

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 23, 2024**

**NEW ISSUE**  
**SERIAL BONDS**

**RATING: Moody's: "Aa2"**

*In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate described herein, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.*

**\$15,830,000**

**BOROUGH OF GLEN ROCK**  
**COUNTY OF BERGEN, NEW JERSEY**  
**GENERAL IMPROVEMENT BONDS**  
**(Callable) (Book-Entry Only)**

**Dated: May 15, 2024**

**Due: March 1, as shown on the inside cover page**

The General Improvement Bonds (the "Bonds") of the Borough of Glen Rock, in the County of Bergen, New Jersey (the "Borough"), will be issued as fully registered bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), as registered owner of the Bonds, with the Bonds immobilized in the custody of DTC. Owners of beneficial interests in the Bonds will not receive physical delivery of bond certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Bonds in book-entry form in the denomination of \$5,000 or any integral multiple thereof. See "THE BONDS – Book-Entry Only System" herein. So long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Bonds. Principal of the Bonds is payable on March 1 of each of the years set forth on the inside cover page, and interest on the Bonds is payable on each March 1 and September 1, commencing March 1, 2025, in each year until maturity or prior redemption.

The Bonds are subject to optional redemption prior to their stated maturities. See "THE BONDS – Prior Redemption" herein.

The Bonds are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and the interest thereon. The Borough is authorized and required by law to levy ad valorem taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

*The Bonds are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about May 15, 2024.*

**ELECTRONIC BIDS VIA PARITY AND  
SEALED PROPOSALS WILL BE RECEIVED  
UNTIL 11:00 O'CLOCK A.M. ON MAY 2, 2024  
AT THE MUNICIPAL BUILDING  
HARDING PLAZA  
GLEN ROCK, NEW JERSEY 07452**

**MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIP NUMBERS\*\***

<b><u>Year</u></b>	<b><u>Principal Amount*</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>CUSIP**</u></b>
2025	\$950,000	%	%	
2026	960,000			
2027	970,000			
2028	975,000			
2029	980,000			
2030	1,000,000			
2031	1,470,000			
2032	1,500,000			
2033	1,605,000			
2034	1,710,000			
2035	1,810,000			
2036	1,900,000			

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\*Preliminary, subject to change.

\*\*Registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Borough does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**BOROUGH OF GLEN ROCK  
BERGEN COUNTY  
STATE OF NEW JERSEY**

**MAYOR**

Kristine Morieko

**BOROUGH COUNCIL**

Amy Martin  
Regina Viadro  
Mary Barchetto  
Jill Orlich  
Teresa Gilbreath  
Paula Gilligan

**BOROUGH ADMINISTRATOR/  
CHIEF FINANCIAL OFFICER**

Lenora Benjamin

**BOROUGH CLERK**

Jacqueline Scalia

**BOROUGH ATTORNEY**

Jennifer L. Credidio, Esq.  
McManimon, Scotland & Baumann, LLC  
Roseland, New Jersey

**BOROUGH AUDITOR**

Wielkocz & Company, LLC  
Pompton Lakes, New Jersey

**BOND COUNSEL**

Rogut McCarthy LLC  
Cranford, New Jersey

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No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriters to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriters or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriters have reviewed the information in this Official Statement pursuant to their responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriters.

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**OFFICIAL STATEMENT  
BOROUGH OF GLEN ROCK  
IN THE COUNTY OF BERGEN, NEW JERSEY  
relating to**

**\$15,830,000\* General Improvement Bonds**

**INTRODUCTION**

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Glen Rock (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$15,830,000 General Improvement Bonds (the "Bonds"). This Official Statement has been executed by and on behalf of the Borough by the Borough Administrator/ Chief Financial Officer and the Borough Clerk and may be distributed in connection with the Bonds.

This Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to a (a) completion with certain pricing and other information to be made available by the Underwriters and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

**THE BONDS**

**General Description**

The Bonds will be dated and bear interest from May 15, 2024 and will mature on March 1 in the years and in the principal amounts as set forth below. Interest on the Bonds is payable on each March 1 and September 1, commencing March 1, 2025 (each, an "Interest Payment Date"), in each year until maturity or prior redemption at the respective interest rates set forth on the inside cover page hereof. Principal of and interest on the Bonds will be paid to The Depository Trust Company, Brooklyn, New York ("DTC"), acting as securities depository, by the Chief Financial Officer, as "Bond Registrar/Paying Agent". Interest on the Bonds will be credited to the DTC Participants (as hereinafter defined) as listed on the records of DTC as of the fifteenth day of the month preceding the month in which such Interest Payment Date occurs (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for each maturity and in the principal amount of such maturity. The Bonds will be issued in book-entry form only. Purchases of the Bonds will be made in book-entry form, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co. (or any successor or assign), is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Bond Registrar/Paying Agent directly to Cede & Co. (or any successor or assign), as nominee for DTC, which will remit such payments to the participants of DTC which will in turn remit such payments to the owners of beneficial interests in the Bonds. See "Book-Entry Only System" herein.

