	3,500.00	3,500.00	3,500.00	
Police and Firemen's Retirement System of NJ	1,375,463.00	1,375,463.00	1,375,463.00	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,302,184.00	2,264,184.00	2,263,534.64	649.36
Total General Appropriations for Municipal Purposes Within "CAPS"	17,453,500.75	17,453,500.75	16,843,754.58	609,746.17
Operations Excluded from "CAPS":				
Maintenance of Free Public Library	1,285,129.00	1,285,129.00	1,262,094.45	23,034.55
LOSAP - Other Expenses	31,000.00	31,000.00		31,000.00
Reserve for Tax Appeals	170,485.00	170,485.00	170,485.00	
Public and Private Programs Offset by Revenue:				
Recycling Tonnage Grant	14,074.27	14,074.27	14,074.27	
Morris County Little Red School House (NJSA40A:4-87 \$218,880)		218,880.00	218,880.00	
Alcohol Education, Rehabilitation and Enforcement Fund				
(NJSA40A:4-87 \$6,230.14)	4,264.17	10,494.31	10,494.31	
Body Armor Replacement Fund	822.30	822.30	822.30	
Clean Communities Grant (NJSA40A:4-87 \$27,450.83)		27,450.83	27,450.83	
Distracted Driving Statewide Crackdown Grant (NJSA40A:4-87 \$7,000.00)		7,000.00	7,000.00	
Bullet Proof Vest Partnership Grant	3,941.90	3,941.90	3,941.90	
American Rescue Plan - Firefighter Grant	1,203,269.70	1,203,269.70	1,203,269.70	
EMAA Grant (NJSA40A:4-87 \$10,000.00)		10,000.00	10,000.00	
Opioid Settlement	22,328.98	22,328.98	22,328.98	

BOROUGH OF FLORHAM PARK**CURRENT FUND****STATEMENT OF EXPENDITURES - REGULATORY BASIS****YEAR ENDED DECEMBER 31, 2023****(Continued)**

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operations Excluded from "CAPS": (Cont'd)				
Public and Private Programs Offset by Revenue: (Cont'd)				
Lakes Mangement Grant	\$ 176,900.00	\$ 176,900.00	\$ 176,900.00	
Stormwater Assistance Grant (NJSA40A-87 \$25,000)		25,000.00	25,000.00	
Total Operations Excluded from "CAPS"	2,912,215.32	3,206,776.29	3,152,741.74	\$ 54,034.55
Detail:				
Salaries and Wages				
Other Expenses	2,912,215.32	3,206,776.29	3,152,741.74	54,034.55
Capital Improvements - Excluded from "CAPS":				
Capital Improvement Fund	2,503,000.00	2,503,000.00	2,503,000.00	
Total Capital Improvements - Excluded from "CAPS"	2,503,000.00	2,503,000.00	2,503,000.00	
Municipal Debt Service - Excluded from "CAPS":				
Payment of Bond Principal	920,000.00	920,000.00	920,000.00	
Interest on Bonds	180,410.00	180,410.00	180,410.00	
Total Municipal Debt Service - Excluded from "CAPS"	1,100,410.00	1,100,410.00	1,100,410.00	

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriation		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Total General Appropriations - Excluded from "CAPS"	\$ 6,515,625.32	\$ 6,810,186.29	\$ 6,756,151.74	\$ 54,034.55
Subtotal General Appropriations	23,969,126.07	24,263,687.04	23,599,906.32	663,780.72
Reserve for Uncollected Taxes	1,618,061.70	1,618,061.70	1,618,061.70	
Total General Appropriations	\$ 25,587,187.77	\$ 25,881,748.74	\$ 25,217,968.02	\$ 663,780.72

Ref

A

BOROUGH OF FLORHAM PARK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	<u>Ref.</u>	Analysis of	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 25,587,187.77	
Added by NJSA 40A:4-87		294,560.97	
		<u>\$ 25,881,748.74</u>	
Reserve for Uncollected Taxes			\$ 1,618,061.70
Reserve for Encumbrances	A		507,419.93
Due Federal and State Grant Fund			1,720,162.29
Reserve for Pending Tax Appeals			170,485.00
Cash Disbursed			<u>22,117,443.79</u>
			26,133,572.71
Less: Appropriation Refunds Received			<u>915,604.69</u>
			<u>\$ 25,217,968.02</u>

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

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
TRUST FUNDS

BOROUGH OF FLORHAM PARK
TRUST FUNDS
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2023	2022
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 13,977.22	\$ 54,837.00
		<u>13,977.22</u>	<u>54,837.00</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	8,480,646.68	7,967,579.57
Due from Current Fund	A		252,572.07
		<u>8,480,646.68</u>	<u>8,220,151.64</u>
TOTAL ASSETS		<u>\$ 8,494,623.90</u>	<u>\$ 8,274,988.64</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	A		\$ 17,684.56
Reserve for Animal Control Expenditures	B-6	\$ 6,801.22	31,691.84
Prepaid Dog Licenses		7,176.00	5,460.60
		<u>13,977.22</u>	<u>54,837.00</u>
Other Trust Funds:			
Due Current Fund	A	18,129.93	
Reserve for:			
Escrow Deposits		609,728.31	939,897.60
Unemployment Insurance Fund		506,556.23	474,247.44
Police Forfeited Assets		21,464.04	20,409.20
Housing Trust		3,364,019.84	3,192,823.27
Tax Sale Premiums		33,800.00	62,900.00
Recycling		26,299.59	93,748.65
Fire Penalties		58,607.00	53,407.00
Accumulated Absences		1,000,973.10	909,623.93
Storm Recovery		742,264.77	742,264.77
Parking Offenses Adjudication Act		1,162.10	1,138.10
Recreation		465,066.16	407,456.86
Self Insurance		1,295,539.41	1,101,942.41
Insurance Deductible		70,000.00	70,000.00
Public Defender		9,339.58	7,006.58
Off Duty Police Officer		228,211.58	130,784.08
Various Miscellaneous Trust Funds		29,485.04	12,501.75
		<u>8,480,646.68</u>	<u>8,220,151.64</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 8,494,623.90</u>	<u>\$ 8,274,988.64</u>

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

BOROUGH OF FLORHAM PARK
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

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

BOROUGH OF FLORHAM PARK
ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
GENERAL CAPITAL FUND

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 4,326,144.40	\$ 3,678,132.32
Grants Receivable:			
New Jersey Department of Transportation		416,425.00	190,425.00
County of Morris Open Space Trust Fund			37,578.00
Morris County Interlocal Grant Agreement			162,860.83
Deferred Charges to Future Taxation:			
Funded		4,557,000.00	5,477,000.00
TOTAL ASSETS		\$ 9,299,569.40	\$ 9,545,996.15
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	4,557,000.00	5,477,000.00
Improvement Authorizations:			
Funded	C-5	4,259,913.74	3,773,353.81
Due to Current Fund	A	21,112.29	12,664.16
Capital Improvement Fund	C-6	235,728.44	221,578.44
Reserve for:			
Gun Club		60,000.00	55,000.00
Payment of Debt Service		514.26	514.26
Fund Balance	C-1	165,300.67	5,885.48
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 9,299,569.40	\$ 9,545,996.15

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

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2022	C	\$	5,885.48
Increased by:			
Improvement Authorizations Cancelled		\$	89,907.71
Morris County Interlocal Agreement Receivable			<u>107,085.48</u>
			<u>196,993.19</u>
			202,878.67
Decrease by:			
Cancellation of Grants Receivable			<u>37,578.00</u>
Balance December 31, 2023	C	\$	<u><u>165,300.67</u></u>

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

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
WATER UTILITY FUND

BOROUGH OF FLORHAM PARK
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2023	2022
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 10,311,613.72	\$ 578,780.56
Due from Water Utility Capital Fund	D	4,842.86	44,035.21
		10,316,456.58	622,815.77
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	91,654.44	84,398.47
Total Receivables with Full Reserves		91,654.44	84,398.47
Total Operating Fund		10,408,111.02	707,214.24
Capital Fund:			
Cash and Cash Equivalents	D-4	1,083,766.24	1,178,317.83
Fixed Capital	D-7	6,009,427.43	6,009,427.43
Fixed Capital Authorized and Uncompleted	D-8	6,699,000.00	6,699,000.00
Total Capital Fund		13,792,193.67	13,886,745.26
TOTAL ASSETS		\$ 24,200,304.69	\$ 14,593,959.50

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

		December 31,	
	Ref.	2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 17,594.64	\$ 76,507.11
Encumbered	D-3;D-9	98,147.47	120,600.30
		115,742.11	197,107.41
Due to Current Fund	A	830.26	54.35
Water Rent Overpayments		4,995.90	4,371.20
Accrued Interest on Bonds		67,870.24	68,755.24
Reserve for Sale of Assets		9,910,558.40	
		10,099,996.91	270,288.20
Reserve for:			
Receivables	D	91,654.44	84,398.47
Fund Balance	D-1	216,459.67	352,527.57
		10,408,111.02	707,214.24
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	D-15	4,655,000.00	4,775,000.00
Improvement Authorizations:			
Funded	D-10	372,555.61	450,614.22
Unfunded	D-10	1,046,677.76	1,093,903.76
Due to Water Utility Operating Fund	D	4,842.86	44,035.21
Capital Improvement Fund	D-11	240,221.73	240,221.73
Reserve for Encumbrances	D-10	8,719.37	10,487.00
Reserve for Connection Fees		115,704.86	102,011.86
Reserve for Payment of Debt Service		5,367.03	5,367.03
Reserve for Amortization	D-12	6,096,827.43	6,038,827.43
Deferred Reserve for Amortization	D-13	910,374.00	790,374.00
Fund Balance	D-1A	335,903.02	335,903.02
		13,792,193.67	13,886,745.26
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE			
		\$ 24,200,304.69	\$ 14,593,959.50

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

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

	Year Ended December 31,	
Ref.	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 270,000.00	\$ 400,000.00
Water Rents	1,341,712.12	1,345,602.89
Miscellaneous Revenue Anticipated	429,929.48	492,314.94
Miscellaneous Revenue Not Anticipated	77,993.14	30,968.72
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	35,412.19	86,148.03
Total Income	2,155,046.93	2,355,034.58
<u>Expenditures</u>		
Budget Appropriations:		
Operating	1,535,684.00	1,481,462.00
Capital Improvements		48,000.00
Debt Service	277,784.83	140,825.00
Deferred Charges and Statutory Expenditures	207,646.00	310,912.43
Total Expenditures	2,021,114.83	1,981,199.43
Excess in Revenues/Statutory Excess to Fund Balance	133,932.10	373,835.15
<u>Fund Balance</u>		
Balance January 1	352,527.57	378,692.42
	486,459.67	752,527.57
Decreased by:		
Utilized as Anticipated Revenue:		
Water Utility Operating Budget	270,000.00	400,000.00
Balance December 31	D \$ 216,459.67	\$ 352,527.57

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

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 335,903.02
Balance December 31, 2023	D	<u><u>\$ 335,903.02</u></u>

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

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Budget	Realized	Excess or Deficit *
Operating Surplus Anticipated	\$ 270,000.00	\$ 270,000.00	
Water Rents	1,290,000.00	1,341,712.12	\$ 51,712.12
Miscellaneous Revenue	462,000.00	429,929.48	32,070.52 *
	<u>2,022,000.00</u>	<u>2,041,641.60</u>	<u>19,641.60</u>
Miscellaneous Revenue Not Anticipated		77,993.14	77,993.14
	<u>\$ 2,022,000.00</u>	<u>\$ 2,119,634.74</u>	<u>\$ 97,634.74</u>

Analysis of Water Rents

Collections	\$ 1,337,340.92	
Overpayments Applied	<u>4,371.20</u>	
		<u>\$ 1,341,712.12</u>

Analysis of Miscellaneous Revenue

Collector:		
Miscellaneous Fees	<u>\$ 429,929.48</u>	
		<u>\$ 429,929.48</u>

Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:		
Interest on Investments	\$ 25,254.59	
Interest on Investments - Water Utility Capital Fund	<u>52,738.55</u>	
		<u>\$ 77,993.14</u>

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 625,765.00	\$ 620,265.00	\$ 620,265.00		
Other Expenses	909,919.00	915,419.00	897,824.36	\$ 17,594.64	
Debt Service:					
Payment on Bonds	120,000.00	120,000.00	120,000.00		
Interest on Notes	158,670.00	158,670.00	157,784.83		\$ 885.17
Deferred Charges and Statutory Expenditures:					
Deferred Charges to Future Revenue- Ordinance #13-6	58,000.00	58,000.00	58,000.00		
Statutory Expenditures:					
Public Employees' Retirement System	101,775.00	101,775.00	101,775.00		
Contribution to Social Security System (O.A.S.I.)	47,871.00	47,871.00	47,871.00		
	<u>\$ 2,022,000.00</u>	<u>\$ 2,022,000.00</u>	<u>\$ 2,003,520.19</u>	<u>\$ 17,594.64</u>	<u>\$ 885.17</u>

Ref.

