

BOROUGH OF ALPINE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF ALPINE

TABLE OF CONTENTS

<u>Exhibits</u>		<u>Page</u>
<u>Part I – Report on Audit of Financial Statements and Supplementary Schedules</u>		
	Independent Auditor’s Report	1-3
Financial Statements		
A	Comparative Balance Sheets - Regulatory Basis - Current Fund	4
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis - Current Fund	5
A-2	Statement of Revenues - Regulatory Basis – Current Fund	6-7
A-3	Statement of Expenditures - Regulatory Basis – Current Fund	8-12
B	Comparative Balance Sheets - Regulatory Basis - Trust Funds	13-14
B-1	Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund	15
B-2	Statement of Appropriations – Regulatory Basis – Open Space Preservation Trust Fund	15
C	Comparative Balance Sheets - Regulatory Basis - General Capital Fund	16
C-1	Comparative Statements of Changes in Fund Balance - Regulatory Basis – General Capital Fund	17
D	Comparative Statements of General Fixed Assets Account Group - Regulatory Basis	18
	Notes to Financial Statements	19-60
Supplementary Schedules		
<u>Current Fund</u>		
A-4	Statement of Current Cash and Investments – Collector/Treasurer	61
A-5	Statement of Change Funds	62
A-6	Statement of Petty Cash Funds	62
A-7	Statement of Due From State of New Jersey Senior Citizens' and Veterans' Deductions	62
A-8	Statement of Grant Receivables	62
A-9	Statement of Taxes Receivable and Analysis of Property Tax Levy	63
A-10	Statement of Revenue Accounts Receivable	64
A-11	Statement of 2022 Appropriation Reserves	65-66
A-12	Statement of Encumbrances Payable	67
A-13	Statement of Fees Payable	67
A-14	Statement of Prepaid Taxes	67
A-15	Statement of Tax Overpayments	68
A-16	Statement of County Taxes Payable	68
A-17	Statement of Local District School Tax Payable	69
A-18	Statement of Municipal Open Space Tax Payable	69
A-19	Statement of Reserve for Tax Appeals	69
A-20	Statement of Reserve for Grants - Appropriated	70
A-21	Statement of Reserve for Grants and Aid - Unappropriated	70

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

<u>Exhibits</u>		<u>Page</u>
Supplementary Schedules (Continued)		
<u>Trust Funds</u>		
B-3	Statement of Trust Funds Cash	71
B-4	Statement of Reserve for Animal Control Fund Expenditures	72
B-5	Statement of Due From State of New Jersey - Animal Control Fund	72
B-6	Statement of Due to Current Fund – Animal Control Fund	72
B-7	Statement of Reserve for Unemployment Insurance Benefits	73
B-8	Statement of Due to State of New Jersey Unemployment Insurance Fund	73
B-9	Statement of Due from Current Fund – Open Space Preservation Trust Fund	73
B-10	Statement of Reserve for Open Space Expenditures – Open Space Trust Fund	74
B-11	Statement of Reserve for Recreation Expenditures – Recreation Trust Fund	74
B-12	Statement of Due from Current Fund – Other Trust Fund	75
B-13	Statement of Payroll Deductions Payable – Other Trust Fund	75
B-14	Statement of Miscellaneous Reserves and Deposits – Other Trust Fund	76
<u>General Capital Fund</u>		
C-2	Statement of General Capital Cash and Investments	77
C-3	Analysis of General Capital Cash and Investments	78
C-4	Statement of Grants Receivable	79
C-5	Statement of Deferred Charges to Future Taxation - Unfunded	80
C-6	Statement of Improvement Authorizations	81
C-7	Statement of Encumbrances Payable	82
C-8	Statement of Capital Improvement Fund	82
C-9	Statement of Due To Current Fund	82
C-10	Statement of Reserve for Field Improvements	82
C-11	Statement of Bond Anticipation Notes	83
C-12	Statement of Bonds and Notes Authorized But Not Issued	84

**BOROUGH OF ALPINE
TABLE OF CONTENTS**

	<u>Page</u>
 <u>Part II – Government Auditing Standards</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	85-86
Schedule of Expenditures of Federal Awards, Schedule A	87
Schedule of Expenditures of State Financial Assistance, Schedule B	88
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	89
Schedule of Findings and Responses	90-92
 <u>Part III – Supplementary Data and Letter of Comments and Recommendations</u>	
Comparative Statement of Operations and Change in Fund Balance - Current Fund	93
Property Acquired by Tax Title Lien Liquidation	94
Comparative Schedule of Fund Balances	94
Comparative Schedule of Tax Rate Information	94
Comparison of Levies and Collection Currently	95
Delinquent Taxes and Tax Title Liens	95
Officials in Office and Surety Bonds	96
General Comments	97-98
Appreciation	98
Recommendations	99

BOROUGH OF ALPINE

BERGEN COUNTY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Alpine
Alpine, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Alpine, as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Alpine as of December 31, 2023 and 2022, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the respective revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2023 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the 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 of the Borough of Alpine as of December 31, 2023 and 2022, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Alpine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Borough's Trust Funds, and represent 10.6 percent and 9.5 percent of the assets and liabilities of the Borough's Trust Funds as of December 31, 2023 and 2022, respectively.

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 of Alpine on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. 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 the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Alpine'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 of Alpine'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 an opinion on the financial statements of the Borough of Alpine as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Alpine. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

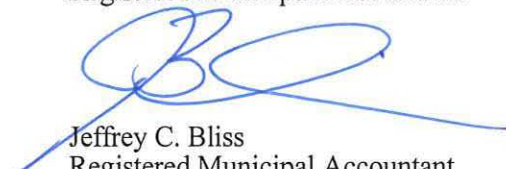
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 21, 2024 on our consideration of the Borough of Alpine'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 of Alpine'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 of Alpine's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
May 21, 2024

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	A-4	\$ 3,537,057	\$ 3,415,130
Cash - Change Funds	A-5	100	100
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	<u>1,753</u>	<u>1,753</u>
		<u>3,538,910</u>	<u>3,416,983</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-9	257,414	193,767
Due from General Capital Fund	C-9	94,909	44,909
Revenue Accounts Receivable	A-10	<u>13,412</u>	<u>16,626</u>
		<u>365,735</u>	<u>255,302</u>
Total Assets		<u>\$ 3,904,645</u>	<u>\$ 3,672,285</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-11	\$ 216,515	\$ 114,662
Encumbrances Payable	A-12	69,792	69,567
Fees Payable	A-13	2,547	5,458
Prepaid Taxes	A-14	249,426	298,452
Due to Other Trust Fund	B-12	98,301	74,889
Due to Animal Control Fund	B-6	1,000	500
County Taxes Payable	A-16	11,947	7,785
Local District School Tax Payable	A-17	1,405,740	1,282,948
Reserve for Tax Appeals	A-19	85,000	60,000
Reserve for Grants - Appropriated	A-20	54,376	47,430
Reserve for Grants and Aid - Unappropriated	A-21	<u>86,298</u>	<u>218,827</u>
		<u>2,280,942</u>	<u>2,180,518</u>
Reserve for Receivables and Other Assets	A	365,735	255,302
Fund Balance	A-1	<u>1,257,968</u>	<u>1,236,465</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,904,645</u>	<u>\$ 3,672,285</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,050,000	\$ 1,200,000
Miscellaneous Revenue Anticipated	A-2	1,994,250	1,839,361
Receipts from Delinquent Taxes	A-2	193,767	223,591
Receipts from Current Taxes	A-2	15,378,120	15,066,807
Non-Budget Revenue	A-2	162,952	100,896
Other Credits to Income			
Unexpended Balances of Appropriation Reserves	A-11	<u>46,383</u>	<u>158,513</u>
Total Revenue		<u>18,825,472</u>	<u>18,589,168</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries & Wages	A-3	2,995,380	3,058,457
Other Expenses	A-3	1,621,600	1,468,338
Capital Improvements	A-3	76,707	10,000
Debt Service	A-3	295,858	446,377
Deferred Charges and Statutory			
Expenditures - Municipal	A-3	900,491	800,986
County Taxes	A-16	4,440,577	4,520,389
Due to County for Added and Omitted Taxes	A-16	11,947	7,785
Local District School Tax	A-17	7,262,277	7,016,693
Municipal Open Space Tax	A-18	99,132	99,800
Refund of Prior Year Taxes	A-1	-	66,632
Interfunds Advanced	A	<u>50,000</u>	<u>44,909</u>
Total Expenditures		<u>17,753,969</u>	<u>17,540,366</u>
Statutory Excess in Revenue		1,071,503	1,048,802
FUND BALANCE, JANUARY 1	A	<u>1,236,465</u>	<u>1,387,663</u>
		2,307,968	2,436,465
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,050,000</u>	<u>1,200,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 1,257,968</u>	<u>\$ 1,236,465</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Reference</u>	<u>Budget</u>	<u>Added By:</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 1,050,000	-	\$ 1,050,000	-
MISCELLANEOUS REVENUES					
Fees and Permits					
Other	A-2	75,000		84,458	\$ 9,458
Fines and Costs - Municipal Court	A-10	9,000		25,467	16,467
Interest and Costs on Taxes	A-10	65,000		59,916	(5,084)
Interest on Investments	A-2	3,000		138,533	135,533
Cell Tower Rent	A-10	286,000		286,460	460
Energy Receipts Tax	A-10	408,210		408,210	-
Open Space Pilot Aid	A-10	5,219		6,427	1,208
Uniform Construction Code Fees	A-10	350,000		454,356	104,356
Municipal Alliance Grant	A-21	21,147		21,147	-
Alcohol Education and Rehab Fund	A-21	316		316	-
Body Armor Grant	A-21	1,145		1,145	-
Body Worn Cameras	A-8		\$ 11,788	11,788	-
Clean Communities Program	A-21	6,557		6,557	-
Police Donations	A-21	16,450		16,450	-
FEMA Reimbursement - Main & Pike Street	A-21	76,707		76,707	-
American Rescue Plan (ARP)	A-21	96,505	-	96,505	-
Rent - U.S. Post Office	A-10	110,738		117,870	7,132
Payment in Lieu of Taxes - Boy Scouts of America	A-10	59,110		59,110	-
Cresskill Leaf Compost	A-10	70,000		72,828	2,828
General Capital Fund Balance (Surplus)	C-9	50,000	-	50,000	-
Total Miscellaneous Revenues	A-1	1,710,104	11,788	1,994,250	272,358
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	180,000	-	193,767	13,767
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Local Tax For Municipal Purposes	A-2	3,803,156	-	4,429,187	626,031
	A-3	\$ 6,743,260	\$ 11,788	7,667,204	\$ 912,156
Non-Budget Revenue	A-1,A-2			162,952	
				\$ 7,830,156	

BOROUGH OF ALPINE
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-9	\$ 15,403,120
Less: Transfer to Reserve for Tax Appeals	A-19	<u>25,000</u>
Revenue Realized	A-1	\$ 15,378,120
Less: Allocated to School, County and Municipal Open Space Taxes	A-16,A-17 A-18	<u>11,813,933</u>
		3,564,187
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>865,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 4,429,187</u>
Fees and Permits - Other		
Borough Clerk	A-10	\$ 16,696
Health Officer and Registrar	A-10	10,901
Police Department	A-10	8,880
Other Fees and Permits	A-10	<u>47,981</u>
	A-2	<u>\$ 84,458</u>
Interest on Investments		
Interest on Investments	A-10	\$ 99,784
Due from Animal Control Fund	B-6	112
Due from Other Trust Fund	B-12	<u>38,637</u>
	A-2	<u>\$ 138,533</u>
Analysis of Non-Budget Revenue		
Police Outside Duty Fees		\$ 100,275
Altice Franchise Fee		18,896
Verizon Franchise Fee		10,126
Settlement Claim		17,414
Miscellaneous		5,315
UCC Penalty Fees		4,000
Uniform Fire Safety LEA Rebate		2,870
Recycling Drop Off		2,346
Sale of SREC		1,320
Library State Aid Per Capita		300
Seniors' & Veterans' Admin. Fee		<u>90</u>
	A-2,A-4	<u>\$ 162,952</u>

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 150,000	\$ 150,000	\$ 143,837	\$ 6,163	
Other Expenses	20,000	20,000	13,191	6,809	
Elections	2,600	2,600	1,845	755	
Financial Administration					
Salaries and Wages	104,000	104,000	100,446	3,554	
Other Expenses	7,000	7,000	5,231	1,769	
Audit Services					
Other Expenses	41,000	41,000	39,205	1,795	
Computer Data Processing	30,000	30,000	26,130	3,870	
Collection of Taxes					
Salaries and Wages	23,000	23,000	21,810	1,190	
Other Expenses	6,500	6,500	5,770	730	
Other Expenses - Postage	7,000	7,000	5,838	1,162	
Tax Assessment Administration					
Salaries and Wages	17,500	17,500	17,441	59	
Other Expenses	1,600	1,600	659	941	
Legal Services and Costs					
Other Expenses	150,000	110,021	87,526	22,495	
Engineering Services and Costs					
Other Expenses	30,000	20,000	12,454	7,546	
MUNICIPAL LAND USE LAW (NJSA 40:55D-1)					
Planning Board					
Salaries and Wages	7,500	7,500	7,475	25	
Other Expenses	5,000	5,000	3,889	1,111	
Zoning Board of Adjustment					
Salaries and Wages	6,350	6,350	5,528	822	
Other Expenses	6,950	6,950	5,033	1,917	
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	91,510	91,510	91,510	-	
Workers Compensation	75,720	75,720	75,720	-	
Employee Group Health	455,018	423,018	422,650	368	
Employee Group Health Waiver	11,953	11,953	11,953	-	
PUBLIC SAFETY					
Police					
Salaries and Wages	1,970,000	2,069,433	2,069,433	-	
Salaries and Wages - American Rescue Plan (ARP)	80,000	80,000	80,000	-	
Other Expenses	70,000	70,000	66,759	3,241	
Police Acquisition of Vehicles					
Other Expenses	15,000	11,163	11,163	-	
Police Dispatch/911					
Other Expenses	24,740	24,740	24,740	-	
Emergency Management Services					
Salaries and Wages	4,300	4,300	4,202	98	
Other Expenses	3,000	3,000	2,087	913	
First Aid Organization - Contribution	7,000	7,000	7,000	-	

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY (Continued)					
Fire					
Salaries and Wages	\$ 4,000	\$ 4,000	\$ 3,999	\$ 1	
Other Expenses	33,500	38,882	38,882	-	
Fire Hydrant Services	75,000	75,000	70,494	4,506	
Fire Prevention/Uniform Fire Code					
Salaries and Wages	5,500	5,500	5,478	22	
Other Expenses	6,000	6,000	1,780	4,220	
Municipal Prosecutor					
Other Expenses - Contractual	7,350	7,350	7,175	175	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	343,495	322,542	301,251	21,291	
Salaries and Wages - American Rescue Plan (ARP)	16,505	16,505	16,505	-	
Other Expenses	52,000	49,777	41,455	8,322	
Public Buildings and Grounds					
Other Expenses	56,000	58,223	56,904	1,319	
Recycling - DPW					
Salaries and Wages	7,800	7,800	7,715	85	
Other Expenses	62,400	62,400	62,400	-	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	8,900	8,900	8,635	265	
Other Expenses	2,000	2,000	1,309	691	
Other Expenses - Contractual	19,800	19,800	19,800	-	
Environmental Commission (NJSA 40:56A et seq.)					
Other Expenses	1,250	1,250	672	578	
Animal Control					
Other Expenses	500	500	500	-	
Municipal Alliance Coordinator					
Salaries and Wages	-	-	-	-	
Occupational Safety and Health Act					
Other Expenses - Hepatitis B. Inoculation	1,400	1,400		1,400	
PARKS AND RECREATION FUNCTIONS					
Parks and Playgrounds					
Other Expenses	2,000	2,000	2,000	-	
Swim Pool Committee					
Other Expenses	5,000	6,600	5,000	1,600	
EDUCATION FUNCTIONS					
Cresskill Library Fees	1,000	1,000	900	100	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	6,500	6,500	5,744	756	
MUNICIPAL COURT FUNCTION					
Municipal Court					
Salaries and Wages	23,000	23,000	22,621	379	
Other Expenses	5,500	5,500	2,372	3,128	
Public Defender (P.. 1997, C. 256)					
Salaries and Wages	2,450	2,450	2,413	37	

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
UNIFORM CONSTRUCTION CODE					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4-17)					
Uniform Construction Code					
Salaries and Wages	\$ 102,000	\$ 102,000	\$ 100,207	\$ 1,793	
Other Expenses	11,000	11,000	9,053	1,947	
Electrical Inspector					
Salaries and Wages	14,500	14,500	14,455	45	
Plumbing Inspector					
Salaries and Wages	12,400	12,400	12,390	10	
Zoning Official					
Salaries and Wages	13,700	13,700	13,687	13	
UTILITY EXPENSES AND BULK PURCHASES					
Electric	40,000	40,000	39,387	613	
Street Lighting	46,000	46,000	41,086	4,914	
Telephone	25,000	25,000	21,528	3,472	
Water	6,500	6,500	6,255	245	
Natural Gas	9,500	9,500	8,933	567	
Gasoline	47,000	47,000	45,091	1,909	-
Total Operations Within "CAPS"	4,500,691	4,500,337	4,368,601	131,736	-
Detail:					
Salaries and Wages	2,916,900	2,995,380	2,959,528	35,852	-
Other Expenses	1,583,791	1,504,957	1,409,073	95,884	-
DEFERRED CHARGES AND STATUTORY					
EXPENDITURES - MUNICIPAL					
WITHIN "CAPS"					
Statutory Charges					
Social Security System	110,250	110,250	102,072	8,178	
Police and Fireman's Retirement System of NJ	624,218	624,572	624,572	-	
Public Employees Retirement System	93,954	93,954	93,954	-	
Defined Contribution Retirement Program	600	600	-	600	-
Total Deferred Charges and Statutory					
Expenditures - Municipal Within "CAPS"	829,022	829,376	820,598	8,778	-
Total General Appropriations for Municipal					
Purposes Within "CAPS"	5,329,713	5,329,713	5,189,199	140,514	-

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
PUBLIC SAFETY					
Fire					
Other Expense-LOSAP	\$ 32,000	\$ 32,000	\$ 24,096	\$ 7,904	-
Insurance					
Workers Compensation	4,322	4,322	4,322	-	-
Employee Group Health	44,065	44,065	44,065	-	-
Statutory Charges					
Public Employees Retirement System	7,412	7,412	7,412	-	-
Police and Firemen's Retirement System	63,703	63,703	63,703	-	-
Total Other Operations Excluded from "CAPS"	151,502	151,502	143,598	7,904	-
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Alcohol Education and Rehab Fund	316	316		316	
Clean Communities Program	6,557	6,557	-	6,557	
Body Armor Grant	1,145	1,145	1,145	-	
Body Worn Cameras	-	11,788	11,788		
Police Donations - Equipment	16,450	16,450	-	16,450	-
Total Public and Private Programs Offset by Revenues	24,468	36,256	12,933	23,323	-
Total Operations Excluded from "CAPS"	175,970	187,758	156,531	31,227	-
Detail:					
Other Expenses	104,855	116,643	85,416	31,227	-
Statutory Expenditures	71,115	71,115	71,115	-	-
CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"					
FEMA Grant - Borough-Wide Culvert Improvement	76,707	76,707	31,933	44,774	-
Total Capital Improvements-Excluded from "CAPS"	76,707	76,707	31,933	44,774	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Anticipation Notes	225,000	225,000	225,000		
Interest on Notes	70,870	70,870	70,858	-	\$ 12
Total Municipal Debt Service Excluded from "CAPS"	295,870	295,870	295,858	-	12

BOROUGH OF ALPINE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 548,547	\$ 560,335	\$ 484,322	\$ 76,001	\$ 12
Subtotal General Appropriations	5,878,260	5,890,048	5,673,521	216,515	12
Reserve for Uncollected Taxes	<u>865,000</u>	<u>865,000</u>	<u>865,000</u>	-	-
Total General Appropriations	<u>\$ 6,743,260</u>	<u>\$ 6,755,048</u>	<u>\$ 6,538,521</u>	<u>\$ 216,515</u>	<u>\$ 12</u>
	<u>Reference</u>	A-2	A-1	A, A-1	
Budget as Adopted	A-3	\$ 6,743,260			
Appropriation by 40A:4-87	A-2	<u>11,788</u>			
		<u>\$ 6,755,048</u>			
Cash Disbursements	A-4		\$ 5,603,229		
Encumbrances Payable	A-12		69,792		
Due to Animal Control Fund	B-6		500		
Reserve for Uncollected Taxes	A-2		<u>865,000</u>		
			<u>\$ 6,538,521</u>		

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

ASSETS	Reference	2023	2022
ANIMAL CONTROL FUND			
Cash	B-3	\$ 2,176	\$ 1,610
Due from Current Fund	B-6	1,000	500
Due from State of New Jersey	B-5	<u>1</u>	<u>2</u>
		<u>3,177</u>	<u>2,112</u>
UNEMPLOYMENT INSURANCE TRUST FUND			
Cash	B-3	<u>53,720</u>	<u>64,182</u>
OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-3	<u>662,613</u>	<u>546,867</u>
RECREATION TRUST FUND			
Cash	B-3	<u>2,342</u>	<u>4,269</u>
OTHER TRUST FUND			
Cash	B-3	5,202,064	5,191,906
Due from Current Fund	B-12	<u>98,301</u>	<u>74,889</u>
		<u>5,300,365</u>	<u>5,266,795</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	686,938	590,343
Contributions Receivable	B	<u>30,120</u>	<u>27,108</u>
		<u>717,058</u>	<u>617,451</u>
Total Assets		<u>\$ 6,739,275</u>	<u>\$ 6,501,676</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES AND RESERVES			
ANIMAL CONTROL FUND			
Reserve for Animal Control Fund Expenditures	B-4	\$ 3,177	\$ 2,112
UNEMPLOYMENT INSURANCE TRUST FUND			
Reserve for Unemployment Insurance Benefits	B-7	53,720	64,182
OPEN SPACE PRESERVATION TRUST FUND			
Reserve for Open Space Expenditures	B-10	662,613	546,867
RECREATION TRUST FUND			
Reserve for Recreation Expenditures	B-11	2,342	4,269
OTHER TRUST FUND			
Payroll Deductions Payable	B-13	36,843	15,029
Miscellaneous Reserves and Deposits	B-14	5,263,522	5,251,766
		<u>5,300,365</u>	<u>5,266,795</u>
LENGTH OF SERVICE AWARDS PROGRAM			
TRUST FUND (UNAUDITED)			
Reserve for LOSAP Benefits	B	717,058	617,451
Total Liabilities and Reserves		<u>\$ 6,739,275</u>	<u>\$ 6,501,676</u>