D

Cash Disbursed
Accrued Interest on Bonds
Encumbrances
Less:
Refunds

\$ 1,747,683.89
157,784.83
98,147.47
2,003,616.19
96.00
\$ 2,003,520.19

D

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
SEWER UTILITY FUND

BOROUGH OF FLORHAM PARK
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	E-4	\$ 5,516,020.85	\$ 4,864,041.15
Due from Sewer Utility Capital Fund	E	16,047.11	13,013.69
		<u>5,532,067.96</u>	<u>4,877,054.84</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	349,172.00	287,935.47
		<u>349,172.00</u>	<u>287,935.47</u>
Total Receivables with Full Reserves		<u>349,172.00</u>	<u>287,935.47</u>
Total Operating Fund		<u>5,881,239.96</u>	<u>5,164,990.31</u>
Trust Fund:			
Cash and Cash Equivalents	E-4	120,456.86	49,544.58
Total Trust Fund		<u>120,456.86</u>	<u>49,544.58</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	7,373,426.31	7,479,099.74
Fixed Capital	E-7	18,548,837.00	17,548,837.00
Fixed Capital Authorized and Uncompleted	E-8	5,941,652.57	5,195,000.00
		<u>31,863,915.88</u>	<u>30,222,936.74</u>
Total Capital Fund		<u>31,863,915.88</u>	<u>30,222,936.74</u>
TOTAL ASSETS		<u>\$ 37,865,612.70</u>	<u>\$ 35,437,471.63</u>

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

		December 31,	
	Ref.	2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 218,404.11	\$ 238,554.28
Encumbered	E-3;E-9	470,845.92	247,435.79
		689,250.03	485,990.07
Contracts Payable		63,847.09	144,761.10
Due to Current Fund	A	466.00	1,135.52
Sewer Rent Overpayments		1,582.91	1,320.03
Sewer Rent Prepayments		502,315.53	679,122.11
Accrued Interest on Loans		1,914.06	3,736.98
		1,259,375.62	1,316,065.81
Reserve for Receivables	E	349,172.00	287,935.47
Fund Balance	E-1	4,272,692.34	3,560,989.03
Total Operating Fund		5,881,239.96	5,164,990.31
Trust Fund:			
Escrow Deposits Payable	E-4	120,456.86	49,544.58
Total Trust Fund		120,456.86	49,544.58
Capital Fund:			
New Jersey Environmental Infrastructure Loan Payable	E-16	345,797.56	510,451.43
Improvement Authorizations:			
Funded	E-10	2,059,529.25	1,944,354.65
Unfunded	E-10		687,000.00
Due Sewer Utility Operating Fund	E	16,047.11	13,013.69
Reserve for Encumbrances	E-10	1,811,817.89	318,879.49
Reserve for Sewer Extensions		3,119,269.03	3,510,436.31
Reserve for Sewer Connections			503,533.35
Capital Improvement Fund	E-11	143,533.35	1,140,000.00
Reserve for Amortization	E-12	18,203,039.44	17,038,385.57
Deferred Reserve for Amortization	E-13	5,941,652.57	4,508,000.00
Fund Balance	E-1A	223,229.68	48,882.25
Total Capital Fund		31,863,915.88	30,222,936.74
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 37,865,612.70	\$ 35,437,471.63

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

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

	Year Ended December 31,	
Ref.	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 609,500.00	\$ 1,609,500.00
Sewer User Charges	4,364,277.28	4,246,501.75
Miscellaneous Revenue Anticipated	484,352.99	220,734.48
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	87,093.74	193,220.88
	<u>5,545,224.01</u>	<u>6,269,957.11</u>
Total Income		
<u>Expenditures</u>		
Budget Appropriations:		
Operating	3,649,991.00	3,373,727.00
Capital Improvements		1,000,000.00
Debt Service	171,799.70	413,453.01
Deferred Charges and Statutory Expenditures	322,230.00	289,500.00
	<u>4,144,020.70</u>	<u>5,076,680.01</u>
Total Expenditures		
Excess in Revenues/Statutory Excess to Fund Balance	1,401,203.31	1,193,277.10
<u>Fund Balance</u>		
Balance January 1	<u>3,560,989.03</u>	<u>4,137,211.93</u>
	4,962,192.34	5,330,489.03
Decreased by:		
Utilized as Anticipated Revenue:		
Sewer Utility Operating Budget	609,500.00	1,609,500.00
Current Fund Budget	80,000.00	160,000.00
	<u>689,500.00</u>	<u>1,769,500.00</u>
Balance December 31	E <u>\$ 4,272,692.34</u>	<u>\$ 3,560,989.03</u>

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

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>		
Balance December 31, 2022	E	\$	48,882.25
Increased by:			
Improvement Authorizations Canceled			674,347.43
			<u>723,229.68</u>
Decrease by:			
Appropriated to Finance Improvement Authorizations			500,000.00
			<u>500,000.00</u>
Balance December 31, 2023	E	\$	<u><u>223,229.68</u></u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 609,500.00	\$ 609,500.00	
Sewer User Charges	3,430,500.00	4,364,277.28	\$ 933,777.28
Miscellaneous Revenue	110,000.00	484,352.99	374,352.99
	<u>\$ 4,150,000.00</u>	<u>\$ 5,458,130.27</u>	<u>\$ 1,308,130.27</u>

Analysis of Sewer User Charges

Collections	\$ 3,685,155.17	
Prepayments Applied	<u>679,122.11</u>	
		<u>\$ 4,364,277.28</u>

Analysis of Miscellaneous Revenue

Collector/Treasurer:		
Miscellaneous Sewer Fees	\$ 286,629.57	
Treasurer:		
Interest on Investments and Deposits:		
Due from Sewer Utility Capital Fund	<u>197,723.42</u>	
	<u>\$ 484,352.99</u>	

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

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,421,285.00	\$ 1,421,285.00	\$ 1,263,042.96	\$ 158,242.04	
Other Expenses	2,228,706.00	2,228,706.00	2,168,543.93	60,162.07	
Debt Service:					
New Jersey Environmental Infrastructure Loan:					
Principal	164,654.00	164,654.00	164,653.87		\$ 0.13
Interest	13,125.00	13,125.00	7,145.83		5,979.17
Statutory Expenditures:					
Public Employees' Retirement System	213,500.00	213,500.00	213,500.00		
Contribution to Social Security System (O.A.S.I.)	108,730.00	108,730.00	108,730.00		
	<u>\$ 4,150,000.00</u>	<u>\$ 4,150,000.00</u>	<u>\$ 3,925,616.59</u>	<u>\$ 218,404.11</u>	<u>\$ 5,979.30</u>
Ref.				E	
Cash Disbursed			\$ 3,447,624.84		
Accrued Interest on Loans			7,145.83		
Encumbrances Payable			470,845.92		
			<u>\$ 3,925,616.59</u>		

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

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
POOL UTILITY FUND

BOROUGH OF FLORHAM PARK
POOL UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	F-4	\$ 12,187.95	\$ 107,923.63
Change Fund		50.00	50.00
		<u>12,237.95</u>	<u>107,973.63</u>
Due from Current Fund	A		6,228.00
Due from Pool Utility Capital Fund	F	786.66	675.40
Deferred Charges:			
Emergency Authorization (40A:4-47)		<u>40,000.00</u>	<u>30,000.00</u>
Total Operating Fund		<u>53,024.61</u>	<u>144,877.03</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	175,837.58	195,645.32
Fixed Capital	F-7	1,400,687.45	1,360,687.45
Fixed Capital Authorized and Uncompleted	F-8		40,000.00
Total Capital Fund		<u>1,576,525.03</u>	<u>1,596,332.77</u>
TOTAL ASSETS		<u>\$ 1,629,549.64</u>	<u>\$ 1,741,209.80</u>

BOROUGH OF FLORHAM PARK
POOL UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

		December 31,	
	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-9	\$ 33,585.81	\$ 30,194.63
Encumbered	F-3;F-9	1,859.55	
		<u>35,445.36</u>	<u>30,194.63</u>
 Fund Balance	 F-1	 <u>17,579.25</u>	 <u>114,682.40</u>
 Total Operating Fund		 <u>53,024.61</u>	 <u>144,877.03</u>
Capital Fund:			
Due to Pool Utility Operating Fund	F	786.66	675.40
Improvement Authorizations:			
Funded	F-10		19,919.00
Capital Improvement Fund	F-11	116,961.00	116,961.00
Reserve for Amortization	F-12	1,392,470.00	1,392,470.00
Fund Balance	F-1A	<u>66,307.37</u>	<u>66,307.37</u>
 Total Capital Fund		 <u>1,576,525.03</u>	 <u>1,596,332.77</u>
 TOTAL LIABILITIES, RESERVES AND FUND BALANCE		 <u>\$ 1,629,549.64</u>	 <u>\$ 1,741,209.80</u>

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

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31,	
		2023	2022
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 107,000.00	\$ 112,000.00
Membership Fees		93,440.00	105,275.00
Miscellaneous Revenue		74,646.40	73,663.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		12,810.45	29,370.91
Total Income		287,896.85	320,309.01
<u>Expenditures</u>			
Budget Appropriations:			
Operating		280,350.00	229,200.00
Deferred Charges and Statutory Expenditures		37,650.00	56,464.00
Total Expenditures		318,000.00	285,664.00
Deficit/Excess in Revenues		(30,103.15)	34,645.01
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred			
Charges to Budget of Succeeding Year		40,000.00	30,000.00
Statutory Excess to Surplus		9,896.85	64,645.01
<u>Fund Balance</u>			
Balance January 1		114,682.40	162,037.39
		124,579.25	226,682.40
Decreased by:			
Utilized as Anticipated Revenue:			
Pool Utility Operating Budget		107,000.00	112,000.00
Balance December 31	F	\$ 17,579.25	\$ 114,682.40

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

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ 66,307.37
Balance December 31, 2023	F	\$ 66,307.37

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

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 107,000.00	\$ 107,000.00	
Pool Memberships	104,000.00	93,440.00	\$ 10,560.00 *
Miscellaneous Revenue	67,000.00	74,646.40	7,646.40
	<u>\$ 278,000.00</u>	<u>\$ 275,086.40</u>	<u>\$ 2,913.60 *</u>

Analysis of Pool Memberships

Collections	<u>\$ 93,440.00</u>
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Analysis of Miscellaneous Revenue

Collector:

Guest Passes	\$ 5,065.00
Rental Fees	22,075.00
Miscellaneous	34,035.85
	<u>61,175.85</u>

Treasurer:

Interest on Investments	4,291.74
Interest on Investments - Pool Utility Capital Fund	9,178.81
	<u>13,470.55</u>
	<u>\$ 74,646.40</u>

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

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended By	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages (Emergency +\$30,000.00)	\$ 100,000.00	\$ 130,000.00	\$ 114,546.62	\$ 15,453.38
Other Expenses (Emergency +\$10,000.00)	140,350.00	150,350.00	132,217.57	18,132.43
Deferred Charges and Statutory Expenditures:				
Emergency Authorizations	30,000.00	30,000.00	30,000.00	
Statutory Expenditures:				
Contribution to Social Security System (O.A.S.I.)	7,650.00	7,650.00	7,650.00	
	<u>\$ 278,000.00</u>	<u>\$ 318,000.00</u>	<u>\$ 284,414.19</u>	<u>\$ 33,585.81</u>
				F
Cash Disbursed			\$ 252,854.22	
Deferred Charge:				
Emergency Authorizations			30,000.00	
Encumbrances Payable			1,859.55	
			<u>284,713.77</u>	
Less: Appropriation Refunds			299.58	
			<u>\$ 284,414.19</u>	

Ref.

Budget	\$ 278,000.00
Emergency Appropriations (40A:4-47)	40,000.00
	<u>\$ 318,000.00</u>

F

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
GENERAL FIXED ASSETS ACCOUNT GROUP

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

	December 31,	
	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Land	\$ 79,671,252.00	\$ 79,671,252.00
Buildings and Improvements	34,107,032.00	33,643,710.00
Equipment	11,766,850.00	10,727,449.00
TOTAL ASSETS	<u>\$ 125,545,134.00</u>	<u>\$ 124,042,411.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 125,545,134.00</u>	<u>\$ 124,042,411.00</u>
TOTAL RESERVES	<u>\$ 125,545,134.00</u>	<u>\$ 124,042,411.00</u>

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

1

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the Borough of Florham Park conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Florham Park accounts for its financial transactions through the following separate funds:

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

2

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

B. Description of Funds (Cont'd)

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

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

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

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

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

General Fixed Assets Account Group – These accounts were established with estimated values of land, buildings, and certain fixed assets of the Borough as discussed in Note 1 E - "Basis of Accounting".

C. Basis of Accounting

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

The more significant accounting policies in New Jersey follow.

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

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

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

3

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

C. Basis of Accounting (Cont'd)

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

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

The cash basis of accounting is followed in the Trust, General Capital, and Pool Utility Funds.

D. Deferred Charges to Future Taxation

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

E. Other significant accounting policies include:

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

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

Investments – Investments are stated at cost.