BOROUGH OF ALPINE
STATEMENT OF REVENUES-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Anticipated</u>			
	Budget	Budget After		Excess or
	(Memo)	Modification	Realized	Deficit
Amount to be Raised by Taxation	\$ 98,868	\$ 98,868	\$ 99,132	\$ 264
	<u>\$ 98,868</u>	<u>\$ 98,868</u>	99,132	<u>\$ 264</u>
Non-Budget Revenue:				
Interest on Investments			<u>16,615</u>	
			<u>\$ 115,747</u>	
<u>Reference</u>	B-2	B-2	B-10	

STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>	
	Budget	Budget After	Paid or	
	(Memo)	Modification	Charged	Reserved
Reserve for Future Use	\$ 98,868	\$ 98,868	-	\$ 98,868
	<u>\$ 98,868</u>	<u>\$ 98,868</u>	<u>\$ -</u>	<u>\$ 98,868</u>
<u>Reference</u>	B-1	B-1	B-10	

BOROUGH OF ALPINE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	C-2,C-3	\$ 274,800	\$ 78,773
Grants Receivable	C-4	210,091	458,826
Deferred Charges to Future Taxation Unfunded	C-5	<u>2,465,351</u>	<u>2,419,106</u>
Total Assets		<u>\$ 2,950,242</u>	<u>\$ 2,956,705</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-11	\$ 1,939,000	\$ 1,989,000
Encumbrances Payable	C-7	427,466	66,447
Due to Current Fund	C-9	94,909	44,909
Improvement Authorizations			
Funded	C-6	22,173	158,585
Unfunded	C-6	422,936	593,411
Capital Improvement Fund	C-8	16,026	29,781
Reserve for Field Improvements	C-10	10,000	10,000
Fund Balance	C-1	<u>17,732</u>	<u>64,572</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,950,242</u>	<u>\$ 2,956,705</u>

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 of \$526,351 and \$430,106, respectively. (Exhibit C-12)

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, January 1	C	\$ 64,572	\$ 109,043
Increased by:			
Premium on Notes Issued	C-2	<u>3,160</u>	<u>5,529</u>
		67,732	114,572
Decreased by:			
Due to Current Fund as Anticipated Revenue	C-9	<u>50,000</u>	<u>50,000</u>
Balance, December 31	C	<u>\$ 17,732</u>	<u>\$ 64,572</u>

BOROUGH OF ALPINE
COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS ACCOUNT GROUP -
REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Land	\$ 6,386,500	\$ 6,386,500
Buildings and Building Improvements	1,755,614	1,755,614
Machinery and Equipment	<u>3,756,299</u>	<u>3,623,798</u>
	<u>\$ 11,898,413</u>	<u>\$ 11,765,912</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 11,898,413</u>	<u>\$ 11,765,912</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Alpine (the "Borough") was incorporated in 1903 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. The Borough's major operations include public safety, road repair and maintenance, recycling services, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department, which is considered a component unit under GAAP. Complete financial statements of the above component unit can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

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

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Open Space Preservation Trust Fund - This fund is used to account for the revenues and expenditures relating to taxes and other revenues dedicated to the acquisition and maintenance of real property for open space.

Recreation Trust Fund - This fund is used to account for receipts from dedicated fees and associated disbursements relating to recreational activities administered by the Borough.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

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

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

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

Financial Statements – Regulatory Basis

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Alpine follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

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

Deferred Charges - Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the proprietary funds and government-wide financial statements.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Financing Agreements – Capital financing and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the Borough by the end of the agreement and do not contain termination options. The Borough appropriates in its annual budget the amounts required to repay these agreements which are recorded when paid in accordance with the terms of the financings agreement. GAAP requires financing agreements to be reported as other financing sources in the governmental funds and long-term liabilities in the proprietary funds and government-wide financial statements.

Leases Receivable – Leases for the use of the Borough's land and building are recorded as revenue when repayment is received during the year. GAAP requires leases receivable to be recorded at year-end with an offsetting deferred outflow of resources in both the fund and government-wide financial statements.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements it's actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Alpine has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in proprietary funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary funds as well as in the government-wide financial statements.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds

Trust Funds (Except of Open Space Preservation Trust Fund)
General Capital Fund

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023 the Borough Council increased the original budget by \$11,788. The increase was funded by additional aid allotted to the Borough in 2023. During 2022 the Borough Council did not increase the original budget. In addition, the governing body approved several budget transfers during 2023 and 2022.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$9,734,872 and \$9,302,837 and bank and brokerage firm balances of the Borough's deposits amounted to \$9,971,330 and \$9,396,648 respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 8,544,340	\$ 7,734,258
Uninsured and Collateralized	<u>1,426,990</u>	<u>1,662,390</u>
	<u>\$ 9,971,330</u>	<u>\$ 9,396,648</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2023 and 2022, the Borough's bank balances of \$1,426,990 and \$1,662,390 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 1,426,990</u>	<u>\$ 1,662,390</u>

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (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 the Community Affairs for investment by local units; Local Government investment pools, 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2023 and 2022 the Borough had the following investments:

	Valuation	<u>2023</u>	<u>2022</u>
	<u>Basis</u>		
<u>Investment:</u>			
Lincoln Financial Group LOSAP Retirement Fund (Unaudited)	Fair Value	\$ <u>686,938</u>	\$ <u>590,343</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial credit risk. As of December 31, 2023 and 2022, \$686,938 and \$590,343 of the Borough's investments were exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Borough's name	\$ <u>686,938</u>	\$ <u>590,343</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2023 and 2022, the Borough's investment in Lincoln Financial Group, a subsidiary to Lincoln National Life Insurance Company was rated A1 by Moody's Investor Service.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough's investments are in Lincoln National Life Insurance Company. These investments are 100% of the Borough's total investments.

Fair Value of Investments. The Borough of Alpine measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2023 and 2022 are categorized as Level 2.

Interest earned in the General Capital Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Property Taxes	\$ 257,414	\$ 193,767

In 2023 and 2022, the Borough collected \$193,767 and \$223,591 from delinquent taxes, which represented 100% and 100%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 94,909	\$ 99,301	\$ 44,409	\$ 75,389
Trust Funds:				
Animal Control Fund	1,000		500	
Other Trust Fund	98,301		74,889	
General Capital Fund	<u>-</u>	<u>94,909</u>	<u>-</u>	<u>44,409</u>
Total	<u>\$ 194,210</u>	<u>\$ 194,210</u>	<u>\$ 119,798</u>	<u>\$ 119,798</u>

The above balances are the result of revenues earned or appropriations budgeted by one fund on behalf of another fund.

The Borough expects all interfund balances to be liquidated within one year.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 DEFERRED SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2023 and 2022 are as follows:

	<u>Local District School</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 3,745,722	\$ 3,622,930
Deferred	<u>2,339,982</u>	<u>2,339,982</u>
Taxes Payable	<u>\$ 1,405,740</u>	<u>\$ 1,282,948</u>

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Fund</u> <u>Balance</u> <u>December 31,</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>	<u>Fund</u> <u>Balance</u> <u>December 31,</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 1,256,215	\$ 1,070,000	\$ 1,234,712	\$ 1,050,000
Non-Cash Surplus	<u>1,753</u>	<u>-</u>	<u>1,753</u>	<u>-</u>
	<u>\$ 1,257,968</u>	<u>\$ 1,070,000</u>	<u>\$ 1,236,465</u>	<u>\$ 1,050,000</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2023 and 2022.

	Balance January 1, <u>2023</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Land	\$ 6,386,500			\$ 6,386,500
Buildings and Building Improvements	1,755,614			1,755,614
Machinery and Equipment	<u>3,623,798</u>	<u>\$ 132,501</u>	<u>-</u>	<u>3,756,299</u>
	<u>\$ 11,765,912</u>	<u>\$ 132,501</u>	<u>\$ -</u>	<u>\$ 11,898,413</u>
	Balance January 1, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land	\$ 6,386,500			\$ 6,386,500
Buildings and Building Improvements	1,755,614			1,755,614
Machinery and Equipment	<u>3,355,106</u>	<u>268,692</u>	<u>-</u>	<u>3,623,798</u>
	<u>\$ 11,497,220</u>	<u>\$ 268,692</u>	<u>\$ -</u>	<u>\$ 11,765,912</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. Bond anticipation notes have been issued for general capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. Bond anticipation notes issued by the Borough are general obligation debt, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2023</u>	<u>2022</u>
Issued		
General		
Notes	\$ 1,939,000	\$ 1,989,000
Less Funds Temporarily Held to Pay Notes	<u>-</u>	<u>-</u>
Net Debt Issued	1,939,000	1,989,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>526,351</u>	<u>430,106</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 2,465,351</u>	<u>\$ 2,419,106</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .127% and .127% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ <u>2,465,351</u>	\$ <u>-</u>	\$ <u>2,465,351</u>
<u>2022</u>			
General Debt	\$ <u>2,419,106</u>	\$ <u>-</u>	\$ <u>2,419,106</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 67,805,238	\$ 66,891,841
Net Debt	<u>2,465,351</u>	<u>2,419,106</u>
Remaining Borrowing Power	<u>\$ 65,339,887</u>	<u>\$ 64,472,735</u>

A. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

Bond Anticipation Notes

<u>2023</u>	<u>Purpose</u>	<u>Rate</u> (%)	<u>Maturity</u> <u>Date</u>	<u>Balance</u> <u>January 1,</u> <u>2023</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>
<u>General Capital Fund</u>							
	Various Capital Improvements	4.75%	8/15/2023	\$ 702,260	\$ 621,587	\$ 702,260	\$ 621,587
	Road Program	4.75%	8/15/2023	1,186,686	1,228,716	1,186,686	1,228,716
	School Field Improvements and Vehicle Acq.	4.75%	8/15/2023	<u>100,054</u>	<u>88,697</u>	<u>100,054</u>	<u>88,697</u>
				<u>\$ 1,989,000</u>	<u>\$ 1,939,000</u>	<u>\$ 1,989,000</u>	<u>\$ 1,939,000</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

A. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>2022</u>			Balance January 1, <u>2022</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2022</u>
	<u>General Capital Fund</u>					
	Various Capital Improvements	4.75% 8/15/2023	\$ 522,930	\$ 702,260	\$ 522,930	\$ 702,260
	Road Program	4.75% 8/15/2023	1,421,695	1,186,686	1,421,695	1,186,686
	Acquisition of Fire Engine and Computer					
	Equipment	4.75% 8/15/2023	261,903		261,903	-
	School Field Improvements and Vehicle Acq.	4.75% 8/15/2023	<u>118,783</u>	<u>100,054</u>	<u>118,783</u>	<u>100,054</u>
			<u>\$ 2,325,311</u>	<u>\$ 1,989,000</u>	<u>\$ 2,325,311</u>	<u>\$ 1,989,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2023</u>		
Road Improvements	\$380,900	2024
<u>2022</u>		
Road Improvements	60,687	2023

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$593,125 and \$902,070 at December 31, 2023 and 2022, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2023 and 2022, the Borough has reserved in the Other Trust Fund \$147,819 and \$210,307, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

B. Financing Agreements

Capital Financing Agreements

The Borough entered into the following agreements to finance the acquisition of capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the Borough’s approved budget.