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

4

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

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

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

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

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

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

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

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

General fixed assets are recorded at cost, except for land which is recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the Current Fund, General Capital Fund, and Water Utility, Sewer Utility and Pool Utility Funds. The values recorded in the general fixed assets account group and the current and capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water, Sewer, and Pool Utility Funds are recorded in the capital account at cost and are not adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Utility Funds do not record depreciation on fixed assets.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

F. Budget/Budgetary Controls:

Annual appropriated budgets are usually prepared in the first quarter for the current and utility operating funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2023	2022	2021
<u>Issued</u>			
General:			
Bonds and Notes	\$ 4,557,000	\$ 5,477,000	\$ 6,397,000
Water Utility:			
Bonds and Notes	4,655,000	4,775,000	4,420,000
Sewer Utility:			
Bonds, Notes and Loans	345,798	510,451	1,585,421
Total Issued	<u>9,557,798</u>	<u>10,762,451</u>	<u>12,402,421</u>
<u>Authorized but not Issued:</u>			
Water Utility:			
Bonds and Notes	1,046,226	1,104,226	9,357,130
Sewer Utility:			
Bonds and Notes		687,000	
Pool Utility:			
Bonds and Notes	8,217	8,217	8,217
Total Authorized but not Issued	<u>1,054,443</u>	<u>1,799,443</u>	<u>9,365,347</u>

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Summary of Municipal Debt (Cont'd)

	December 31,		
	2023	2022	2021
<u>Less:</u>			
General:			
Reserve to Pay Debt Service	\$ 514	\$ 514	\$ 71,514
Water Utility:			
Reserve to Pay Debt Service	5,367	5,367	\$ 5,367
	<u>5,881</u>	<u>5,881</u>	<u>76,881</u>
Net Bonds, Notes and Loans			
Issued and Authorized but not Issued	<u>\$ 10,606,360</u>	<u>\$ 12,556,013</u>	<u>\$ 21,690,887</u>

Summary of Statutory Debt Condition – Revised Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement as of December 31, 2023 and indicates a statutory net debt of .113%.

	Gross Debt	Deductions	Net Debt
School District Debt	\$ 38,003,669	\$ 38,003,669	
Water Utility Debt	5,701,226	5,701,226	
Sewer Utility Debt	345,798	345,798	
Pool Utility Debt	8,217		\$ 8,217
General Debt	<u>4,557,000</u>		<u>4,557,000</u>
	<u>\$ 48,615,910</u>	<u>\$ 44,050,693</u>	<u>\$ 4,565,217</u>

Net Debt \$4,565,217 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$4,031,285,301 = .113%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 141,094,986
Net Debt	<u>4,565,217</u>
Remaining Borrowing Power	<u>\$ 136,529,769</u>

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	2,119,635
Deductions:		
Operating and Maintenance Costs	\$	1,743,330
Debt Service		<u>277,785</u>
		<u>2,021,115</u>
Excess in Revenue	\$	<u>98,520</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	5,458,130
Deductions:		
Operating and Maintenance Costs	\$	3,972,221
Debt Service		<u>171,800</u>
		<u>4,144,021</u>
Excess in Revenue	\$	<u>1,314,110</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	275,086
Deductions:		
Operating and Maintenance Costs	\$	<u>282,555</u>
		<u>282,555</u>
Deficit in Revenue	\$	<u>(7,468)</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2022	Additions	Retirements/ Defeasements	Balance 12/31/2023
Serial Bonds:				
General Capital Fund	\$ 5,477,000		\$ 920,000	\$ 4,557,000
Water Utility Capital Fund	4,775,000		120,000	4,655,000
Loans Payable:				
Sewer Utility Capital Fund:				
Infrastructure Trust Loan	510,451		164,654	345,797
	<u>\$ 10,762,451</u>	<u>\$ -0-</u>	<u>\$ 1,204,654</u>	<u>\$ 9,557,797</u>

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2021	Additions	Retirements/ Defeasements	Balance 12/31/2022
Serial Bonds:				
General Capital Fund	\$ 6,397,000		\$ 920,000	\$ 5,477,000
Water Utility Capital Fund		\$ 4,775,000		4,775,000
Bond Anticipation Notes:				
Water Utility Capital Fund	4,420,000		4,420,000	
Sewer Utility Capital Fund	916,000		916,000	
Loans Payable:				
Sewer Utility Capital Fund:				
Infrastructure Trust Loan	669,421		158,970	510,451
	<u>\$ 12,402,421</u>	<u>\$ 4,775,000</u>	<u>\$ 6,414,970</u>	<u>\$ 10,762,451</u>

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

At December 31, 2023, the Borough had capital debt issued and outstanding described as follows:

<u>General Capital Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
Serial Bonds - 2015	10/15/28	2.00-5.00%	\$ 4,557,000
<u>Water Capital Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
Serial Bonds - 2022	08/15/47	4.00-5.00%	4,655,000
<u>Sewer Capital Infrastructure Trust Loans</u>			
<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	
Environmental Infrastructure	08/01/25	4.00-4.50%	345,797
Total Debt Issued and Outstanding			<u>\$ 9,557,797</u>

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

Calendar Year	<u>General</u>		<u>Water Utility</u>		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 920,000	\$ 134,410	\$ 120,000	\$ 155,806	\$ 1,330,216
2025	920,000	88,410	120,000	152,056	1,280,466
2026	920,000	70,010	125,000	148,306	1,263,316
2027	920,000	49,310	135,000	144,400	1,248,710
2028	877,000	26,310	140,000	140,180	1,183,490
2029-2033			820,000	629,496	1,449,496
2034-2038			1,040,000	527,864	1,567,864
2039-2043			1,195,000	324,436	1,519,436
2044-2047			960,000	87,900	1,047,900
	<u>\$ 4,557,000</u>	<u>\$ 368,450</u>	<u>\$ 4,655,000</u>	<u>\$ 2,310,444</u>	<u>\$ 13,269,974</u>

Infrastructure Loans

On October 26, 2005 the Borough of Florham Park entered into loan agreements with the State of New Jersey Infrastructure Trust (the "Trust"), in the aggregate amount of \$2,375,000, which represent direct obligations of the Borough. The loan agreements were obtained to finance a portion of the sewer improvement project. A portion of the loan is interest free while a portion was issued with interest rates ranging from 4.00% - 4.50%.

At December 31, 2023, the Borough borrowed or "drew down" \$2,375,000 of the \$2,375,000 funds necessary to complete the improvements partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until 2025 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until 2025.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

10

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

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

Schedule of Annual Debt Service For Principal and Interest for the Next Three Years for Loans Issued and Outstanding

Calendar Year	Infrastructure Trust Loan		Total
	Principal	Interest	
2024	170,197	8,969	179,166
2025	175,600	4,594	180,194
	<u>\$ 345,797</u>	<u>\$ 13,563</u>	<u>\$ 359,360</u>

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2023, which were appropriated and included as anticipated revenue for the year ending December 31, 2024 budget, were as follows:

Current Fund	\$ 3,866,850
Water Utility Operating Fund	185,000
Sewer Utility Operating Fund	1,609,500

Also, \$40,000.00 of the \$4,272,692.34 Sewer Utility Operating Fund balance at December 31, 2023, was anticipated as revenue in the 2024 Current Fund budget.

Note 4: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

11

Note 4: Pension Plans (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 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.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

12

Note 4: Pension Plans (Cont'd)

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

Contributions (Cont'd)

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning, with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Borough contributions to PERS amounted to \$812,448.64 for 2023. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$30,377 to the PERS for normal pension benefits on behalf of the Borough.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability was \$9,740,508 for its proportionate share of the 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 July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0672%, which was a decrease of 0.0017% from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2023.

For the year ended December 31, 2023, the Borough recognized actual pension expense in the amount of \$812,448.64.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 4: Pension Plans (Cont'd)

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

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 was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases 2.75 – 6.55% based on years of service

Investment Rate of Return 7.00%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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' target asset allocation as of June 30, 2022 are summarized in the following table:

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

14

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<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 Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
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%

Discount Rate

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

15

Note 4: Pension Plans (Cont'd)

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

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

The following presents the Borough's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the Net Pension Liability	\$ 12,680,068	\$ 9,740,508	\$ 7,238,553

Pension Plan Fiduciary Net Position

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

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

Plan Description

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

Benefits Provided

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

16

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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 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.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

17

Note 4: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Borough contributions to PFRS amounted to \$1,375,463 for the year ended December 31, 2023. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$247,139 to the PFRS for normal pension benefits on behalf of the Borough, which is less than the contractually required contribution of \$245,813.

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

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability for its proportionate share of the net pension liability was \$11,728,051. 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 July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.106%, which was a 0.0004% increase from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability as of June 30, 2023 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$2,161,030 as of June 30, 2023. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

18

Note 4: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

At June 30, 2023, the State's proportion was .106%, which was an increase of 0.0004% from its proportion measured as of June 30, 2022 which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 11,728,051
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>2,161,030</u>
Total Net Pension Liability	<u>\$ 13,889,081</u>

For the year ended December 31, 2023, the Borough recognized total pension expense of \$1,375,463.

Actuarial Assumptions

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

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

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

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

19

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 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 Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Assets	3.00%	8.40%
Real Estate	8.00%	8.58%
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%

Discount Rate – PFRS

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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

20

Note 4: Pension Plans (Cont'd)

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

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

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 19,352,002	\$ 13,889,081	\$ 9,339,773

Pension Plan Fiduciary Net Position - PFRS

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

C. Defined Contribution Retirement Program (DCRP)

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

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of \$3,500 for the year ended December 31, 2023. Employee contributions to DCRP amounted to \$1,137.57 for the year ended December 31, 2023.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 5: Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the Borough had the following deferred charge:

	<u>Balance at</u> <u>Dec. 31, 2023</u>	<u>To Be Raised in</u> <u>2024 Budget</u>	<u>Balance to</u> <u>Succeeding Years</u>
Emergency Authorization- Pool			
Utility Operating Fund	\$ 40,000.00	\$ 40,000.00	\$ -0-

The appropriation in the 2024 budget is not less than that required by statute.

Note 6: School District Taxes

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

Note 7: Selected Tax Rate Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	\$ 1.598	\$ 1.612	\$ 1.600
<u>Apportionment of Tax Rate</u>			
Municipal	0.452	0.445	0.440
County	0.270	0.269	0.269
Local School	0.582	0.596	0.588
Regional High School	0.294	0.302	0.303
<u>Assessed Valuations</u>			
2023	<u>\$ 3,753,932,620</u>		
2022		<u>\$ 3,642,031,253</u>	
2021			<u>\$ 3,590,106,159</u>

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

22

Note 7: Selected Tax Rate Information (Cont'd)

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Currently	
		Cash Collections	Percentage of Collection
2023	\$ 60,915,283	\$ 60,150,380	98.74%
2022	60,061,147	59,596,239	99.23%
2021	58,561,236	58,108,144	99.23%

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

Note 8: Cash and Cash Equivalents

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

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

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

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

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in the section of this note on investments.

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

23

Note 8: Cash and Cash Equivalents (Cont'd)

Deposits:

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

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

The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

Investments:

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

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and

As of December 31, 2023, cash and cash equivalents of the Borough of Florham Park consisted of the following:

Fund	Checking Accounts	Cash on Hand	Totals
Current	\$ 14,478,194.69		\$ 14,478,194.69
Federal and State Grant	1,307,516.03		1,307,516.03
Animal Control Trust	13,977.22		13,977.22
Other Trust	8,480,646.68		8,480,646.68
General Capital	4,326,144.40		4,326,144.40
Water Utility Operating	10,311,613.72		10,311,613.72
Water Utility Capital	1,083,766.24		1,083,766.24
Sewer Utility Operating	5,516,020.85		5,516,020.85
Sewer Utility Trust	120,456.86		120,456.86
Sewer Utility Capital	7,373,426.31		7,373,426.31
Pool Utility Operating	12,187.95	\$ 50.00	12,237.95
Pool Utility Capital	175,837.58		175,837.58
	<u>\$ 53,199,788.53</u>	<u>\$ 50.00</u>	<u>\$ 53,199,838.53</u>

The carrying amount of the Borough of Florham Park's cash and cash equivalents at cost at December 31, 2023, was \$53,199,838.53 and the bank balance was \$54,299,891.97.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 9: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough of Florham Park is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental

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

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected financial information from the fund as of December 31, 2022 is as follows:

Total Assets	<u>\$ 38,605,475</u>
Net Position	<u>\$ 14,033,264</u>
Total Revenue	<u>\$ 23,257,278</u>
Total Expenses	<u>\$ 19,724,058</u>
Change in Net Position	<u>\$ 3,533,220</u>
Member Dividends	<u>\$ -0-</u>

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

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

26

Note 9: Risk Management (Cont'd)

Health Benefits Insurance

The Borough is self-insured to the extent of the amounts "deductible" from umbrella insurance coverage for Health Benefits.

Coverage is provided by an excess risk insurance policy, issued by Horizon Blue Cross/Blue Shield of NJ, with coverages detailed as follows:

A. Specific Loss:

The Borough will pay the Specific Deductible amount of \$75,000 per policy period per covered person.

B. Aggregate Loss:

2023 maximum aggregate liability is \$2,294,717.

Processing and payment of claims is administered by Horizon Blue Cross/Blue Shield of NJ.

There is a provision included in the financial statements in the Other Trust Fund - Reserve for Self Insurance for claims incurred but not reported as of December 31, 2023, of \$1,295,539.41, which exceeds the estimated amount for unpaid losses and loss adjustment expenses, provided by the Borough Health Insurance Advisor.