Capital financing agreements at December 31 are comprised of the following:

	<u>2023</u>	<u>2022</u>
\$28,803, 2021 Agreement for the acquisition of a police car for a term of 3 years due in monthly principal installments of \$863 to \$925 through February 2024 with interest at 4.97%.	\$ <u>1,846</u>	\$ <u>12,510</u>
Total	\$ <u>1,846</u>	\$ <u>12,510</u>

The maturity schedule of the remaining capital and other financing agreement payments for principal and interest as of December 31, 2023 is as follows:

Governmental Activities:

<u>Calendar Year</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ <u>1,846</u>	\$ <u>14</u>	\$ <u>1,860</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

C. Deferred Pension Obligation (Delete or modify as necessary) (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 902,070	\$ 9,295	\$ 318,240	\$ 593,125	\$ 30,957
Capital Financing Agreements	12,510		10,664	1,846	1,846
Net Pension Liability - PERS (1)	1,213,080			1,213,080	
Net Pension Liability - PFRS (1)	6,054,491			6,054,491	
Net OPEB Liability (1)	<u>1,823,935</u>	<u>-</u>	<u>-</u>	<u>1,823,935</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 10,006,086</u>	<u>\$ 9,295</u>	<u>\$ 328,904</u>	<u>\$ 9,686,477</u>	<u>\$ 32,803</u>

(1) GASB Statement numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 858,478	\$ 141,279	\$ 97,687	\$ 902,070	
Capital Financing Agreements	29,739		17,229	12,510	\$ 10,664
Net Pension Liability - PERS	918,260	396,186	101,366	1,213,080	
Net Pension Liability - PFRS	3,782,368	2,960,044	687,921	6,054,491	
Net OPEB Liability	<u>3,751,694</u>	<u>-</u>	<u>1,927,759</u>	<u>1,823,935</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 9,340,539</u>	<u>\$ 3,497,509</u>	<u>\$ 2,831,962</u>	<u>\$ 10,006,086</u>	<u>\$ 10,664</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 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.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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:

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Borough employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is 15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2023 and 2022 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2023 and 2022 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2023, 2022 and 2021 were equal to the required contributions.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2022, 2021, and 2020, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 687,921	\$ 101,366	None
2022	603,109	90,777	None
2021	563,166	82,240	None

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough reported a liability of \$1,213,080 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .00804 percent, which was an increase of .00029 percent from its proportionate share measured as of June 30, 2021 of .00775 percent.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2022, the pension system has determined the Borough's pension benefit to be \$(114,367), for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$90,777. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 8,755	\$ 7,721
Changes of Assumptions	3,759	181,646
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	50,208	-
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	78,653	45,623
Total	\$ 141,375	\$ 234,990

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending December 31,	Total
2023	\$ (112,403)
2024	(37,480)
2025	(8,721)
2026	64,751
2027	238
Thereafter	-
	<u>\$ (93,615)</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>2022</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 1,558,452</u>	<u>\$ 1,213,080</u>	<u>\$ 919,154</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2022, the Borough reported a liability of \$6,054,491, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough's proportionate share was .05289 percent, which was an increase of .00114 percent from its proportionate share measured as of June 30, 2021 of .05175 percent.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the pension system has determined the Borough pension expense to be \$102,226, for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of \$603,109. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2022	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 274,042	\$ 370,920
Changes of Assumptions	16,593	762,141
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	554,413	-
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>466,773</u>	<u>-</u>
Total	<u>\$ 1,311,821</u>	<u>\$ 1,133,061</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (22,665)
2024	43,373
2025	46,737
2026	155,834
2027	(36,194)
Thereafter	<u>(8,325)</u>
	<u>\$ 178,760</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PFRS 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 will be based on 100% of the actuarially determined contributions for the State. 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 ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>8,307,416</u>	\$ <u>6,054,491</u>	\$ <u>4,178,920</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

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

At December 31, 2022, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,077,522. For the year ended December 31, 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$124,318, which is less than the actual contribution the State made on behalf of the Borough of \$134,146. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PFRS net pension liability attributable to the Borough was .05289 percent, which was an increase of .00114 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .05175 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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 above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2023, 2022 and 2021 were \$23,719, \$21,693 and \$12,168, respectively, which equaled the required contributions for each year (or were not available).

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2022, the Borough reported a liability of \$1,823,935, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the Borough's proportionate share was .01129 percent, which was a decrease of .00955 percent from its proportionate share measured as of June 30, 2021 of .02084 percent.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2022, the Plan has determined the Borough's OPEB expense to be \$69,114 based on the actuarial valuation which is more than the actual contributions reported in the Borough's financial statements of \$21,693. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	2022	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 94,190	\$ 338,080
Changes of Assumptions	243,412	622,474
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	480	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>467,280</u>	<u>61,225</u>
Total	<u>\$ 805,362</u>	<u>\$ 1,021,779</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (60,757)
2024	(60,872)
2025	(11,083)
2026	42,839
2027	71,560
Thereafter	<u>(198,104)</u>
	<u>\$ (216,417)</u>

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

Mortality Rates

Pre-retirement and post-retirement mortality rates were based on the Pub-2010 Healthy "Safety" for PFRS and Healthy "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled "Safety" for PFRS and Disabled "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.25 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

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

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

Discount Rate

The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the discount rate of 3.54% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.54% or 1-percentage-point higher 4.54% than the current rate:

<u>2022</u>	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>2,114,308</u>	\$ <u>1,823,935</u>	\$ <u>1,590,303</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

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

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2022 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2022</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>1,547,299</u>	\$ <u>1,823,935</u>	\$ <u>2,178,228</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$4,104,408. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is an expense of \$673,209. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the Borough was .12166 percent, which was an increase of .07243 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .04923 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Alpine is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 14 RISK MANAGEMENT (Continued)

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

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 3,055	\$ 1,645	\$ 15,162	\$ 53,720
2022	7,007	28	1,003	64,182
2021	6,006	26	57	58,150

NOTE 15 CONTINGENT LIABILITIES

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, to be material. As of December 31, 2023 and 2022, the Borough reserved \$85,000 and \$60,000, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

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

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2022 and 2021, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Alpine Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on June 26, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Alpine approved the adoption of the Plan at the general election held on November 7, 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Alpine has contributed \$1,506 for both 2023 and 2022, for each eligible volunteer fire department member into the Plan. The total Borough contributions were \$24,096 and \$27,108 for 2023 and 2022, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

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

Vesting and Benefits

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

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

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

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

Interlocal Services Agreement

The Borough of Alpine and Closter entered into an interlocal service agreement for the purposes of reimbursing the Borough of Closter as sponsoring agency for a length of service awards program for the Closter Volunteer Ambulance Corps., a volunteer organization which services each of the Boroughs.

The contributions are made in accordance with the plan established by the Borough of Closter pursuant to N.J.S.A. 40A:14-183 et seq. Alpine's share of the Closter Volunteer Ambulance Corps. The Borough's share of LOSAP contributions for the year ended December 31, 2023 and 2022 were \$5,000 and \$5,750, respectively.

NOTE 18 MORTGAGE NOTE

On January 10, 2006 the Borough entered into a mortgage and mortgage note agreement with the Neighborhood Preservation Balanced Housing Program, Division of Housing and Community Resources, New Jersey Department of Community Affairs in the amount of \$2,000,000. The proceeds of the loan were used to fund a portion of the development costs incurred in the construction of an eight (8) unit family rental project occupied by duly qualified low and moderate income families in accordance with the Fair Housing Act of 1985 ("the Project").

The mortgage note will mature upon the expiration of thirty (30) years from the first day of the month following the issuance of a final Certificate of Occupancy for the Project by the Borough, if not sooner according to the terms of the mortgage note and the mortgage. Upon maturity, at the option of the Lender, the entire unpaid balance of the principal sum shall become due and payable. No interest shall accrue during the entire term of the mortgage and mortgage note.

It was expressly agreed that the entire balance of said principal sum shall become due at the option of the Lender, its successor or assignee upon (i) the happening of any default as described in the mortgage; (ii) the expiration of Affordability Controls on dwelling units completed with the proceeds of this loan, if said units are not retained exclusively for occupancy by low and moderate households as defined in the State of New Jersey's Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq.; and (iii) the unapproved sale, transfer or refinancing of the Project by the Municipal Borrower. As of December 31, 2023, there has been no default or event requiring repayment of the loan.

NOTE 19 LEASES RECEIVABLE

The Borough entered into non-cancellable leases for the use of Borough owned land and building space. The initial lease receivable is determined at the present value of payments expected to be received during the lease term.

Leases receivable at December 31 are comprised of the following:

On April 1, 2000 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for three (3) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease at least sixty (60) days from expiration. The Borough will receive annual payments of \$23,688 to \$94,750. The Borough recognized \$94,750 and \$94,750 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$784 and \$1,130, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$117,914 and \$211,879, respectively, for the lease term ending March 31, 2025.

On June 1, 2001 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for three (3) additional 5-year terms upon the leasee notifying the Borough it's intention to renew the lease no later than ten (10) months prior to expiration. The Borough will receive annual payments of \$43,658 to \$102,700. The Borough recognized \$93,152 and \$88,716 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$940 and \$1,028, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$241,919 and \$334,132, respectively, for the lease term ending May 31, 2026.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 19 LEASES RECEIVABLE (Continued)

On June 1, 2001 the Borough began leasing cell tower space to a third party. The initial lease was for 10 years and the lease renews for three (3) additional 5-year terms upon the leasee notifying the Borough it's intention to renew the lease no later than ten (10) months prior to expiration. The Borough will receive annual payments of \$41,130 to \$96,753. The Borough recognized \$87,758 and \$83,579 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$317 and \$400, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$229,620 and \$400,240, respectively, for the lease term ending May 31, 2026.

On March 25, 2015 the Borough began leasing cell tower space to a third party. The initial lease was for 5 years and the lease renews for four (4) additional 5-year terms unless the leasee notifies the Borough it's intention not to renew the lease at least three (3) months from expiration. The Borough will receive annual payments of \$2,700 to \$10,800. The Borough recognized \$10,800 and \$10,800 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$89 and \$129, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$13,440 and \$24,151, respectively, for the lease term ending March 25, 2025.

On February 1, 2018 the Borough began leasing building space to a third party. The initial lease was for 5 years and the lease was renewed for one (1) additional 5-year term at the option of the leasee to January 31, 2028. The Borough will receive annual payments of \$102,220 to \$110,000. The Borough recognized \$117,870 and \$93,702 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$13,787 and \$2,517, respectively. As of December 31, 2023 and 2022 the Borough's receivable for lease payments, exclusive of future interest earnings is \$399,220 and \$503,303, respectively, for the lease term ending January 31, 2028.

The future lease revenue principal and interest payments as of December 31, 2023 were as follows:

Calendar Year	Principal	Interest	Total
2024	\$ 384,819	\$ 20,686	\$ 405,505
2025	320,085	15,756	335,841
2026	183,889	10,898	194,787
2027	104,572	5,428	110,000
2028	8,748	419	9,167
Total	<u>\$ 1,002,113</u>	<u>\$ 53,187</u>	<u>\$ 1,055,300</u>

**BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will be terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Alpine's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Alpine's primary revenue source for supporting its budget. The Borough of Alpine cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

BOROUGH OF ALPINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$193,009 from the Plan in two equal payments. The Borough has received the full amount of its relief funds under the plan as of December 31, 2022. The Borough utilized \$96,505 and \$96,504 of the funds in the 2023 and 2022 budgets, respectively to replace lost public sector revenue.

CURRENT FUND

BOROUGH OF ALPINE
STATEMENT OF CURRENT CASH AND INVESTMENTS - COLLECTOR/TREASURER

Balance, December 31, 2022		\$ 3,415,130
Increased by:		
Taxes Receivable	\$ 15,293,935	
Revenue Accounts Receivable	1,674,886	
Non-Budget Revenue	162,952	
Grant Receivables	11,788	
Due from State of NJ (Ch. 20, P.L. 1972)	4,500	
Prepaid Taxes	249,426	
Tax Overpayments	38,368	
Fees Payable	13,395	
Reserve for Grants - Unappropriated	86,298	
Received From Animal Control Fund	112	
Received From Other Trust Fund	38,637	
Petty Cash	500	
		<u>17,574,797</u>
		20,989,927
Decreased by Disbursements:		
2023 Budget Appropriations	5,603,229	
2022 Appropriation Reserves	35,816	
Encumbrance Payables	69,241	
County Taxes Payable	4,448,362	
Local District School Tax Payable	7,139,485	
Fees Payable	16,306	
Tax Overpayments	38,368	
Reserve for Grants - Appropriated	2,431	
Payments to Open Space Trust Fund	99,132	
Petty Cash	500	
		<u>17,452,870</u>
Balance, December 31, 2023		<u>\$ 3,537,057</u>

**BOROUGH OF ALPINE
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2022	\$ <u>100</u>
----------------------------	---------------

Balance, December 31, 2023	\$ <u>100</u>
----------------------------	---------------

STATEMENT OF PETTY CASH FUNDS

Increased by:	
Received from Treasurer	\$ 500

Decreased by:	
Returned to Treasurer	\$ <u>500</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2022	\$ 1,753
----------------------------	----------

Increased by:	
Veterans' Deductions per Tax Duplicate	<u>4,500</u>

6,253

Decreased by:	
Receipts from State of New Jersey	<u>4,500</u>

Balance, December 31, 2023	\$ <u>1,753</u>
----------------------------	-----------------

STATEMENT OF GRANT RECEIVABLES

	Balance, December 31, <u>2022</u>	<u>Accrued</u>	<u>Received</u>	Balance, December 31, <u>2023</u>
Body Worn Cameras	\$ -	\$ 11,788	\$ 11,788	\$ -
	<u>\$ -</u>	<u>\$ 11,788</u>	<u>\$ 11,788</u>	<u>\$ -</u>

BOROUGH OF ALPINE
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Year</u>	Balance, December 31, <u>2022</u>	2023 <u>Levy</u>	<u>Cash Collections</u>		Senior Citizens' and Veterans' Deductions <u>Allowed</u>	Remitted, Abated or Cancelled	Balance, December 31, <u>2023</u>
			<u>2022</u>	<u>2023</u>			
2022	193,767			193,767			\$ -
2023	-	\$ 15,662,904	\$ 298,452	15,100,168	\$ 4,500	\$ 2,370	\$ 257,414
	<u>\$ 193,767</u>	<u>\$ 15,662,904</u>	<u>\$ 298,452</u>	<u>\$ 15,293,935</u>	<u>\$ 4,500</u>	<u>\$ 2,370</u>	<u>\$ 257,414</u>

Analysis of 2023 Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 15,621,141	
Added and Omitted Taxes (54:4-63.10 et seq.)	<u>41,763</u>	
		<u>\$ 15,662,904</u>

TAX LEVY

Local District School Taxes	\$ 7,262,277	
County Taxes - General	\$ 4,253,851	
County Taxes - Open Space	186,726	
Due County for Added and Omitted Taxes (54:4-63.10 et seq.)	<u>11,947</u>	
		4,452,524
Municipal Open Space Tax	98,868	
Municipal Open Space Added Taxes	<u>264</u>	
		99,132
Local Tax for Municipal Purposes	3,803,156	
Add Additional Tax Levies	<u>45,815</u>	
		<u>3,848,971</u>
		<u>\$ 15,662,904</u>

BOROUGH OF ALPINE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Borough Clerk				
Fees and Permits		\$ 16,696	\$ 16,696	
Health Officer and Registrar				
Fees and Permits		10,901	10,901	
Police Department				
Fees and Permits		8,880	8,880	
Other Fees and Permits		47,981	47,981	
Municipal Court				
Fines and Costs	\$ 1,159	25,633	25,467	\$ 1,325
Interest and Cost on Taxes	6,949	65,054	59,916	12,087
Interest on Investments		99,784	99,784	
Cell Tower Rent		286,460	286,460	
Energy Receipts Tax		408,210	408,210	
Open Space PILOT Aid		6,427	6,427	
Uniform Construction Code Fees		454,356	454,356	
Cresskill Leaf Compost		72,828	72,828	
Rent - U.S. Post Office	8,518	109,352	117,870	-
Payment in Lieu of Taxes - Boy Scouts of America	-	59,110	59,110	-
	<u>\$ 16,626</u>	<u>\$ 1,671,672</u>	<u>\$ 1,674,886</u>	<u>\$ 13,412</u>

BOROUGH OF ALPINE
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Cancelled <u>Encumbrances</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfers</u>	Balance <u>Lapsed</u>
Salaries and Wages						
General Administration						
Financial Administration	\$ 1,771		\$ 1,771		1,771	
Collection of Taxes	1,572		1,572		\$ 1,572	
Tax Assessment Administration	608		608		608	
Planning Board	375		375		375	
Zoning Board Adjustment	746		746		746	
Emergency Management Services	430		430		430	
Fire	694		694		694	
Fire Prevention/Uniform Fire Code	727		727		727	
Road Repairs and Maintenance	4,129		4,129		4,129	
Recycling-DPW	813		813		813	
Board of Health	635		635		635	
Municipal Court	5,291		5,291		5,291	
Public Defender	472		472		472	
Uniform Construction Code	2,130		2,130		2,130	
Electrical Inspector	1,415		1,415		1,415	
Plumbing Inspector	929		929		929	
Zoning Official	675	-	675	-	675	-
Total Salaries & Wages	23,412	-	23,412	-	23,412	-
Other Expenses						
General Administration	4,192		4,192	\$ 589		\$ 3,603
Election	251		251	-		251
Financial Administration	185		185	-		185
Collection of Taxes	1,482		1,482			1,482
Collection of Taxes - Postage	515		515	515		-
Computer Data Processing	10,932		10,932	-		10,932
Tax Assessment Administration	767		767	-		767
Audit Services	3,495		3,495	1,000		2,495
Legal Services & Costs	6,881		6,881	6,861		20
Engineering Services & Costs	756		756	565		191
Planning Board	1,143		1,143	438		705
Zoning Board of Adjustment	265		265	265		-
Liability Insurance	4,130		4,130	-		4,130
Employee Group Insurance	24		24	-		24
Fire	9,169		9,169	9,169		-
Police	4,634		4,634	3,069		1,565
Emergency Management Services	576		576			576
Fire Prevention/Uniform Fire Code	3,062		3,062	640		2,422
Road Repairs and Maintenance	4,898		4,898	3,792		1,106
Public Buildings & Grounds	1,640		1,640	296		1,344
Board of Health	211		211	-		211
Board of Health Contractual	111		111			111

BOROUGH OF ALPINE
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, 2022	Cancelled Encumbrances	Balance After Modification	Expended	Transfers	Balance Lapsed
Other Expenses (Continued)						
Environmental Commission	\$ 641		\$ 641			\$ 641
Occupational Safety and Health Act	1,400		1,400			1,400
Parks and Playgrounds	105		105			105
Cresskill Library Fees	400		400			400
Social Security System	3,930		3,930			3,930
Defined Contribution Retirement Program	250		250			250
Municipal Prosecutor Contractual	391		391			391
Municipal Court	5,117		5,117			5,117
Uniform Construction Code	1,020		1,020	\$ 230		790
Telephone	54		54			54
Water	717		717	455		262
Natural Gas	1,962		1,962	1,365		597
L.O.S.A.P.	-	\$ 326	326			326
Police Donations-Equipment	5,318		5,318	3,562	\$ 1,756	-
Clean Communities Grant	5,804		5,804	-	5,804	-
Recycling Tonnage Grant	4,822	-	4,822	3,005	1,817	-
	<u>91,250</u>	<u>326</u>	<u>91,576</u>	<u>35,816</u>	<u>9,377</u>	<u>46,383</u>
Total Other Expenses	\$ 91,250	\$ 326	\$ 91,576	\$ 35,816	\$ 9,377	\$ 46,383
Total	<u>\$ 114,662</u>	<u>\$ 326</u>	<u>\$ 114,988</u>	<u>\$ 35,816</u>	<u>\$ 32,789</u>	<u>\$ 46,383</u>

Cash Disbursements	\$ 35,816	
Due to Other Trust Fund - Terminal Leave		\$ 23,412
Transfer to Appropriated Grant Reserves	-	9,377
	<u>\$ 35,816</u>	<u>\$ 32,789</u>

**BOROUGH OF ALPINE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022	\$ 69,567
Increased by:	
Charges to Budget Appropriations	<u>69,792</u>
	139,359
Decreased by:	
Cash Disbursements	\$ 69,241
Cancelled Encumbrances Restored to Appropriation Reserve	<u>326</u>
	<u>69,567</u>
Balance, December 31, 2023	<u><u>\$ 69,792</u></u>

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2022</u>	Fees <u>Collected</u>	<u>Payments</u>	Balance, December 31, <u>2023</u>
Due State of New Jersey				
State Training Fees	<u>\$ 5,458</u>	<u>13,395</u>	<u>16,306</u>	<u>\$ 2,547</u>
	<u><u>\$ 5,458</u></u>	<u><u>\$ 13,395</u></u>	<u><u>\$ 16,306</u></u>	<u><u>\$ 2,547</u></u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2022	\$ 298,452
Increased by:	
Collection of 2024 Taxes	<u>249,426</u>
	547,878
Decreased by:	
Applied to 2023 Taxes Receivable	<u>298,452</u>
Balance, December 31, 2023	<u><u>\$ 249,426</u></u>

**BOROUGH OF ALPINE
STATEMENT OF TAX OVERPAYMENTS**

Increased by:		
Overpayments Received		\$ 38,368
Decreased by:		
Overpayments Refunded		<u>\$ 38,368</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2022			\$ 7,785
Increased by:			
2023 Levy - General Taxes	\$ 4,253,851		
2023 Levy - Open Space Taxes	<u>186,726</u>		
		\$ 4,440,577	
2023 Added and Omitted Taxes		<u>11,947</u>	
			<u>4,452,524</u>
			4,460,309
Decreased by:			
Payments			<u>4,448,362</u>
Balance, December 31, 2023			<u>\$ 11,947</u>