A summary of activity in the Other Trust Fund Reserve for Self Insurance for the current and prior two years is detailed as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance, Beginning of Year	\$ 1,101,943	\$ 1,181,025	\$ 590,424
Receipts	<u>2,928,000</u>	<u>3,003,000</u>	<u>3,087,494</u>
	4,029,943	4,184,025	3,677,918
Disbursements	<u>2,734,404</u>	<u>3,082,082</u>	<u>2,496,893</u>
Balance, End of Year	<u>\$ 1,295,539</u>	<u>\$ 1,101,943</u>	<u>\$ 1,181,025</u>

New Jersey Unemployment Compensation Insurance

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

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

27

Note 9: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -0-	\$ 16,261.14	\$ 9,068.58	\$457,885.31
2022	-0-	23,074.69	6,712.56	474,247.44
2023	-0-	40,725.44	8,416.65	506,556.23

Insurance Deductible

The Reserve for Self-Insurance Deductible account was established in the Other Trust Funds to fund the Borough's self-insured retention for Employment Practices Liability ("EPL") and Proof of Loss ("POL") claims should they occur. The Borough's obligation or exposure on an EPL/POL claim is the first \$20,000 of the claim and then 20% of the first \$250,000 for a combined possible exposure of \$75,000 per claim.

Note 10: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate upon such termination. It is estimated that the current cost of such unpaid compensation would approximate \$1,568,510.34. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. This amount is partially funded in the Reserve for Accumulated Absences of \$1,000,973.10 on the Trust Funds balance sheet at December 31, 2023.

Note 11: Contingencies

The Borough is periodically involved in lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough's financial position as of December 31, 2023.

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

The Borough has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be a financial burden. A reserve for pending tax appeals in the amount of \$5,631,476.89 has been recorded as a liability as of December 31, 2023. The Borough feels this balance is sufficient to cover any liability related to the tax appeals.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

28

Note 12: Economic Dependency

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

Note 13: Deferred Compensation

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. This plan, which is administered by Nationwide, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

Note 14: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 47,099.63	
Federal and State Grant Fund		\$ 6,561.15
Other Trust Fund		18,129.93
General Capital Fund		21,112.29
Water Utility Operating Fund	4,842.86	830.26
Water Utility Capital Fund		4,842.86
Sewer Utility Operating Fund	16,047.11	466.00
Sewer Utility Capital Fund		16,047.11
Pool Utility Operating Fund	786.66	
Pool Utility Capital Fund		786.66
	<u>\$ 68,776.26</u>	<u>\$ 68,776.26</u>

The interfund payable between the Other Trust Fund to Current Fund represents interest earned in Other Trust Fund and not turned over to Current Fund at year end.. The interfund payable from General Capital Fund to Current Fund represents interest earned in General Capital Fund and not turned over to Current Fund at year end. The interfund between Water Utility Operating Fund and Water Utility Capital Fund is due to interest earned in Water Utility Capital Fund not turned over to Water Utility Operating Fund at year end as well as payments made in the Water Utility Operating Fund on behalf of the Water Utility Capital Fund. The interfund between Water Utility Capital Fund and Federal and State Grant Fund is due to grant funds received in Water Utility Capital Fund not turned over to Federal and State Grant Fund at year end. The Sewer Utility Operating Fund interfund represents interest earned in Sewer Utility Capital Fund not turned over to Sewer Utility Operating Fund at year end. The interfund between Pool Utility Operating Fund and Pool Utility Capital Fund represents interest earned in Pool Utility Capital Fund not turned over to Pool Utility Operating Fund at year end.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

29

Note 15: Post-Retirement Benefits Other than Pensions (OPEB)

General Information about the Borough's OPEB Plan

Plan Description and Benefits

The Borough provides other post-retirement benefits to certain clerical, public works and police employees. Medical including prescription drugs are offered to pre-65 and post-65 retirees on a fully insured basis. The Borough does not provide subsidized benefits for dental, vision or life insurance coverage. Furthermore, the Borough subsidizes (or reimburses) premium payments for Medicare Part B coverage for retirees and/or spouses that are eligible for Medicare, but does not reimburse for Medicare Part D coverage. Non-Union retirees hired after October 1, 1997 are not eligible for subsidized health care benefits in retirement. Furthermore, all retirees including dependents are eligible for Medicare Part B coverage except for Non-Union employees hired after October 1, 1997. Eligibility for retirement is based on meeting a criteria of minimum age and/or years of service (YOS) requirements.

For this valuation, retirees are eligible for subsidized healthcare benefits based on reaching a minimum of twenty-five (25) YOS of service with the Borough and no minimum age requirement for all groups including Union and Non-Union.

Contributions

Base medical plan costs for pre-65 and post-65 retirees are based on fully insured premium rates provided by the Borough for the 2022 and 2023 plan years. Premium rates are based on 100% before retiree contributions and assumed to include all administrative expenses and PPACA fees due at this time. In addition, fully insured prescription drug premium rates through MaxorPlus are assumed to include all administrative expenses and applicable PPACA fees as well. The prescription drug rates provided reflect a combined active and retiree population (pre-65 and post-65), therefore adjustments were necessary to convert the provided premium rates into specific pre-65 and post-65 retirees costs.

Retiree contribution rates vary by union and Medicare eligibility status. Below is a summary of retiree contributions by union and pre-65/post-retiree Medicare eligibility status.

Union	Pre-65 Retiree	Post-65 Retiree
DPW	0%	0%
PBA	0%	100%
Non-Union hired before 1/1/1997	0%	0%
Non-Union hired on/after 10/1/1997	100%	100%

Employees Covered by Benefit Terms

As of February 2023, there were 169 active employees and retirees reflecting the sum of 108 active employees (95 electing coverage and 13 waiving coverage) and 61 retirees, inclusive of 5 surviving spouses.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

30

Note 15: Post-Retirement Benefits Other than Pensions (OPEB) (Cont'd)

General Information about the Borough's OPEB Plan (Cont'd)

Total OPEB Liability

The Borough's OPEB liability of \$54,936,483 was measured as of December 31, 2023, and was determined by an actuarial valuation as of December 31, 2023.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.88% at December 31, 2023
Salary Increases	3.00% per year
Inflation Assumptions	0.25% per year

The selected discount rate is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO – 2.06%, S&P Municipal Bond 20 Year High Grade Rate Index – 2.25%, and Fidelity GA AA 20 Years – 1.84%) as of December 31, 2022.

Health Care Trend Rates	Year	Pre-65	Post-65
Year 1 Trend	January 1, 2024	7.00%	7.00%
Ultimate Trend	January 1, 2034 & Later	4.50%	4.50%
Grading Per Year		0.25%	0.25%

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public Retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at January 1, 2023	\$ 50,431,392
Changes for Year:	
Service Cost	1,005,308
Interest Cost	1,929,530
Changes in Assumptions	2,972,703
Benefit Payments	(1,402,450)
Net Changes	4,505,091
Balance at December 31, 2023	\$ 54,936,483

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

31

Note 15: Post-Retirement Benefits Other than Pensions (OPEB) (Cont'd)

General Information about the Borough's OPEB Plan (Cont'd)

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

The following presents the total OPEB liability of the Borough as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage lower (2.88 percent) or 1 percentage higher (4.88 percent) than the current discount rate:

	December 31, 2023		
	1%	Discount Rate	1%
	Decrease		Increase
	(2.88%)	(3.88%)	(4.88%)
Total OPEB Liability	\$ 66,286,366	\$ 54,936,483	\$ 46,060,852

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Borough as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage lower or 1 percentage higher than the valuation healthcare cost trend rates:

	December 31, 2023		
	1%	Valuation	1%
	Decrease	Healthcare	Increase
		Trend Rates	
Total OPEB Liability	\$ 45,104,104	\$ 54,936,483	\$ 68,131,353
<u>OPEB Expense</u>			

For the year ended December 31, 2023, the Borough's OPEB expense was \$2,874,110 as determined by the actuarial valuation.

Note 16: Tax Abatements

GASB requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

As of December 31, 2023, the Borough provides two tax abatements. The first to a public body corporate and politic of the State of New Jersey with corporate succession (the "Authority") in the Borough pursuant to the authority contained in N.J.S.A. 5:10-6a(14)(b) (the "Law") and an agreement dated March 20, 2007. In consideration of the full abatement of taxes, the Authority is required to pay to the Borough \$236,212 per year.

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

32

Note 16: Tax Abatements (Cont'd)

On the fifth anniversary date after the Payment in Lieu of Taxes (the "PILOT") commencement date and on each of the succeeding fifth anniversary dates thereafter, the PILOT shall be adjusted so that the amount payable in the sixth year shall be equal to the PILOT paid on the PILOT commencement date adjusted by one hundred percent of the cumulative percentage increase or decrease, if any, in the Consumer Price Index for each year from the PILOT commencement date through the end of fifth year (the "PILOT Adjustment").

The resulting amount shall be the PILOT payable annually for the sixth through the tenth years after the PILOT commencement date. The foregoing calculation shall be repeated with respect to every five years thereafter and the resulting PILOT for each successive five year period shall be the PILOT for the last year of the preceding five year period, as increased or decreased by the PILOT Adjustment applied thereto.

The tax abatement provided under the agreement shall be terminated on the first day of the month following the date which the project is transferred by the Authority to a private party.

The second abatement is to the owner and operator of a low-moderate income residential developer (the Sponsor) as approved in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 and was entered into on December 3, 1991. In consideration of a tax abatement the Sponsor will pay an annual service charge in lieu of taxes in the amount of eight and one-half percent of the Annual Gross Revenues of the Project from substantial completion until the remaining term of the NJHMFA mortgage.

The Borough recognized revenue in the amount of \$498,471.52 from these payment in lieu of taxes agreements which is recorded as a miscellaneous revenue in the Current Fund. The taxes which would have been paid on these property for 2023 without the abatement would have been \$1,014,465.00 of which \$280,048.00 would have been for the local municipal tax and minimum library tax.

Note 17: Fixed Assets

The following schedule is a summarization of the general fixed assets for the years ended December 31, 2023 and 2022:

	Balance Dec. 31, 2022	Additions	Deletions/ Adjustments	Balance Dec. 31, 2023
Land	\$ 79,671,252.00			\$ 79,671,252.00
Buildings and Improvements	33,643,710.00	\$ 463,322.00		34,107,032.00
Machinery and Equipment	10,727,449.00	1,039,401.00		11,766,850.00
	<u>\$ 124,042,411.00</u>	<u>\$ 1,502,723.00</u>	<u>\$ -0-</u>	<u>\$ 125,545,134.00</u>

BOROUGH OF FLORHAM PARK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 17: Fixed Assets (Cont'd)

The following schedule is a summarization of the general fixed assets for the years ended December 31, 2023 and 2022: (Cont'd)

	Balance Dec. 31, 2021	Additions	Deletions	Balance Dec. 31, 2022
Land	\$ 79,652,436.00	\$ 18,816.00		\$ 79,671,252.00
Buildings and Improvements	33,549,254.00	94,456.00		33,643,710.00
Machinery and Equipment	10,431,601.00	295,848.00		10,727,449.00
	<u>\$ 123,633,291.00</u>	<u>\$ 409,120.00</u>	<u>\$ -0-</u>	<u>\$ 124,042,411.00</u>

Note 18: Leases

On July 20, 2023 the Borough sold leases related to cell tower equipment located on Borough property. In total there were six leases with three separate private entities. The entities have placed wireless communication equipment on Borough property, in exchange for the leased space the entities agreed to pay the Borough in annual installments. There is no outstanding debt related to the leases. The purchase price of the leases was \$9,925,000.

BOROUGH OF FLORHAM PARK

SUPPLEMENTARY DATA

BOROUGH OF FLORHAM PARK
OFFICIALS IN OFFICE AND SURETY BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Name		Amount of Bond	Name of Corporate or Personal Surety
Mark Taylor	Mayor		
Carmen Cefolo-Pane	Council President		
Scott Carpenter	Councilman		
William Zuckerman	Councilman		
Charles Germershausen	Councilman		
Charles Malone	Councilman		
Thomas Michalowski	Councilman		
Sheila Williams	Borough Clerk	(A)	
William Huyler	Borough Administrator	(A)	
Patrice Visco	Chief Financial Officer	(A)	
Patrice Visco	Tax Collector and Tax Search Officer	\$ 1,000,000.00	Municipal Excess Liability JIF
John Murray	Tax Assessor	(A)	

(A) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
CURRENT FUND

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 14,144,088.00
Increased by Receipts:		
Tax Collector	\$ 60,450,655.92	
Revenue Accounts Receivable	4,759,138.66	
Miscellaneous Revenue Not Anticipated	294,310.42	
Due General Capital Fund:		
Interfund Returned	12,664.16	
Due Animal Control Fund:		
Prior Year Interfund Returned	17,684.56	
Due Other Trust Funds:		
Interfund Returned	123,722.67	
Due Sewer Utility Operating Fund		
Interfund Returned	669.52	
Due Payroll Account		
Interfund Returned	333.40	
Due State of New Jersey:		
Marriage License Fees	1,400.00	
State Training Fees	37,743.00	
Senior Citizens' and Veterans' Deductions	57,630.00	
Reserve for Municipal Relief Fund	107,265.00	
Appropriation Refunds	915,604.69	
		66,778,822.00
		80,922,910.00
Decreased by Disbursements:		
2023 Appropriation Expenditures	22,117,443.79	
2022 Appropriation Reserve Expenditures	838,857.90	
Local School District Taxes	21,830,005.00	
Regional High School Taxes	11,030,767.00	
County Taxes	10,319,539.70	
Accounts Payable	2,039.51	
Due Federal and State Grant Fund:		
Prior Year Interfund	18,053.08	
Due Other Trust Funds:		
Interfund Returned	215,749.96	
Due Water Utility Operating Fund		
Interfund Advanced	775.91	
Due Swimming Pool Utility Operating Fund		
Interfund Returned	6,228.00	
Due State of New Jersey:		
Marriage License Fees	800.00	
State Training Fees	48,654.00	
Refund of Tax Overpayments	15,801.46	
		66,444,715.31
Balance December 31, 2023	A	\$ 14,478,194.69

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

Increased by Receipts:

Taxes Receivable	\$ 59,890,311.72	
Interest and Costs on Taxes	119,301.50	
2024 Prepaid Taxes	422,875.00	
Tax Overpayments	18,167.70	
	<hr/>	
		<u>\$ 60,450,655.92</u>

Decreased by:

Payments to Municipal Treasurer		<u>\$ 60,450,655.92</u>
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FEDERAL AND STATE GRANT FUND
SCHEDULE OF CASH - GRANT FUNDS

Ref.