BOROUGH OF ALPINE
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2022		
School Tax Payable	\$ 1,282,948	
School Tax Deferred	<u>2,339,982</u>	
		\$ 3,622,930
Increased by:		
Levy - School Year July 1, 2022 to June 30, 2023		<u>7,262,277</u>
		10,885,207
Decreased by:		
Payments		<u>7,139,485</u>
Balance, December 31, 2023		
School Tax Payable	1,405,740	
School Tax Deferred	<u>2,339,982</u>	
		\$ <u>3,745,722</u>
<u>Liability for Local District School Tax</u>		
School Tax Payable December 31, 2023		\$ 1,405,740
Add: Payments		<u>7,139,485</u>
		8,545,225
Less: School Tax Payable at December 31, 2022		<u>1,282,948</u>
Amount Charged to 2023 Operations		<u>\$ 7,262,277</u>

EXHIBIT A-18

STATEMENT OF MUNICIPAL OPEN SPACE TAX PAYABLE

Increased by:		
2023 Levy	\$ 98,868	
2023 Added and Omitted Taxes	<u>264</u>	
		\$ 99,132
Decreased by:		
Due to Open Space Preservation Trust Fund		<u>\$ 99,132</u>

EXHIBIT A-19

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2022	\$ 60,000
Increased by:	
Transfer from Current Year Tax Collections	<u>25,000</u>
Balance, December 31, 2023	<u>\$ 85,000</u>

BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR GRANTS - APPROPRIATED

	Balance, December 31, <u>2022</u>	Transferred 2022 Appropriation <u>Reserves</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2023</u>
Alcohol Education Rehab. Fund	\$ 1,970			\$ 1,970
Clean Communities Grant	23,035	\$ 5,804		28,839
Drunk Driving Enforcement Fund	2,339			2,339
Recycling Tonnage Grant	12,369	1,817	\$ 1,828	12,358
NJ DEP Stormwater Grant	967			967
Municipal Recycling Assistance Program	1,693			1,693
Police Donations		1,756		1,756
DARE Municipal Alliance Program:				
County Share	2,101			2,101
Local Share	853			853
200 Club of Bergen County Grant	1,500			1,500
Body Armor Grant	<u>603</u>	<u>-</u>	<u>603</u>	<u>-</u>
	<u>\$ 47,430</u>	<u>\$ 9,377</u>	<u>\$ 2,431</u>	<u>\$ 54,376</u>

EXHIBIT A-21

STATEMENT OF RESERVE FOR GRANTS AND AID - UNAPPROPRIATED

	Balance, December 31, <u>2022</u>	Cash <u>Receipts</u>	Anticipated in 2023 <u>Budget</u>	Balance, December 31, <u>2023</u>
American Rescue Plan (ARP)	\$ 96,505		\$ 96,505	\$ -
Municipal Relief Fund Aid	21,147	\$ 42,286	21,147	42,286
FEMA - Hurricane Ida	76,707		76,707	-
Body Armor Grant	1,145	1,268	1,145	1,268
Clean Communities Program	6,557	7,355	6,557	7,355
Alcohol Education Rehab. Fund	316	389	316	389
Police Donations	16,450	14,900	16,450	14,900
NJ DEP Stormwater Grant		15,000		15,000
Recycling Tonnage Grant	<u>-</u>	<u>5,100</u>	<u>-</u>	<u>5,100</u>
	<u>\$ 218,827</u>	<u>\$ 86,298</u>	<u>\$ 218,827</u>	<u>\$ 86,298</u>

TRUST FUNDS

BOROUGH OF ALPINE
STATEMENT OF TRUST FUNDS CASH

	<u>Animal Control</u>	<u>Unemployment Insurance</u>	<u>Open Space</u>	<u>Recreation Trust</u>	<u>Other Trust</u>
Balance, December 31, 2022	\$ 1,610	\$ 64,182	\$ 546,867	\$ 4,269	\$ 5,191,906
Increased by Receipts:					
Received From Current Fund			\$ 99,132		\$ -
Interest on Deposits	\$ 112	\$ 1,645	16,614		74,337
Grant Reimbursement			-		
Miscellaneous Reserves and Deposits					1,178,164
Received From Unemployment					14,742
Payroll Deductions Payable					4,353,394
Employee Unemployment Contributions		3,055			
Due to State of NJ - Registration Fees	339				
Animal License Fees	3,754				
Recreation Fees	-	-	-	\$ 42,210	-
	<u>4,205</u>	<u>4,700</u>	<u>115,746</u>	<u>42,210</u>	<u>5,620,637</u>
	5,815	68,882	662,613	46,479	10,812,543
Decreased by Disbursements:					
Miscellaneous Reserves and Deposits					1,225,520
Payroll Deductions Payable					4,346,322
Payments to Current Fund	112				38,637
Payments to Payroll Agency		14,742			
Due to State of NJ	338	420			
Reserve for Animal Control Expenditures	3,189				
Reserve for Recreation Expenditures	-	-	-	44,137	-
	<u>3,639</u>	<u>15,162</u>	<u>-</u>	<u>44,137</u>	<u>5,610,479</u>
Balance, December 31, 2023	<u>\$ 2,176</u>	<u>\$ 53,720</u>	<u>\$ 662,613</u>	<u>\$ 2,342</u>	<u>\$ 5,202,064</u>

**BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

Balance, December 31, 2022		\$ 2,112
Increased by:		
Dog License Fees	\$ 2,107	
Cat License Fees	406	
Late Fees	<u>1,241</u>	
	3,754	
2023 Budget Appropriation Due From Current Fund	<u>500</u>	
		<u>4,254</u>
		6,366
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash Disbursements		<u>3,189</u>
Balance, December 31, 2022		<u>\$ 3,177</u>

EXHIBIT B-5

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Balance, December 31, 2022		\$ 2
Increased by:		
Payments to the State		<u>338</u>
		340
Decreased by:		
State Fees Collected		<u>339</u>
Balance, December 31, 2023		<u>\$ 1</u>

EXHIBIT B-6

**STATEMENT OF DUE FROM CURRENT FUND
ANIMAL CONTROL FUND**

Balance, December 31, 2022		\$ 500
Increased by:		
2023 Budget Appropriation	\$ 500	
Interest on Deposits	<u>112</u>	
		612
Decreased by:		
Payments to the Current Fund		<u>112</u>
Balance, December 31, 2023		<u>\$ 1,000</u>

**BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE BENEFITS**

Balance, December 31, 2022		\$ 64,182
Increased by:		
Employee Contributions	\$ 3,055	
Interest on Investments	<u>1,645</u>	
		<u>4,700</u>
		68,882
Decrease by:		
Unemployment Claims Due to State	420	
Return of Excess Deductions to Other Trust Fund (Payroll Agency)	<u>14,742</u>	
		<u>15,162</u>
Balance, December 31, 2023		<u>\$ 53,720</u>

EXHIBIT B-8

**STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT INSURANCE FUND**

Increased by:		
Unemployment Claims Charged to Reserve		\$ 420
Decreased by:		
Cash Disbursements		<u>\$ 420</u>

EXHIBIT B-9

**STATEMENT OF DUE FROM CURRENT FUND
OPEN SPACE PRESERVATION TRUST FUND**

Increased by:		
Open Space Tax Levy	\$ 98,868	
Added Open Space Tax Levy	<u>264</u>	
		\$ 99,132
Decreased by:		
Cash Received from Current Fund		<u>\$ 99,132</u>

BOROUGH OF ALPINE
STATEMENT OF RESERVE FOR OPEN SPACE EXPENDITURES
OPEN SPACE TRUST FUND

Balance, December 31, 2022			\$	546,867
Increased by:				
Due from Current Fund:				
Open Space Tax Levy	\$	98,868		
Added Open Space Tax Levy		<u>264</u>		
			\$	99,132
Interest on Deposit				<u>16,614</u>
				<u>115,746</u>
Balance, December 31, 2023			\$	<u>662,613</u>

STATEMENT OF RESERVE FOR RECREATION EXPENDITURES
RECREATION TRUST FUND

	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Swim and Racquet Club	\$ 307	\$ 36,710	\$ 38,637	\$ (1,620)
Biddy Basketball	12			12
Men's Basketball	<u>3,950</u>	<u>5,500</u>	<u>5,500</u>	<u>3,950</u>
	<u>\$ 4,269</u>	<u>\$ 42,210</u>	<u>\$ 44,137</u>	<u>\$ 2,342</u>
Cash Receipts		\$ 42,210		
Cash Disbursements		<u>-</u>	<u>\$ 44,137</u>	
		<u>\$ 42,210</u>	<u>\$ 44,137</u>	

**BOROUGH OF ALPINE
STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2022		\$	74,889
Increased by:			
Transfer from 2022 Appropriation Reserves - Terminal Leave	\$	23,412	
Payments to Current Fund		<u>38,637</u>	
		\$	<u>62,049</u>
			136,938
Decreased by:			
Interest on Deposits		<u>38,637</u>	
			<u>38,637</u>
Balance, December 31, 2023		\$	<u>98,301</u>

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2022		\$	15,029
Increased by:			
Cash Receipts:			
Return of Excess Deductions From Unemployment Insurance Fund		14,742	
Payroll Deposits		<u>4,353,394</u>	
			<u>4,368,136</u>
			4,383,165
Decreased by:			
Cash Disbursements			<u>4,346,322</u>
Balance, December 31, 2023		\$	<u>36,843</u>

BOROUGH OF ALPINE
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND

	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Escrow Deposits	\$ 1,494,253	\$ 201,952	\$ 448,393	\$ 1,247,812
Affordable Housing Developer Fees	2,284,212	466,650	255,386	2,495,476
Cell Tower Security Deposits	131,075			131,075
POAA Fees	658	-		658
Fire Inspection Penalty Fees	374			374
COAH/Balanced Housing Note Reserve	1,111,974	98,722		1,210,696
COAH Security Deposits	6,360	184		6,544
Terminal Leave Reserve	210,307	23,412	85,900	147,819
Police Outside Duty Fees	<u>12,553</u>	<u>446,356</u>	<u>435,841</u>	<u>23,068</u>
	<u>\$ 5,251,766</u>	<u>\$ 1,237,276</u>	<u>\$ 1,225,520</u>	<u>\$ 5,263,522</u>
Cash Receipts		\$ 1,178,164		
Due from Current Fund		23,412		
Interest on Deposits		35,700		
Cash Disbursed		<u>-</u>	<u>\$ 1,225,520</u>	
		<u>\$ 1,237,276</u>	<u>\$ 1,225,520</u>	

GENERAL CAPITAL

BOROUGH OF ALPINE
STATEMENT OF GENERAL CAPITAL CASH AND INVESTMENTS

Balance, December 31, 2022		\$ 78,773
Increased by Receipts:		
Grants Receivable	\$ 248,735	
Bond Anticipation Notes	175,000	
Premium on Notes Issued	<u>3,160</u>	
		<u>426,895</u>
		505,668
Decreased by Disbursements:		
Encumbrances Payable	25,578	
Improvement Authorizations	<u>205,290</u>	
		<u>230,868</u>
Balance, December 31, 2023		<u>\$ 274,800</u>