Balance December 31, 2022	A	\$ 1,232,243.88
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Increased by Receipts:

Grants Receivable	\$ 311,787.24	
Unappropriated Grant Funds Received	17,343.53	
Due Current Fund - Interest	68,846.14	
Due Current Fund - Interfund Returned	18,053.08	
	<hr/>	
		<u>\$ 416,029.99</u>
		1,648,273.87

Decreased by Disbursements:

Appropriated Grant Reserve	278,472.85	
Due Current Fund - Interfund Advanced	62,284.99	
	<hr/>	
		340,757.84

Balance December 31, 2023	A	<u>\$ 1,307,516.03</u>
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BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2022	2023 Levy	2022	Collections 2023	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2023
2022	\$ 328,916.38			\$ 328,916.38				
	328,916.38			328,916.38				
2023		\$ 60,915,282.67	\$ 532,734.29	59,561,395.34	\$ 56,250.00	\$ 18,473.22	\$ 7,764.68	\$ 738,665.14
	\$ 328,916.38	\$ 60,915,282.67	\$ 532,734.29	\$ 59,890,311.72	\$ 56,250.00	\$ 18,473.22	\$ 7,764.68	\$ 738,665.14
<u>Ref.</u>	A							A

Analysis of 2023 Property Tax Levy

Tax Yield:

General Purpose Tax
 Added and Omitted Taxes

\$ 59,987,843.30
 927,439.37
 \$ 60,915,282.67

Tax Levy:

Local School District Taxes
 Regional High School Taxes
 County Taxes:
 General Tax
 County Open Space
 Due County for Added and Omitted Taxes

\$ 21,830,005.00
 11,030,767.00

\$ 9,845,910.40
 247,956.23
 156,540.19

10,250,406.82
 43,111,178.82

Local Tax for Municipal Purposes Levied
 Minimum Library Tax
 Add: Additional Tax Levied

15,716,220.82
 1,285,129.63
 802,753.40
 17,804,103.85

\$ 60,915,282.67

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 51,287.65
Increased by:		
Transfer from Taxes Receivable		<u>7,764.68</u>
Balance December 31, 2023	A	<u><u>\$ 59,052.33</u></u>

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2022	Accrued in 2023	Collected by Treasurer	Balance Dec. 31, 2023
Licenses:				
Alcoholic Beverages	\$	18,064.00	\$ 18,064.00	
Other		63,440.00	63,440.00	
Fees and Permits - Other		91,214.25	91,214.25	
Fines and Costs - Municipal Court		144,301.48	140,731.62	\$ 10,694.22
Payments in Lieu of Taxes	\$ 7,124.36	498,471.52	498,471.52	
Interest on Deposits		1,191,746.90	1,191,746.90	
Park Avenue Club Contribution		52,500.00	52,500.00	
Hotel Occupancy Tax		363,400.32	363,400.32	
Energy Receipts Tax		1,035,265.00	1,035,265.00	
Construction Code Official		900,000.00	900,000.00	
Uniform Fire Safety Act		177,651.03	177,651.03	
Outside Detail Administrative Fees		40,000.00	40,000.00	
Sewer Utility Operating Surplus of Prior Year		80,000.00	80,000.00	
School Resource Officer Revenue	9,236.37	107,285.71	106,654.02	9,868.06
	<u>\$ 16,360.73</u>	<u>\$ 4,763,340.21</u>	<u>\$ 4,759,138.66</u>	<u>\$ 20,562.28</u>
Ref.	A	Cash Received	4,759,138.66	A
			<u>4,759,138.66</u>	

BOROUGH OF FLORHAM PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

Grant Description	Balance Dec. 31, 2022	Revenue Realized in 2023	Received	Transferred from Unappropriated Reserve	Balance Dec. 31, 2023
Clean Communities Grant		\$ 27,450.83	\$ 27,450.83		
Recycling Tonnage Grant		14,074.27	14,074.27		
Alcohol Education, Rehabilitation and Enforcement Fund					
2022		4,264.17		\$ 4,264.17	
2023		6,230.14	6,230.14		
Morris County Historic Preservation:					
Little Red School House		218,880.00	132,032.00		\$ 86,848.00
Body Worn Camera Assistance	\$ 73,368.00				73,368.00
Body Armor Replacement Program		822.30		822.30	
Distracted Driver Statewide Crackdown		7,000.00	7,000.00		
American Rescue Plan		1,203,269.70		1,203,269.70	
American Rescue Plan - Firefighter Grant	25,000.00		25,000.00		
Local Recreation Improvement Grant	75,000.00		75,000.00		
Stormwater Assistance Grant		25,000.00	15,000.00		10,000.00
EMAA Grant		10,000.00	10,000.00		
Bullet Proof Vest Partnership Grant		3,941.90		3,941.90	
Lakes Management Grant		176,900.00			176,900.00
Opioid Settlement		22,328.98		22,328.98	
	<u>\$ 173,368.00</u>	<u>\$ 1,720,162.29</u>	<u>\$ 311,787.24</u>	<u>\$ 1,234,627.05</u>	<u>\$ 347,116.00</u>
<u>Ref.</u>	A		A-6	A-15	A

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
General Administration:				
Salaries and Wages	\$ 11,127.53	\$ 11,127.53		\$ 11,127.53
Other Expenses	4,970.78	4,970.78	\$ 4,783.86	186.92
Mayor and Council:				
Other Expenses	11,738.45	11,738.45	1,053.10	10,685.35
Municipal Clerk:				
Salaries and Wages	16,144.98	16,144.98		16,144.98
Other Expenses	28,206.91	28,206.91	6,212.79	21,994.12
Financial Administration:				
Salaries and Wages	17.66	17.66		17.66
Other Expenses	13,460.83	13,460.83	13,457.12	3.71
Tax Collection:				
Salaries and Wages	5.07	5.07		5.07
Other Expenses	836.83	836.83		836.83
Tax Assessment:				
Salaries and Wages	3.95	3.95		3.95
Other Expenses	8,653.30	8,653.30	1,240.54	7,412.76
Legal Services:				
Other Expenses	94,953.33	94,953.33	94,907.00	46.33
Engineering Services and Costs:				
Other Expenses	9,666.13	9,666.13	2,609.19	7,056.94
Historic Commission:				
Other Expenses	5,486.74	5,486.74	5,300.00	186.74
LAND USE ADMINISTRATION:				
Planning Board:				
Salaries and Wages	1,001.64	3,001.64	2,978.25	23.39
Other Expenses	36,982.61	34,982.61		34,982.61
Board of Adjustment:				
Salaries and Wages	1,003.66	1,003.66		1,003.66
Other Expenses	8,170.72	8,170.72	85.67	8,085.05
Municipal Court:				
Salaries and Wages	0.09	0.09		0.09
Other Expenses	7,825.07	7,825.07	732.67	7,092.40
PUBLIC SAFETY:				
Police:				
Salaries and Wages	195,841.87	195,841.87	93,397.60	102,444.27
Other Expenses	87,388.75	87,388.75	51,619.93	35,768.82
Police Vehicles:				
Other Expenses	8,026.84	8,026.84	8,026.84	

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Balance Dec. 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC SAFETY: (Cont'd)				
Fire:				
Salaries and Wages	\$ 1,680.33	\$ 1,680.33		\$ 1,680.33
Other Expenses	29,794.36	29,794.36	\$ 15,764.71	14,029.65
Fire Safety:				
Salaries and Wages	6,357.32	6,357.32		6,357.32
Other Expenses	9,397.81	9,397.81	295.00	9,102.81
PUBLIC WORKS:				
Road Repairs and Maintenance:				
Salaries and Wages	48,901.15	26,401.15	26,401.15	
Other Expenses	88,214.43	140,714.43	140,469.43	245.00
Other Public Works:				
Salaries and Wages	330.04	330.04		330.04
DPW Solid Waste Collection:				
Other Expenses	42,216.40	42,216.40	37,018.08	5,198.32
DPW Buildings and Grounds:				
Salaries and Wages	81,262.34	51,262.34	51,262.34	
Other Expenses	36,982.48	36,982.48	35,153.52	1,828.96
DPW Vehicle Maintenance:				
Salaries and Wages	68,893.06	68,893.06	66,679.81	2,213.25
HEALTH AND HUMAN SERVICES:				
Board of Health:				
Salaries and Wages	3.19	3.19		3.19
Other Expenses	2,165.96	2,165.96	286.46	1,879.50
Environmental Commission:				
Other Expenses	1,115.97	1,115.97		1,115.97
RECREATION AND EDUCATION:				
Recreation:				
Salaries and Wages	8,846.98	8,846.98		8,846.98
Other Expenses	32,003.79	32,003.79	17,780.88	14,222.91
Public Events:				
Other Expenses	7,500.00	7,500.00		7,500.00
INSURANCES:				
Workers Compensation	17,884.00	17,884.00		17,884.00
Group Insurance for Employees	42,201.99	42,201.99	3,838.13	38,363.86
Liability Insurance	9,009.00	9,009.00		9,009.00

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Balance Dec. 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
UTILITIES:				
Bulk Utilities	\$ 130,864.85	\$ 130,864.58	\$ 44,994.93	\$ 85,869.65
UNIFORM CONSTRUCTION CODE:				
Construction Official:				
Salaries and Wages	67,788.13	22,788.13		22,788.13
Other Expenses	78,352.66	123,352.66	123,352.66	
Contingent	10,000.00	10,000.00		10,000.00
Deferred Charges & Statutory Expenditures:				
Statutory Expenditures:				
Public Employees' Retirement System	8,966.70	8,966.97	8,966.97	
Social Security System (O.A.S.I.)	15,365.56	14,388.00	14,388.00	
DCRP	3,500.00	4,477.56	4,477.56	
Operations Excluded from "CAPS":				
Maintenance of Free Public Library	54,365.07	54,365.07	54,365.07	
LOSAP	31,000.00	31,000.00	7,200.00	23,800.00
	<u>\$ 1,486,477.31</u>	<u>\$ 1,486,477.31</u>	<u>\$ 939,099.26</u>	<u>\$ 547,378.05</u>
<u>Analysis of Balance December 31, 2022:</u>				
	<u>Ref.</u>			
Encumbered	A	\$ 329,279.02		
Unencumbered	A	1,157,198.29		
		<u>\$ 1,486,477.31</u>		
Cash Disbursed			\$ 838,857.90	
Accounts Payable			100,241.36	
			<u>\$ 939,099.26</u>	

BOROUGH OF FLORHAM PARK
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

Increased by:

Levy - Calendar Year 2023	\$	21,830,005.00
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Decreased by:

Payments to Local School District	\$	21,830,005.00
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CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

Increased by:

Levy - Calendar Year 2023	\$	11,030,767.00
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Decreased by:

Payments to Regional High School District	\$	11,030,767.00
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BOROUGH OF FLORHAM PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Grant Description	Balance Dec. 31, 2022	Transferred from 2023 Budget Appropriations	Expended	Prior Year Encumbrances Canceled	Balance Dec. 31, 2023
Recycling Tonnage Grant:					
2023		\$ 14,074.27	\$ 14,074.27		
Alcohol Education, Rehabilitation and Enforcement Grant:					
2010	\$ 412.41		412.41		
2011	1,456.24		1,456.24		
2012	3,291.75		3,113.31		\$ 178.44
2014	2,797.06				2,797.06
2015	1,536.08				1,536.08
2016	2,736.39				2,736.39
2017	2,123.22				2,123.22
2018	2,782.83				2,782.83
2019	3,295.36				3,295.36
2020	4,000.99				4,000.99
2021	3,180.78				3,180.78
2022		4,264.17			4,264.17
2023		6,230.14			6,230.14
Clean Communities Grant:					
2022	23,384.63		23,212.73		171.90
2023		27,450.83	3,309.92		24,140.91
Labor Day Crack Down	550.00				550.00
Drunk Driving Enforcement Fund:					
2021	3,377.00				3,377.00
Body Armor Program:					
2023		822.30	822.30		
Body Worn Camera Assistance			73,368.00	\$ 73,368.00	
Morris County Historic Preservation:					
Little Red Schoolhouse	15,400.00	218,880.00	168,138.00		66,142.00
NFL Field Grant	14,884.22		2,390.85		12,493.37
Distracted Driver Statewide Crackdown:					
2017	336.29				336.29
2023		7,000.00	7,000.00		
EMMA Grant:					
2022	4,124.66		4,124.66		
2023		10,000.00	10,000.00		
Association of New Jersey Environmental Commissions	1,000.00		1,000.00		
American Rescue Plan		1,203,269.70	399,777.50		803,492.20
American Rescue Plan - Firefighter Grant	25,000.00				25,000.00
Stormwater Assistance Grant		25,000.00	25,000.00		
Bullet Proof Vest Program		3,941.90	3,941.90		
Lakes Management Grant		176,900.00			176,900.00
Opioid Settlement		22,328.98			22,328.98
	<u>\$ 115,669.91</u>	<u>\$ 1,720,162.29</u>	<u>\$ 741,142.09</u>	<u>\$ 73,368.00</u>	<u>\$ 1,168,058.11</u>

Ref.

A

A

Cash Disbursed \$ 278,472.85
Encumbered 462,669.24
\$ 741,142.09

BOROUGH OF FLORHAM PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

Grant Description	Balance Dec. 31, 2022	Received	Transferred to 2023 Budget Revenue	Balance Dec. 31, 2023
Bullet Proof Vest	\$ 3,941.90		\$ 3,941.90	
Opioid Settlement Grant	22,328.98	\$ 14,295.91	22,328.98	\$ 14,295.91
Body Armor Replacement Fund	822.30	2,547.62	822.30	2,547.62
Alcohol Education, Rehabilitation, and Enforcement Fund	4,264.17		4,264.17	
American Rescue Plan	1,203,269.70		1,203,269.70	
Association of New Jersey Enviromental Commissions		500.00		500.00
	<u>\$ 1,234,627.05</u>	<u>\$ 17,343.53</u>	<u>\$ 1,234,627.05</u>	<u>\$ 17,343.53</u>
<u>Ref.</u>	A			A

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
TRUST FUNDS

BOROUGH OF FLORHAM PARK
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2022	B	\$ 54,837.00	\$ 7,967,579.57
Increased by Receipts:			
Animal Control License Fees:			
Dog License Fees		\$ 4,511.60	
Cat License Fees		1,206.00	
Current Year Prepaid Dog Licenses		7,176.00	
Late, Impound and Boarding Fees		3,774.38	
Due Current Fund:			
Interest Earned			\$ 178,674.71
Interfund Returned			215,749.96
Escrow Deposits			285,347.77
Deposits and Interest:			
Unemployment Insurance Fund			40,725.44
Police Forfeited Assets			1,054.84
Housing Trust			683,578.47
Recreation			228,506.35
Recycling			12,550.94
Fire Penalties			6,250.00
Accumulated Absences			175,000.00
Parking Offenses Adjudication Act			24.00
Public Defender			2,333.00
Self Insurance			2,928,000.00
Off Duty Police Officer			859,490.00
		<u>16,667.98</u>	<u>5,638,511.52</u>
		71,504.98	13,606,091.09
Decreased by Disbursements:			
Administrative Expenses		39,843.20	
Due Current Fund:			
Interfund Returned		17,684.56	123,722.67
Escrow Deposits - Refunds, Charges and Withdrawals			615,517.06
Unemployment Insurance Fund			8,416.65
Housing Trust			512,381.90
Tax Sale Premiums			29,100.00
Recycling			80,000.00
Fire Penalties			1,050.00
Accumulated Absences			83,650.83
Recreation			170,897.05
Off Duty Police Officer			762,062.50
Self Insurance			2,734,403.00
Various Miscellaneous Trust Funds			4,242.75
		<u>57,527.76</u>	<u>5,125,444.41</u>
Balance December 31, 2023	B	<u>\$ 13,977.22</u>	<u>\$ 8,480,646.68</u>

BOROUGH OF FLORHAM PARK
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 31,691.84
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 4,511.60
Cat Licenses		1,206.00
Prior Year Prepaid Licenses		5,460.60
Late, Impound and Boarding Fees		3,774.38
		<u>14,952.58</u>
		46,644.42
Decreased by:		
Animal Control Expenditures		<u>39,843.20</u>
Balance December 31, 2023	B	<u><u>\$ 6,801.22</u></u>

License Fees Collected:

<u>Year</u>	
2021	\$ 12,444.83
2022	14,952.58
	<u>27,397.41</u>
Maximum Allowable Reserve	<u><u>\$ 27,397.41</u></u>

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
GENERAL CAPITAL FUND

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 3,678,132.32
Increased by Receipts:		
Grants Receivable:		
Morris County Interlocal Grant Agreement Receivable	\$ 269,946.31	
Due Current Fund:		
Interest Earned	216,061.85	
Budget Appropriation:		
Capital Improvement Fund	2,503,000.00	
Reserve for:		
Gun Club	5,000.00	
		<u>2,994,008.16</u>
		6,672,140.48
Decreased by Disbursements:		
Improvement Authorization Expenditures	2,138,382.36	
Due Current Fund:		
Interest Income	207,613.72	
		<u>2,345,996.08</u>
Balance December 31, 2023	C	<u><u>\$ 4,326,144.40</u></u>

	Receipts			Disbursements			Balance/ (Deficit) Dec. 31, 2023			
	Balance/ (Deficit) Dec. 31, 2022	Budget	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers				
		Appropriation						From	To	
Fund Balance	\$	5,885.48								
Capital Improvement Fund		221,578.44	\$	107,085.48	\$	37,578.00	\$	89,907.71	\$	165,300.67
Grants Receivable:										
New Jersey Transportation Trust Fund		(190,425.00)								
County of Morris Open Space Trust Grant		(37,578.00)								
Morris County Interlocal Agreement		(162,860.83)		162,860.83						
Due Current Fund		12,664.16		216,061.85	\$	207,613.72				
Reserve for:										
Gun Club		55,000.00		5,000.00						
Payment of Debt Service		514.26								
						</				

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	No.	Ordinance		Balance Dec. 31, 2022	2023 Authorizations			Paid or Charged	Improvement Authorizations Canceled	Balance Dec. 31, 2023
		Date	Amount		Funded	Capital Improvement Fund	New Jersey Department of Transportation Grant			
Little Red School House Improvements	17-9	4/20/2017	\$ 180,620.00	\$ 31,313.00					\$ 7,450.00	\$ 23,863.00
Various Roads & DPW Improvements	18-16	6/14/2018	120,000.00	3,690.00				\$ 1,750.00	1,940.00	
Interior Restoration of the Little Red Schoolhouse	19-13	9/19/2019	23,000.00	3,750.00					3,750.00	
Various Road Improvements	20-5	4/30/2020	805,000.00	12,997.50						12,997.50
Various Road, Police and DPW Improvements	20-9	6/25/2020	730,000.00	17,934.11						17,934.11
HVAC System	21-6	5/18/2021	62,200.00	21,552.80						21,552.80
Various Capital Improvements	21-11;	5/20/2021;								
	21-17	10/21/2021	3,264,496.25	1,996,582.46				206,614.00	76,466.00	1,713,502.46
DPW Equipment/Police Body Worn Cameras	21-15	8/19/2021	81,500.00	40,000.00						40,000.00
Open Space and Recreation Improvements	22-6	3/17/2022	6,500.00	650.00					650.00	
Various Capital Improvements	22-9	4/21/2022	2,214,700.00	1,603,108.94				1,393,082.09	301.71	209,725.14
Various Capital Improvements	22-13	9/15/2022	41,775.00	41,775.00				41,771.08		3.92
Various Capital Improvements	23-09	4/20/2023	2,692,000.00		\$ 2,466,000.00	\$ 226,000.00		471,665.19		2,220,334.81
DPW Equipment	23-16	8/24/2023	23,500.00		23,500.00			23,500.00		
				\$ 3,773,353.81	\$ 2,489,500.00	\$ 226,000.00	\$ 2,138,382.36	\$ 90,557.71	\$ 4,259,913.74	
				C						
							Cash Disbursed	\$ 2,138,382.36		
								\$ 2,138,382.36		
								Fund Balance	\$ 89,907.71	
								Capital Improvement Fund	650.00	
									\$ 90,557.71	

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 221,578.44
Increased by:		
2023 Budget Appropriation	\$ 2,503,000.00	
Improvement Authorizations Cancelled	<u>650.00</u>	
		<u>2,503,650.00</u>
		2,725,228.44
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>2,489,500.00</u>
Balance December 31, 2023	C	<u><u>\$ 235,728.44</u></u>
Analysis of Balance:		
General Capital Improvement Fund		\$ 22,960.79
Open Space Capital Improvement Fund		<u>212,767.65</u>
		<u><u>\$ 235,728.44</u></u>

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2022	Matured	Balance Dec. 31, 2023
			Outstanding Date	Dec. 31, 2023 Amount				
Serial Bonds - 2015	10/1/2015	\$ 11,917,000.00	10/15/2024	\$ 920,000.00	5.00%			
			10/15/2025	920,000.00	2.00%			
			10/15/2026	920,000.00	2.25%			
			10/15/2027	920,000.00	2.50%			
			10/15/2028	877,000.00	3.00%	\$ 5,477,000.00	\$ 920,000.00	\$ 4,557,000.00
						\$ 5,477,000.00	\$ 920,000.00	\$ 4,557,000.00
					<u>Ref.</u>	C	C	C

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
GREEN ACRES PROGRAM
SCHEDULE OF GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
WATER UTILITY FUND

BOROUGH OF FLORHAM PARK
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	D	\$ 578,780.56	\$ 1,178,317.83
Increased by Receipts:			
Water Utility Collector		\$ 1,767,270.40	
Due Water Utility Capital Fund:			
Interest Earned		47,895.69	
Interfund Returned		44,035.21	
Water Overpayments		4,995.90	
Interest on Investments		25,254.59	
Due from Current Fund		775.91	
Appropriation Refunds		96.00	
Due Water Utility Operating Fund:			
Interest Earned			\$ 52,738.55
Reserve for Sale of Municipal Assets		9,910,558.40	
Reserve for Amortization			58,000.00
Reserve for Connection Fees			13,693.00
		<u>11,800,882.10</u>	<u>124,431.55</u>
		12,379,662.66	1,302,749.38
Decreased by Disbursements:			
2023 Appropriation Expenditures		1,747,683.89	
2022 Appropriation Reserve Expenditures		161,695.22	
Accrued Interest on Bonds		158,669.83	
Due Water Utility Operating Fund:			
Interfund Returned			44,035.21
Interest Earned			47,895.69
Improvement Authorizations			127,052.24
		<u>2,068,048.94</u>	<u>218,983.14</u>
Balance December 31, 2023	D	<u>\$ 10,311,613.72</u>	<u>\$ 1,083,766.24</u>

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents	\$ 1,337,340.92
Miscellaneous Revenue	429,929.48
Total Consumer Accounts Receivable	<u>1,767,270.40</u>

Decreased by Disbursements:

Paid to Treasurer	<u><u>\$ 1,767,270.40</u></u>
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BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance / (Deficit) Dec. 31, 2022	Receipts			Disbursements			Balance / (Deficit) Dec. 31, 2023
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 335,903.02							\$ 335,903.02
Capital Improvement Fund	240,221.73							240,221.73
Due Water Utility Operating Fund	44,035.21	\$ 52,738.55			\$ 91,930.90			4,842.86
Due Federal and State Grant Fund								
Reserve for Connection Fees	102,011.86	13,693.00						115,704.86
Reserve for Payment of Debt Service	5,367.03							5,367.03
Reserve for Encumbrances	10,487.00					\$ 10,487.00	\$ 8,719.37	8,719.37
Ord. No.	Improvement Authorizations							
5/28/2013 13-06	Water Valve Replacements	\$ 58,000.00						47,677.76
9/21/2017 17-15	Various Water Improvements					8,492.37		
09/20/18 19-05	Acquisition of Equipment			\$ 13,772.06		227.00	10,487.00	
06/25/20 20-10	Water Utility Vehicles							
03/18/21 21-08	Improvements to the Exxon Well Facility			113,280.18				325,329.61
		\$ 58,000.00	\$ 66,431.55	\$ 127,052.24	\$ 91,930.90	\$ 19,206.37	\$ 19,206.37	\$ 1,083,766.24

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 84,398.47
Increased by:		
Water Rents Levied	\$ 1,348,968.09	
Miscellaneous Fees Levied	429,929.48	
		<u>1,778,897.57</u>
		1,863,296.04
Decreased by:		
Collections:		
Water Rents:		
Received	1,337,340.92	
Overpayments Applied	4,371.20	
Miscellaneous Fees	429,929.48	
		<u>1,771,641.60</u>
Balance December 31, 2023	D	<u><u>\$ 91,654.44</u></u>

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Ref.