BOROUGH OF ALPINE
ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		Balance, December 31, <u>2023</u>
Fund Balance		\$ 17,732
Due from Current Fund		94,909
Encumbrances Payable		427,466
Capital Improvement Fund		16,026
Reserve for Field Improvements		10,000
Grants Receivable		(210,091)
Improvement Authorizations:		
Ordinance		
<u>Number</u>		
729	2012 Capital Improvements	3,000
753	2015 Road Program	6,068
759	2016 Various Improvements	6,703
769	2017 Road Program	29,189
786	2019 Road Program	41,776
787	2019 Various Improvements	14,082
788	2019 Various Improvements	12,470
795	2020 Road Program	1,542
796	2020 Various Capital Improvements	807
805	2021 Road Program	42,421
806	2021 Various Capital Improvements	42,261
813	2022 Road Program	(53,114)
814	2022 Various Capital Improvements	(139,560)
820	2023 Various Capital Improvements	<u>(88,887)</u>
		<u>\$ 274,800</u>

**BOROUGH OF ALPINE
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2022</u>	Grant <u>Awards</u>	Grant <u>Receipts</u>	Balance, December 31, <u>2023</u>	<u>Balance Pledged to:</u> Improvement <u>Authorization</u> <u>Reserve</u>	
N.J. Dept. of Transportation						
Ord. 788 - 2019 Road Improvements	\$ 59,162			\$ 59,162	\$ 59,162	
Ord. 795 - 2020 Road Improvements	56,195			56,195	56,195	
Ord. 813 - 2022 Road Improvements	153,469		\$ 115,102	38,367	38,367	
Ord. 813 - 2022 Road Improvements	<u>190,000</u>	<u>-</u>	<u>133,633</u>	<u>56,367</u>	<u>56,367</u>	<u>-</u>
	<u>\$ 458,826</u>	<u>\$ -</u>	<u>\$ 248,735</u>	<u>\$ 210,091</u>	<u>\$ 210,091</u>	<u>\$ -</u>

BOROUGH OF ALPINE
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance, December 31, 2022	2023 Authorizations	Notes Paid by Budget	Balance, December 31, 2023	Analysis of Balance		Unexpended Improvement Authorizations
						Bond Anticipation Note	Expenditures	
742	2014 Road Program	\$ 49,980		\$ 49,980				
752	2015 Various Capital Improvements	60,898		60,898				
753	2015 Road Program	129,279		19,581	\$ 109,698	\$ 109,698		
758	School Field Improvements and Vehicle Acquisition	100,054		11,357	88,697	88,697		
760	2016 Road Program	101,455		12,200	89,255	89,255		
769	2017 Road Program	117,359		9,448	107,911	107,911		
776	2018 Road Program	177,413		19,716	157,697	157,697		
777/779	2018 Various Capital Improvements	71,137		5,678	65,459	65,459		
786	2019 Road Program	202,500		11,250	191,250	191,250		
787	2019 Various Improvements	156,750		14,097	142,653	142,653		
795/816	2020 Road Program	205,100	\$ 54,150	10,795	248,455	194,305		\$ 54,150
796	2020 Various Capital Improvements	146,300			146,300	146,300		
805	2021 Road Program	203,600			203,600	203,600		
806	2021 Various Capital Improvements	267,400			267,400	267,175		225
813	2022 Road Program	246,531			246,531	175,000	\$ 53,114	18,417
814	2022 Various Capital Improvements	183,350			183,350		139,560	43,790
820	2023 Various Capital Improvements	-	217,095	-	217,095	-	88,887	128,208
		<u>\$ 2,419,106</u>	<u>\$ 271,245</u>	<u>\$ 225,000</u>	<u>\$ 2,465,351</u>	<u>\$ 1,939,000</u>	<u>\$ 281,561</u>	<u>\$ 244,790</u>

Improvement Authorizations Unfunded \$ 422,936
Less: Unexpended Bond Anticipation Note Proceeds

Ordinance No.	
753	\$ 6,068
769	29,189
786	41,776
787	14,082
795	1,542
796	807
805	42,421
806	<u>42,261</u>
	<u>178,146</u>
	<u>\$ 244,790</u>

BOROUGH OF ALPINE
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2022		2023 Authorizations		Paid or Charged	Balance, December 31, 2023	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded		Funded	Unfunded
729	2012 Capital Improvements	4/25/2012	\$ 182,500	\$ 3,000					\$ 3,000	
753	2015 Road Program	4/22/2015	237,000		\$ 6,068					\$ 6,068
759	2016 Various Capital Improvements	4/27/2016	147,100	6,703					6,703	
769	2017 Road Program	4/26/2017	335,000		29,189					29,189
786	2019 Road Program	4/24/2019	225,000		41,776					41,776
787	2019 Various Improvements	4/24/2019	165,000		14,082					14,082
788	Road and Swim Pool Improvements	8/28/2019	186,500	12,470					12,470	
795/816	2020 Road Program	4/22/2020 - 3/22/2023	435,000		4,104	\$ 2,850	\$ 54,150	\$ 5,412		55,692
796	2020 Various Capital Improvements	4/22/2020	154,000		8,657			7,850		807
805	2021 Road Program	5/26/2021	214,000		42,421					42,421
806	2021 Various Capital Improvements	5/26/2021	281,000		81,545			39,059		42,486
813	2022 Road Program	4/27/2022	600,000	136,412	246,531			364,526	-	18,417
814	2022 Various Capital Improvements	4/27/2022	193,000		119,038			75,248		43,790
820	2023 Various Capital Improvements	4/26/2023	228,000	-	-	10,905	217,095	99,792	-	128,208
				<u>\$ 158,585</u>	<u>\$ 593,411</u>	<u>\$ 13,755</u>	<u>\$ 271,245</u>	<u>\$ 591,887</u>	<u>\$ 22,173</u>	<u>\$ 422,936</u>
								Cash Disbursements	\$ 205,290	
								Encumbrances Payable	<u>386,597</u>	
									<u>\$ 591,887</u>	

EXHIBIT C-7

**BOROUGH OF ALPINE
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2022	\$ 66,447
Increase by:	
Charges to Improvement Authorization	<u>386,597</u>
	453,044
Decrease by:	
Cash Disbursements	<u>25,578</u>
Balance, December 31, 2023	<u>\$ 427,466</u>

EXHIBIT C-8

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	\$ 29,781
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>13,755</u>
Balance, December 31, 2023	<u>\$ 16,026</u>

EXHIBIT C-9

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2022	\$ 44,909
Increased by:	
Fund Balance Realized as Budget Revenue	<u>50,000</u>
Balance, December 31, 2023	<u>\$ 94,909</u>

EXHIBIT C-10

STATEMENT OF RESERVE FOR FIELD IMPROVEMENTS

Balance, December 31, 2022	<u>\$ 10,000</u>
Balance, December 31, 2023	<u>\$ 10,000</u>

BOROUGH OF ALPINE
STATEMENT OF BOND ANTICIPATION NOTES

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		<u>Balance, December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
742	2014 Road Program	12/10/2014	11/15/2022	8/15/2023	4.75	% \$	49,980		\$ 49,980	
752	2015 Various Capital Improvements	12/8/2015	11/15/2022	8/15/2023	4.75		60,898		60,898	
753	2015 Road Program	12/8/2015	8/14/2023	8/14/2024	4.50			\$ 109,698		\$ 109,698
			11/15/2022	8/15/2023	4.75		129,279		129,279	
758	School Field Improvements and Vehicle Acq.	12/5/2016	8/14/2023	8/14/2024	4.50			88,697		88,697
			11/15/2022	8/15/2023	4.75		100,054		100,054	
760	2016 Road Program	12/5/2016	8/14/2023	8/14/2024	4.50			89,255		89,255
			11/15/2022	8/15/2023	4.75		101,455		101,455	
769	2017 Road Program	11/30/2017	8/14/2023	8/14/2024	4.50			107,911		107,911
			11/15/2022	8/15/2023	4.75		117,359		117,359	
776	2018 Road Program	11/28/2018	8/14/2023	8/14/2024	4.50			157,697		157,697
			11/15/2022	8/15/2023	4.75		177,413		177,413	
777/779	2018 Various Capital Improvements	11/28/2018	8/14/2023	8/14/2024	4.50			65,459		65,459
			11/15/2022	8/15/2023	4.75		71,137		71,137	
786	2019 Road Program	11/26/2019	8/14/2023	8/14/2024	4.50			191,250		191,250
			11/15/2022	8/15/2023	4.75		202,500		202,500	
787	2019 Various Capital Improvements	11/19/2020	8/14/2023	8/14/2024	4.50			142,653		142,653
			11/15/2022	8/15/2023	4.75		156,750		156,750	
795	2020 Road Program	11/19/2020	8/14/2023	8/14/2024	4.50			194,305		194,305
			11/15/2022	8/15/2023	4.75		205,100		205,100	
796	2020 Various Capital Improvements	11/17/2021	8/14/2023	8/14/2024	4.50			146,300		146,300
			11/15/2022	8/15/2023	4.75		146,300		146,300	
805	2021 Road Program	11/15/2022	8/14/2023	8/14/2024	4.50			203,600		203,600
			11/15/2022	8/15/2023	4.75		203,600		203,600	
806	2021 Various Capital Improvements	11/15/2022	8/14/2023	8/14/2024	4.50			267,175		267,175
			11/15/2022	8/15/2023	4.75		267,175		267,175	
813	2022 Road Program	8/14/2023	8/14/2023	8/14/2024	4.50		-	175,000	-	175,000
							<u>\$ 1,989,000</u>	<u>\$ 1,939,000</u>	<u>\$ 1,989,000</u>	<u>\$ 1,939,000</u>
								\$ 1,764,000	\$ 1,764,000	
								175,000		
								-	225,000	
								<u>\$ 1,939,000</u>	<u>\$ 1,989,000</u>	

Renewals	\$ 1,764,000	\$ 1,764,000
Issued for Cash	175,000	
Paid by Budget Appropriation	-	225,000
	<u>\$ 1,939,000</u>	<u>\$ 1,989,000</u>

BOROUGH OF ALPINE
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance, December 31, <u>2022</u>	2023 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance, December 31, <u>2023</u>
806	2021 Various Capital Improvements	\$ 225			\$ 225
813	2022 Road Program	246,531		\$ 175,000	71,531
814	2022 Various Capital Improvements	183,350			183,350
816	2020 Road Program		\$ 54,150		54,150
820	2023 Various Capital Improvements	<u>-</u>	<u>217,095</u>	<u>-</u>	<u>217,095</u>
		<u>\$ 430,106</u>	<u>\$ 271,245</u>	<u>\$ 175,000</u>	<u>\$ 526,351</u>

BOROUGH OF ALPINE
PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Alpine
Alpine, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Alpine as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2024. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Alpine's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Alpine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Alpine'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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Alpine's financial statements are free from 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 and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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 of Alpine'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 of Alpine's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429

Fair Lawn, New Jersey
May 21, 2024

**BOROUGH OF ALPINE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Federal Program</u>	<u>Grant Program</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Award Amount</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>Memo Cumulative Expenditures</u>
U.S. Department of Highway Safety (Passed through State Department of Law and Public Safety)										
FEMA - Hurricane Ida	N/A	97.036	2022	\$ 76,707			\$ 76,707	\$ 31,933	\$ 44,774	\$ 31,933
U.S. Dept. of Treasury COVID-19 American Rescue Plan - State and Local Fiscal Recovery Funding - Non-Entitlement Units (Passed through State Division of Local Government Services)	N/A	21.027	2021-2022	193,009		-	96,505	96,505	-	\$ 193,009
						<u>\$ -</u>	<u>\$ 173,212</u>	<u>\$ 128,438</u>	<u>\$ 44,774</u>	

Note: The Federal Award Program was not subject to an audit in accordance with Uniform Guidance.