Balance December 31, 2022	D	\$ 6,009,427.43
Balance December 31, 2023	D	<u>\$ 6,009,427.43</u>

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Balance	Balance
	No.	Date	Dec. 31, 2022	Dec. 31, 2023
Water Valve Replacements	13-6	5/28/2013	\$ 479,000.00	\$ 479,000.00
Various Water Improvements	17-15	9/21/2017	950,000.00	950,000.00
Replacement of Water Meters	19-05	03/21/19	650,000.00	650,000.00
Improvements to the Exxon Well Facility	21-08	3/18/2021	4,620,000.00	4,620,000.00
			<u>\$ 6,699,000.00</u>	<u>\$ 6,699,000.00</u>
			D	D

BOROUGH OF FLORHAM PARK
WATER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 41,108.99	\$ 41,108.99	\$ 41,108.99	
Other Expenses	155,998.42	155,998.42	120,586.23	\$ 35,412.19
	<u>\$ 197,107.41</u>	<u>\$ 197,107.41</u>	<u>\$ 161,695.22</u>	<u>\$ 35,412.19</u>

Ref.

Analysis of Balance December 31, 2022:

Appropriation Reserves:

Unencumbered	D	\$ 76,507.11
Encumbered	D	<u>120,600.30</u>
		<u>\$ 197,107.41</u>

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	No.	Ordinance		Balance Dec. 31, 2022		Prior Year Encumbrances Returned	Paid or Charged	Balance Dec. 31, 2023	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
Water Valve Replacements	13-06	5/28/2013	\$ 479,000.00		\$ 94,903.76			\$ 47,226.00	\$ 47,677.76
Various Water Improvements	17-15	9/21/2017	950,000.00	\$ 8,492.37			\$ 8,492.37		
Replacement of Water Meters	19-05	03/21/19	650,000.00	3,512.06		\$ 10,487.00	13,999.06		
Improvements at the Exxon Well Facility	21-08	03/18/21	4,620,000.00	438,609.79	999,000.00		113,280.18	325,329.61	999,000.00
				<u>\$ 450,614.22</u>	<u>\$ 1,093,903.76</u>	<u>\$ 10,487.00</u>	<u>\$ 135,771.61</u>	<u>\$ 372,555.61</u>	<u>\$ 1,046,677.76</u>
	<u>Ref.</u>			D	D			D	D
							Cash Disbursed	\$ 127,052.24	
							Encumbrances	8,719.37	
								<u>\$ 135,771.61</u>	

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	D	<u>\$ 240,221.73</u>
Balance December 31, 2023	D	<u><u>\$ 240,221.73</u></u>

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 6,038,827.43
Increased by:		
Deferred Charges Paid by Operating Budget		<u>58,000.00</u>
Balance December 31, 2023	D	<u><u>\$ 6,096,827.43</u></u>

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ord. No.	Ordinance Date	Balance Dec. 31, 2022	Paid for by Budget Appropriation	Balance Dec. 31, 2023
Water Valve Replacements	13-06	5/28/2013	\$ 344,374.00		\$ 344,374.00
Various Water Improvements	17-15	9/21/2017	109,000.00		109,000.00
Acquisition of Equipment	19-05	3/21/2019	117,000.00		117,000.00
Improvements to Exxon Well	21-08	3/18/2021	220,000.00	\$ 120,000.00	340,000.00
			<u>\$ 790,374.00</u>	<u>\$ 120,000.00</u>	<u>\$ 910,374.00</u>

Ref.

D

D

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2023

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2023		Interest Rate	Issued	Matured	Balance Dec. 31, 2023
			Date	Amount				
Series 2022 Bonds	8/17/2022	\$ 4,775,000.00	8/15/2024	\$ 120,000.00	5.00%	\$ 4,775,000.00	\$ 120,000.00	\$ 4,655,000.00
			8/15/2025	120,000.00	5.00%			
			8/15/2026	125,000.00	5.00%			
			8/15/2027	135,000.00	5.00%			
			8/15/2028	140,000.00	5.00%			
			8/15/2029	150,000.00	5.00%			
			8/15/2030	155,000.00	5.00%			
			8/15/2031	165,000.00	5.00%			
			8/15/2032	170,000.00	5.00%			
			8/15/2033	180,000.00	5.00%			
			8/15/2034	190,000.00	5.00%			
			8/15/2035	200,000.00	5.00%			
			8/15/2036	210,000.00	4.00%			
			8/15/2037	215,000.00	4.00%			
			8/15/2038	225,000.00	4.00%			
			8/15/2039	235,000.00	4.00%			
			8/15/2040	240,000.00	4.00%			
		8/15/2041	240,000.00	4.00%				
		8/15/2042	240,000.00	4.00%				
		8/15/2043	240,000.00	4.00%				
		8/15/2044	240,000.00	4.00%				
		8/15/2045	240,000.00	4.00%				
		8/15/2046	240,000.00	4.00%				
		8/15/2047	240,000.00	4.00%				
						\$ 4,775,000.00	\$ 120,000.00	\$ 4,655,000.00

Ref.

D-4

D

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

<u>Ordinance Date</u>	<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Paid for by Budget Appropriation</u>	<u>Balance Dec. 31, 2023</u>
5/28/2013	13-06	Water Valve Replacement	\$ 105,226.00	\$ 58,000.00	\$ 47,226.00
3/18/2021	21-08	Improvements at the Exxon Well Facility	999,000.00		999,000.00
			<u>\$ 1,104,226.00</u>	<u>\$ 58,000.00</u>	<u>\$ 1,046,226.00</u>

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
SEWER UTILITY FUND

BOROUGH OF FLORHAM PARK
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

<u>Ref.</u>	<u>Operating</u>	<u>Trust</u>	<u>Capital</u>
E	\$ 4,864,041.15	\$ 49,544.58	\$ 7,479,099.74
Balance December 31, 2022			
Increased by Receipts:			
Sewer User Charges	\$ 3,685,155.17		
Sewer Overpayments	262.88		
Sewer User Prepayments	502,315.53		
Reserve for Sewer Extensions		\$ 716,832.72	
Miscellaneous Revenue	286,629.57		
Due Sewer Utility Capital Fund:			
Interest Earned	194,690.00	\$ 70,912.28	197,723.42
Escrow Deposits			
	<u>4,669,053.15</u>	<u>70,912.28</u>	<u>914,556.14</u>
	9,533,094.30	120,456.86	8,393,655.88
Decreased by Disbursements:			
2023 Appropriation Expenditures	3,447,624.84		
2022 Appropriation Reserve Expenditures	377,046.33		
Accounts Payable	102,764.01		
Accrued Interest on Loans	8,968.75		
Fund Balance Anticipated in Current Fund	80,000.00		
Due Sewer Utility Operating Fund:			
Interest Earned		194,690.00	
Due from Current Fund:			
Interfund Returned	669.52		
Improvement Authorizations			
	<u>4,017,073.45</u>	<u>825,539.57</u>	<u>1,020,229.57</u>
E	\$ 5,516,020.85	\$ 120,456.86	\$ 7,373,426.31
Balance December 31, 2023			

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 287,935.47
Increased by:		
Sewer Rents Levied		4,425,513.81
		<u>4,713,449.28</u>
Decreased by:		
Collections:		
Sewer User Charges Received	\$ 3,685,155.17	
Prepayments Applied	<u>679,122.11</u>	
		<u>4,364,277.28</u>
Balance December 31, 2023	E	<u><u>\$ 349,172.00</u></u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 17,548,837.00
Increased by:		
Additions by:		
Transfer from Fixed Capital Authorized and Uncompleted		<u>1,000,000.00</u>
Balance December 31, 2023	E	<u><u>\$ 18,548,837.00</u></u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance		Balance		2023 Authorizations	Improvement Authorizations Canceled	Costs to Fixed Capital	Balance Dec. 31, 2023
	No.	Date	Amount	Dec. 31, 2022				
Sewer Line Repairs & Various Improvements	17-14	9/21/2017	\$ 2,175,000.00	\$ 2,175,000.00		\$ 1,175,000.00	\$ 1,000,000.00	\$ 1,458,652.57
Various Improvements	19-11	6/13/2019	1,645,000.00	1,645,000.00		186,347.43		1,375,000.00
Various Improvements	21-10	4/15/2021	1,375,000.00	1,375,000.00				3,108,000.00
Various Improvements	23-10	4/20/2023	3,108,000.00		\$ 3,108,000.00			3,108,000.00
				<u>\$ 5,195,000.00</u>	<u>\$ 3,108,000.00</u>	<u>\$ 1,361,347.43</u>	<u>\$ 1,000,000.00</u>	<u>\$ 5,941,652.57</u>

Ref.

E

E

BOROUGH OF FLORHAM PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 176,360.00	\$ 176,360.00	\$ 125,152.18	\$ 51,207.82
Other Expenses	309,630.07	309,630.07	273,744.15	35,885.92
	<u>\$ 485,990.07</u>	<u>\$ 485,990.07</u>	<u>\$ 398,896.33</u>	<u>\$ 87,093.74</u>

Ref.

Cash Disbursed	\$ 377,046.33
Contracts Payable	21,850.00
	<u>\$ 398,896.33</u>

Analysis of Balance December 31, 2022:

Appropriation Reserves:

Unencumbered	E	\$ 238,554.28
Encumbered	E	247,435.79
		<u>\$ 485,990.07</u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance Dec. 31, 2022		2021 Authorizations					Prior Year Encumbrances Returned	Paid or Charged	Improvement Authorizations Cancelled	Balance Dec. 31, 2023 Funded
	No.	Date	Amount	Funded	Unfunded	Capital Improvement Fund	Reserve for Sewer		Reserve for Sewer Connections				
							Extensions	Fund Balance					
Sewer Line Repairs	17-14	9/21/2017	\$ 2,175,000.00	\$ 488,000.00	\$ 687,000.00								
& Various Improvements	19-11	6/13/2019	1,645,000.00	186,347.43						\$ 284,778.14	\$ 280,649.14	\$1,175,000.00	
Various Improvements	21-10	4/15/2021	1,375,000.00	1,270,007.22						34,101.35	1,304,108.57	186,347.43	\$ 4,129.00
Various Improvements	23-10	4/20/2023	3,108,000.00			\$ 996,466.65	\$1,108,000.00	\$ 503,533.35			1,052,599.75		2,055,400.25
				\$1,944,354.65	\$ 687,000.00	\$ 996,466.65	\$1,108,000.00	\$ 503,533.35		\$ 318,879.49	\$2,637,357.46	\$1,361,347.43	\$2,059,529.25
	Ref.		E	E	E				E-10				E
									Cash Disbursed	\$ 825,539.57			
									Encumbrances	1,811,817.89			
										\$2,637,357.46			

Fund Balance	\$ 674,347.43
Deferred Charges to Future Revenue	687,000.00
	<u>\$1,361,347.43</u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 1,140,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>996,466.65</u>
Balance December 31, 2023	E	<u><u>\$ 143,533.35</u></u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 17,038,385.57
Increased by:		
Paid by Sewer Utility Operating Budget:		
Loans	\$ 164,653.87	
Transfer from Deferred Reserve for Amortization	<u>1,000,000.00</u>	
		<u>1,164,653.87</u>
Balance December 31, 2023	E	<u><u>\$ 18,203,039.44</u></u>

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ord. No.	Ordinance Date	Balance Dec. 31, 2022	2023 Authorizations	Improvement Authorizations Canceled	Transfer to Reserve for Amortization	Balance Dec. 31, 2023
Sewer Line Repairs & Various Improvements	17-14	9/21/2017	\$ 1,488,000.00		\$ 488,000.00	\$ 1,000,000.00	
Various Improvements	19-11	6/13/2020	1,645,000.00		186,347.43		\$ 1,458,652.57
Various Improvements	21-10	4/15/2021	1,375,000.00				1,375,000.00
Various Improvements	23-10	4/15/2021		\$ 3,108,000.00			3,108,000.00
			<u>\$ 4,508,000.00</u>	<u>\$ 3,108,000.00</u>	<u>\$ 674,347.43</u>	<u>\$ 1,000,000.00</u>	<u>\$ 5,941,652.57</u>

Ref.

E

E

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE
TRUST LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2022	E	\$ 510,451.43
Decreased by:		
Matured		<u>164,653.87</u>
Balance December 31, 2023	E	<u><u>\$ 345,797.56</u></u>

Analysis of Loan Outstanding December 31, 2023

<u>Due</u>	<u>Interest Rate</u>	<u>Trust</u>		<u>Fund Principal</u>	<u>Balance of</u> <u>Loan</u>
		<u>Interest</u>	<u>Principal</u>		
2024	4.375%	\$ 8,968.75	\$ 100,000.00	\$ 70,197.41	\$ 345,797.56
2025	4.375%	4,593.75	105,000.00	70,600.15	175,600.15
		<u><u>\$ 13,562.50</u></u>	<u><u>\$ 205,000.00</u></u>	<u><u>\$ 140,797.56</u></u>	

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

<u>Ordinance</u> <u>No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Cancelled</u>
17-14	Sewer Line Repairs & Various Improvements	\$ 687,000.00	\$ 687,000.00
		<u>\$ 687,000.00</u>	<u>\$ 687,000.00</u>

BOROUGH OF FLORHAM PARK
COUNTY OF MORRIS
2023
POOL UTILITY FUND

BOROUGH OF FLORHAM PARK
POOL UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	F	\$ 107,923.63	\$ 195,645.32
Increased by Receipts:			
Pool Utility Collector		\$ 154,615.85	
Appropriation Refunds		299.58	
Due Current Fund:			
Interfund Returned		6,228.00	
Due Pool Utility Capital Fund:			
Interest Earned		9,067.55	
Interest Earned		4,291.74	
Due Pool Utility Operating Fund:			
Interest Earned			\$ 9,178.81
		<u>174,502.72</u>	<u>9,178.81</u>
		282,426.35	204,824.13
Decreased by Disbursements:			
2023 Appropriation Expenditures		252,854.22	
2022 Appropriation Reserve Expenditures		17,384.18	
Due Pool Utility Operating Fund:			
Interest Earned			9,067.55
Improvement Authorizations			19,919.00
		<u>270,238.40</u>	<u>28,986.55</u>
Balance December 31, 2023	F	<u>\$ 12,187.95</u>	<u>\$ 175,837.58</u>

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

Increased by Receipts:

Consumer Accounts Receivable:

Pool User Charges	\$ 93,440.00
Miscellaneous Revenue	61,175.85
	<u>\$ 154,615.85</u>

Decreased by Disbursements:

Paid to Treasurer	<u>\$ 154,615.85</u>
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BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Ord. Date	Ord. No.	Improvement Authorizations	Receipts		Disbursements		Balance/ (Deficit) Dec. 31, 2023
				Balance/ (Deficit) Dec. 31, 2022	Miscellaneous	Improvement Authorizations	Miscellaneous	
Fund Balance				\$ 66,307.37				\$ 66,307.37
Capital Improvement Fund				116,961.00				116,961.00
Due Pool Utility Operating Fund				675.40	\$ 9,178.81		\$ 9,067.55	786.66
03/14/06	06-07		Various Improvements to Swimming Pool	(8,217.45)				(8,217.45)
03/17/22	22-5		General Capital Projects	19,919.00		\$ 19,919.00		
				\$ 195,645.32	\$ 9,178.81	\$ 19,919.00	\$ 9,067.55	\$ 175,837.58
Ref.				F				F

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

Ref.

Increased by:

Pool Fees Levied	\$ 93,440.00	
Miscellaneous Fees Levied	61,175.85	
		\$ 154,615.85

Decreased by:

Collections:

Pool User Charges Received	93,440.00	
Miscellaneous Fees	61,175.85	
		\$ 154,615.85

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ 1,360,687.45
Increased by:		
Additions by:		
Transfer from Fixed Capital Authorized & Uncompleted		<u>40,000.00</u>
Balance December 31, 2023	F	<u><u>\$ 1,400,687.45</u></u>

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance			Balance	Costs to
	No.	Date	Amount	Dec. 31, 2022	Fixed Capital
General Capital Projects	22-5	03/17/22	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
				<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>
				<u>Ref.</u>	F

BOROUGH OF FLORHAM PARK
POOL UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 13,622.16	\$ 13,622.16	\$ 3,825.00	\$ 9,797.16
Other Expenses	16,572.47	16,572.47	13,559.18	3,013.29
	<u>\$ 30,194.63</u>	<u>\$ 30,194.63</u>	<u>\$ 17,384.18</u>	<u>\$ 12,810.45</u>

Ref.

Analysis of Balance December 31, 2022:

Appropriation Reserves:

Unencumbered	<u>\$ 30,194.63</u>
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BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023

Improvement Description	Ordinance			Balance	Paid or Charged
	No.	Date	Amount	Dec. 31, 2022 Funded	
General Capital Projects	22-5	03/17/22	\$ 40,000.00	\$ 19,919.00	\$ 19,919.00
				<u>\$ 19,919.00</u>	<u>\$ 19,919.00</u>

Ref.

F

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ 116,961.00
Balance December 31, 2023	F	<u><u>\$ 116,961.00</u></u>

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2022	F	\$ 1,392,470.00
Balance December 31, 2023	F	<u>\$ 1,392,470.00</u>

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2023

NOT APPLICABLE

BOROUGH OF FLORHAM PARK
POOL UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023

<u>Ordinance Date</u>	<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2023</u>
3/14/2006	06-07	Various Improvements to Swimming Pool	\$ 8,217.45	\$ 8,217.45
			<u>\$ 8,217.45</u>	<u>\$ 8,217.45</u>

BOROUGH OF FLORHAM PARK

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF FLORHAM PARK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2023

Name of Federal Agency or Department	Name of Program	Assistance Listing Number	State Pass Through Entity ID	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
				From	To					
U.S. Department of Justice	Bullet Proof Vest Program	16,607	05-1020-066-718-001	01/01/22	12/31/23	\$ 3,941.90		\$ 3,941.90	\$ 3,941.90	
Total Department of Justice								3,941.90	3,941.90	
U.S. Department of Transportation (Passed through the New Jersey Department of Law and Public Safety)	Distracted Driver Crackdown	20,616	100-066-116 158-031030	01/01/23	12/31/24	7,000.00	\$ 7,000.00	7,000.00	7,000.00	
Total Department of Transportation							7,000.00	7,000.00	7,000.00	
U.S. Department of Homeland Security (Passed through the New Jersey Department of Law and Public Safety)	Emergency Management Performance Grant - Non Terrorism	97,042	N/A	07/01/22 07/01/23	06/30/23 06/30/24	10,000.00 10,000.00		4,124.66 10,000.00	10,000.00 10,000.00	
Total U.S. Department of Homeland Security							10,000.00	14,124.66	20,000.00	
U.S. Department of Treasury (Passed through the New Jersey Department of Community Affairs)	COVID-19 - American Rescue Plan Coronavirus State and Local Government Fiscal Recovery Funds	21,027	100-022-8030 -687-046010	03/03/21	12/31/24	1,203,269.70		399,777.50	399,777.50	
	COVID-19 - American Rescue Plan Firefighter Grant	21,027	100-022-8030	01/01/23	12/31/24	25,000.00	25,000.00			
Total Department of Treasury							25,000.00	399,777.50	399,777.50	
Total Federal Awards							\$ 42,000.00	\$ 424,844.06	\$ 430,719.40	
N/A - Not Available										

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

BOROUGH OF FLORHAM PARK
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

Name of State Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
			From	To				
Department of Environmental Protection	Clean Communities	765-042-4900- 004-V42Y-6020	01/01/22 01/01/23	12/31/20234 12/31/24	\$ 24,474.24 27,450.83	\$ 27,450.83	\$ 23,212.73 3,309.92	\$ 24,302.34 3,309.92
	Total Clean Communities					27,450.83	26,522.65	27,612.26
	Recycling Tonnage Grant	752-042-4900- 001-6010	01/01/23	12/31/24	14,074.27	14,074.27	14,074.27	14,074.27
Total Department of Environmental Protection	Total Recycling Tonnage Grant					14,074.27	14,074.27	101,745.60
	Stormwater Assistance Grant	100-042-4850- 099-290400	01/01/23	12/31/24	25,000.00	15,000.00	25,000.00	
	Total Stormwater Assistance Grant					15,000.00	25,000.00	
Department of Community Affairs	Local Recreation Improvement Grant	N/A	01/01/2022	45,291.00	75,000.00	75,000.00		
	Body Armor Grant	718-066-1020- 001-YCJS-6010	01/01/22 01/01/23	12/31/23 12/31/24	1,576.49 2,547.62	2,547.62	822.30	1,576.49
	Total Body Armor Grant					2,547.62	822.30	1,576.49
Total Department of Law and Public Safety	Body Worn Camera Assistance	N/A	01/01/21	12/31/24	73,368.00		73,368.00	73,368.00
	Total Body Worn Camera Assistance					2,547.62	73,368.00	73,368.00
	Alcohol Education Rehabilitation and Enforcement Fund	760-098-9735- 789-6010	01/01/10 01/01/11 01/01/12 01/01/23	12/31/23 12/31/23 12/31/24 12/31/24	2,339.70 1,456.24 3,291.75 6,230.14	2,339.70 1,456.24 3,291.75 6,230.14	412.41 1,456.24 3,113.31	2,339.70 1,456.24 3,113.31
Department of Health	Municipal Aid:					6,230.14	4,981.96	6,909.25
	Various Road Improvements	480-078-6320- AOP-6010	04/21/22	12/31/23	411,700.00		74,434.28	411,700.00
	Various Road Improvements	N/A	04/20/23	12/31/24	226,000.00		226,000.00	226,000.00
Total State Awards							300,434.28	637,700.00
						\$ 140,302.86	\$ 445,203.46	\$ 848,911.60

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

BOROUGH OF FLORHAM PARK
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

3

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Florham Park under programs of the federal and state governments for the year ended December 31, 2023. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 4. STATE LOANS OUTSTANDING

The Borough of Florham Park has the following loan outstanding as of December 31, 2023:

New Jersey Environmental Infrastructure Trust Loan	\$ 345,797.56
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The Borough entered into an agreement with the New Jersey Environmental Infrastructure Trust in October 2005 for the amount of \$2,375,000, to finance a portion of the sewer improvement project. Currently, the Borough is in the process of repaying the loan balance. There were no loan receipts or expenditures in the current year. The project which relates to the loan is complete.

Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Florham Park, in the County of Morris (the "Borough") as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated June 24, 2024. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

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

Report on Compliance and Other Matters

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

The Borough's Response to the Finding

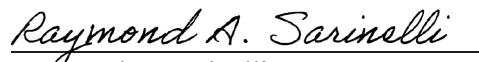
Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the other auditing procedures applied in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

Purpose of this Report

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

June 24, 2024
Mount Arlington, New Jersey

NISIVOCIA LLP


Raymond A. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 563

BOROUGH OF FLORHAM PARK
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023

6

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the Borough prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2023 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

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

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

Finding 2023-001

Segregation of Duties

Criteria

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

Condition

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions.

The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer.

Condition

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

BOROUGH OF FLORHAM PARK
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023
(Continued)

7

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

Finding 2023-001 (Cont'd)

Effect or Potential Effect

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

Recommendation

It is recommended that an adequate segregation of duties be maintained with respect to the recording and treasury functions.

Management's Response

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

BOROUGH OF FLORHAM PARK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2023

The Borough's prior year audit finding 2022-001 regarding segregation of duties has not been completely resolved due to budgetary constraints and is included as finding 2023-001.

BOROUGH OF FLORHAM PARK

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS

9

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

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

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

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

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

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

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

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

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

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

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

Collection of Interest on Delinquent Taxes

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

On January 1, 2023, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes, sewer rents, and water rents:

"The interest penalty for delinquent taxes to be charged by the Chief Revenue Collector for delinquencies shall be 8% per annum of the first \$1,500 and 18% per annum on any amount in excess of \$1,500 payable from due dates. A penalty of up to 6% may be charged on any delinquency in excess of \$10,000 if not paid by the end of the fiscal year."

"No interest shall be charged if payment of any installment is made within ten (10) days after the date on which same is payable, said ten (10) days to be straight calendar days and if the tenth day falls on a Saturday, Sunday or Legal Holiday, then the grace period shall be extended to the next business day. After the ten (10) day "GRACE PERIOD", interest is charged from the due date."

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 19, 2023, and included all items which were eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2023	3
2022	3
2021	4

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS
(Continued)

11

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2024 & 2023 Taxes	20
Payments of Utility Charges	20
Delinquent Taxes	15
Delinquent Utility Charges	20
Tax Title Liens	1

New Jersey Administrative Code Accounting Requirements

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

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

The Borough is currently in compliance with the above accounting requirements.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected below is a summary of Receipts and Disbursements for the year ended December 31, 2023

	<u>Balance</u>			<u>Balance</u>
	<u>Dec. 31, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2023</u>
State of New Jersey	\$ 4,067.00	\$ 79,869.08	\$ 79,562.72	\$ 4,373.36
County of Morris	3,890.00	71,423.52	69,856.52	5,457.00
Municipality	7,175.99	144,451.48	140,933.25	10,694.22
Municipality - POAA		26.00	24.00	2.00
Weights and Measures	4,150.00	40,969.00	35,819.00	9,300.00
Public Defender	100.00	2,733.00	2,333.00	500.00
Restitution	250.00	1,150.00	1,335.00	65.00
Bail	2,750.00	16,320.00	18,800.00	270.00
	<u>\$ 22,382.99</u>	<u>\$ 356,942.08</u>	<u>\$ 348,663.49</u>	<u>\$ 30,661.58</u>

BOROUGH OF FLORHAM PARK
COMMENTS AND RECOMMENDATIONS
(Continued)

12

Management Suggestions

Improvement Authorizations

It is suggested that improvement authorizations in the General Capital and Water Utility Capital Funds be reviewed and evaluated for completion, and that all improvement authorizations deemed to be complete have their respective balances cancelled to their original funding sources.

Federal and State Grant Reserves

There are various older grant balances in the Federal and State Grant Fund of the Borough. It is suggested that the balances be reviewed for continued recognition.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 101, *Compensated Absences*, is effective for the year ended December 31, 2024. This statement requires that the liability for compensated absences to be calculated for 1 – leave that has not been used and 2 – leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if (a) – the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. The Statement directs that for leave that has not been used the calculation should generally use an employee's pay rate as of the date of the financial statements.

COVID-19 Federal Funding

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

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

The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation must be completed by December 31, 2026.

Status of Prior Year Recommendations

The prior year recommendations regarding segregation of duties and is included in the current year's report.

BOROUGH OF FLORHAM PARK
SUMMARY OF RECOMMENDATIONS

13

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.

* * * * *