BOROUGH OF ALPINE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Grant Receipts</u>	<u>Balance, January 1, 2023</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>Memo Cumulative Expenditures</u>
Municipal Recycling Assistance Program (Passed Through County of Bergen)	4910-759-690-50	2004	\$ 1,591		\$ 1,591			\$ 1,591	
		2005	1,574		84			84	\$ 1,490
		2007	1,239		18			18	1,221
<u>Department of Environmental Protection</u> Clean Communities Program	042-4900-765-004	2015	6,463		2,149			2,149	4,314
		2017	6,280		5,083			5,083	1,197
		2018	6,005		5,130			5,130	875
		2019	6,704		5,379			5,379	1,325
		2020	6,044		5,294			5,294	750
		2021	6,428		5,804			5,804	624
		2022	6,557			\$ 6,557		6,557	-
		2023	7,355	\$ 7,355					
Recycling Tonnage	042-4910-100-224	2017	13,857		1,922		\$ 1,828	94	13,763
		2018	4,243		2,943			2,943	1,300
		2019	4,267		1,179			1,179	3,088
		2021	8,020		6,325			6,325	1,695
		2022	4,822		4,822		3,005	1,817	3,005
		2023	5,100	5,100				-	-
								-	
NJ DEP Municipal Stormwater Program	N/A	2007	1,705		967			967	738
		2023	15,000	15,000					
<u>Judiciary</u> Alcohol Education and Rehabilitation Fund	098-9735-760-001	2008	375		375			375	
		2009	325		325			325	
		2010	251		251			251	
		2011	54		54			54	
		2012	108		108			108	
		2013	53		53			53	
		2014	354		354			354	
		2015	59		59			59	
		2016	181		181			181	
		2017	64		64			64	
		2018	146		146			146	
		2022	316			316		316	
		2023	389	389				-	
Drunk Driving Enforcement Fund	1110-448031020-22	2013	4,678		2,339			2,339	2,339
Municipal Alliance Program	N/A	2020	3,410		2,101			2,101	1,309
Body Armor Grant	066-1020-718-001	2021	1,237		603		603	-	1,237
		2023	1,145			1,145	1,145	-	1,145
		2024	1,268	1,268					
Body Worn Camera Grant	N/A	2023	11,788	11,788		11,788	11,788	-	11,788
State Department of Transportation Local Municipal Aid									
Allison Road (Ord. #788)	078-6320-480-ANP	2019	166,400		18,651			18,651	147,749
Cambridge Way (Ord. #795)	078-6320-480-AN8	2020	154,000		3,950			3,950	150,050
Marie Major Drive (Ord. #813)	MA-2021-00674	2022	153,469	115,102	153,469		153,469	-	153,469
Glen Goin Drive (Ord. #813)	MA-2022-00619	2022	190,000	113,633	190,000	-	178,177	11,823	178,177
					<u>\$ 421,773</u>	<u>\$ 19,806</u>	<u>\$ 350,015</u>	<u>\$ 91,564</u>	

Note: The State Financial Assistance Programs were not subject to an audit in accordance with New Jersey OMB Circular 15-08.

See accompanying Notes to Schedule of Expenditures of State Financial Assistance

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

BOROUGH OF ALPINE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023

NOTE 1 REPORTING ENTITY

The Borough of Alpine (the "Borough") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough's summary of significant accounting policies are described in Note 1 to the Borough's Financial Statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	<u>\$ 173,212</u>	<u>\$ 19,806</u>	<u>\$ 193,018</u>

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

NOTE 6 INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements Modified - Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified yes X no

2) Significant deficiency(ies) that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to the financial statements noted? yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part 2 - Schedule of Financial Statement Findings

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

There were none.

**BOROUGH OF ALPINE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF ALPINE
BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA
LETTER OF COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2023</u>			<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,050,000	5.58 %	\$	1,200,000	6.46 %
Miscellaneous - From Other Than Local					
Property Tax Levies	2,157,202	11.46		1,940,257	10.44
Collection of Delinquent Taxes					
and Tax Title Liens	193,767	1.03		223,591	1.20
Collection of Current Tax Levy	15,378,120	81.69		15,066,807	81.05
Other Credits to Income	46,383	0.24		158,513	0.85
	<u>18,825,472</u>	<u>100.00</u> %		<u>18,589,168</u>	<u>100.00</u> %
Total Income					
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	5,890,036	33.18 %		5,784,158	32.98 %
County Taxes	4,452,524	25.07		4,528,174	25.81
Local School Taxes	7,262,277	40.91		7,016,693	40.00
Municipal Open Space Tax	99,132	0.56		99,800	0.57
Other Expenditures	50,000	0.28		111,541	0.64
	<u>17,753,969</u>	<u>100.00</u> %		<u>17,540,366</u>	<u>100.00</u> %
Total Expenditures					
Excess in Revenue	1,071,503			1,048,802	
Fund Balance, January 1	<u>1,236,465</u>			<u>1,387,663</u>	
	2,307,968			2,436,465	
Less Utilization as Anticipated Revenue	<u>1,050,000</u>			<u>1,200,000</u>	
Fund Balance, December 31	<u>\$ 1,257,968</u>			<u>\$ 1,236,465</u>	

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2019 through 2023 by foreclosure or deed, as a result of liquidation of tax title liens.

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2023	\$1,257,968 \$	\$1,070,000
	2022	1,236,465	1,050,000
	2021	1,387,663	1,200,000
	2020	1,350,811	1,050,000
	2019	1,530,701	1,185,000

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$0.790</u>	<u>\$0.767</u>	<u>\$0.777</u>

Apportionment of Tax Rate

Municipal	.192	.182	.177
Municipal Open Space	.005	.004	.005
County (Including Open Space)	.226	.228	.248
Local School	.367	.353	.347

Assessed Valuation

2023	<u>\$1,977,359,600</u>	
2022	<u>\$1,993,262,800</u>	
2021		<u>\$1,991,132,500</u>

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

Comparison of Levies and Collection Currently

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

<u>Year</u>		<u>Tax Levy</u>		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$	15,662,904	\$	15,403,120	98.34%
2022		15,314,514		15,091,807	98.55%
2021		15,499,469		15,255,805	98.43%

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>		<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	None	\$ 257,414	\$	257,414	1.64%
2022	None	193,767		193,767	1.27%
2021	None	223,591		223,591	1.44%

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Name of Corporate Amount of Bond or Personal Surety</u>
Paul H. Tomaso	Mayor	
Gayle Gerstein	Council President	
Scott Bosworth	Councilman	
Steven Cohen	Councilman	
Arthur Frankel	Councilman	
Vicki Frankel	Councilwoman	
David Kupferschmid	Councilman	
Stephanie Wehmann	Borough Clerk	
Marilyn Hayward	Treasurer	
	Tax Search Officer	
	Tax Collector	\$ 1,000,000 A
	Chief Financial Officer	
Robert J. Cohan	Magistrate	1,000,000 A
Dawn Curatola	Court Administrator	1,000,000 A
Erik Lenander	Qualified Purchasing Agent	
Brian Frugis	Building Inspector (Resigned 9/7/2023)	
	Construction Code Official (Resigned 9/7/2023)	
	Zoning Officer (Resigned 9/7/2023)	
David Nizborski	Building Inspector (Effective 9/8/2023)	
	Construction Code Official (Effective 9/8/2023)	
	Zoning Officer (Effective 9/8/2023)	
Keith Dalton	Fire Sub-Code Official	
Gregory Zaremba	DPW Superintendent	
Christopher Belcolle	Police Chief (Retired 11/1/2023)	
Matthew Kent	Police Chief (Effective 11/1/2023)	
William Yirce	Tax Assessor	

A – The Municipal Excess Liability Joint Insurance Fund (MELJIF) provides a statutory position bond in the amount of \$1,000,000. In addition, MELJIF provides an Excess Public Officials Bond covering all other Borough employees in the amount of \$1,000,000.

BOROUGH OF ALPINE

LETTER OF COMMENTS AND RECOMMENDATION

GENERAL COMMENTS

Our comments with respect to the examination and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the examination are herewith set forth.

Contracts and Agreements Required to be Advertised for NJS 40a:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of the bid threshold except by contract or agreement".

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000. The Borough has adopted a resolution increasing the threshold to \$44,000 and has appointed Erik Lenander as the qualified purchasing agent in accordance with regulations established by the Division of Local Government Services.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid 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.

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

Marie Major and Glen Goin Paving Improvements
Collection of Recyclable Materials

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any 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.

Collection of Interest on Delinquent Taxes and Assessments

The New Jersey statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent. The Governing Body on January 5, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Council of the Borough of Alpine, County of Bergen, State of New Jersey, that the rate of interest on delinquent taxes for the year 2023, shall be computed at the rate of eight (8%) percent per annum and,

BOROUGH OF ALPINE
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Collection of Interest on Delinquent Taxes and Assessments (Continued)

BE IT FURTHER RESOLVED, that the rate of interest on delinquent taxes in excess of \$1,500 shall be computed at eighteen (18%) percent per annum, and

BE IT FURTHER RESOLVED, that a grace period of ten (10) days be given on delinquent taxes without interest."

BE IT FURTHER RESOLVED, in connection with any delinquency of taxes, assessments or municipal charges in excess of \$10,000 which has not been paid prior to the end of a calendar year, there shall be imposed a penalty in a sum equal to six (6%) percent of the delinquency in excess of \$10,000.

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

Delinquent Taxes and Tax Title Liens

There was no tax sale held for the years ended December 31, 2023 and 2022.

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	None
2022	None
2021	None

Management Suggestions

- The Borough should monitor its COAH administrative expenses to ensure they do not exceed the maximum allowable 20% threshold of development fee income.
- Cooperative purchasing program contract award documentation be maintained on file for all approved purchases.
- The Borough review its current procedures regarding the issuance of purchase orders when contracts are awarded and expenditures are incurred during the year.
- General ledger beginning balances be adjusted to agree to prior year audit balances.

APPRECIATION

We desire to express our appreciation to the Borough Clerk, Chief Financial Officer/Treasurer and other Borough staff who assisted us during the course of our audit.

**BOROUGH OF ALPINE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

There are none.

A review was performed on the prior year's recommendation. The Borough has taken corrective action on the prior year recommendation.

Should any questions arise as to our comments, please do not hesitate to call us.

Lerch, Vinci & Bliss, LLP

LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Jeffrey C. Bliss
Registered Municipal Accountant
RMA Number CR00429