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\*Preliminary, subject to change.

## Maturity Schedule

<u>Year</u>	<u>Principal Amount*</u>
2025	\$950,000
2026	960,000
2027	970,000
2028	975,000
2029	980,000
2030	1,000,000
2031	1,470,000
2032	1,500,000
2033	1,605,000
2034	1,710,000
2035	1,810,000
2036	1,900,000

\*Preliminary, subject to change.

## Book-Entry Only System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each year of maturity of the Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its registered subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).



Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

### **Prior Redemption**

The Bonds maturing on or before March 1, 2031 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after March 1, 2032 are subject to redemption at the option of the Borough prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after March 1, 2031, upon notice as hereinafter set forth at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Borough determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Borough, and within any maturity, by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Bond Registrar/Paying Agent shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000.

Notice of redemption shall be given by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Bond Registrar/Paying Agent at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. Such mailing is not a condition precedent to redemption, and the failure to mail or to receive any redemption notice will not affect the validity of the redemption proceedings. If any Bond subject to redemption is a part of a greater principal amount of the Bonds not to be redeemed, such entire amount shall be surrendered to the Bond Registrar/Paying Agent and, for that portion of the Bond not to be redeemed, a new Bond shall be issued in the name of the registered owner in an amount equal to the principal amount of the Bond surrendered less the amount to be redeemed.

### **SECURITY AND SOURCE OF PAYMENT**

The Bonds are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The Bonds are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Bonds or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services (the "Division") in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

### **AUTHORIZATION AND PURPOSE OF THE BONDS**

The Bonds are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 *et seq.*, as amended (the "Local Bond Law"). The Bonds also are authorized by

various bond ordinances of the Borough set forth below and resolutions adopted by the Borough Council of the Borough on March 27, 2024.

The bond ordinances included in the sale of the Bonds were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Bonds by the Borough.

The proceeds of the Bonds will be used to (i) currently refund in full the Borough’s \$12,258,000 outstanding Bond Anticipation Notes maturing on May 31, 2024 and (ii) fund \$3,572,000 of unfunded improvements.

The projects to be funded in the sale are listed below:

<u>Ord No.</u>	<u>Description</u>	<u>Amount</u>
1785	Various Public Improvements and Acquisitions	\$1,517,900
1801	Various Public Improvements and Acquisitions	1,418,000
1840	Various Public Improvements and Acquisitions	1,492,000
1842	Faber Field Improvements	3,325,000
1843	Various Public Improvements	394,000
1845	Various Public Improvements and Acquisitions	1,625,300
1866	Acquisition of Trucks	498,750
1876	Various Public Improvements and Acquisitions	1,037,050
1881	Municipal Pool Improvements	950,000
1898	Various Public Improvements	1,000,000
1900	Various Public Improvements and Acquisitions	675,000
1911	Acquisition of Ladder Fire Truck	<u>1,897,000</u>
		<u>\$15,830,000</u>

**NO DEFAULT**

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

**MARKET PROTECTION – BOND AND NOTE FINANCING**

The Borough does not plan to issue tax anticipation notes or additional bonds during the remainder of 2024. The Borough may issue bond anticipation notes as needed to fund capital projects.

**CERTAIN STATUTORY PROVISIONS FOR THE  
PROTECTION OF GENERAL OBLIGATION DEBT**

**Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

**The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director of the Division (the “Director”), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit’s financial procedures and must be filed with the Director within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

**Debt Limits**

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Borough has not exceeded its statutory debt limit. On December 31, 2023 the statutory net debt as a percentage of average equalized valuation was .784%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Purposes	\$23,061,170	\$6,944	\$23,054,226
School Purposes	<u>36,180,000</u>	<u>36,180,000</u>	<u>                    </u>
 Total	 <u>\$59,241,170</u>	 <u>\$36,186,944</u>	 <u>\$23,054,226</u>

**Exceptions to Debt Limits - Extensions of Credit**

The Borough may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

## **Overlapping Debt**

The County debt, which overlaps the Borough, is not considered in the calculation of the debt limits of the Borough. It represents the debt outstanding at the County level for which the Borough will fund its portion of debt service through the normal payments of County taxes.

## **Short-Term Financing**

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

## **School Debt (N.J.S.A. 18A:24-1 et seq.)**

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

## **The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)**

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case,

the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

### **Investment of Municipal Funds**

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency Obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

### **MUNICIPAL BUDGET**

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

#### **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of

Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

### **Limitations on Municipal Appropriations and Tax Levy**

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 *et seq.*), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increases for 2011 to 2023, inclusive, were within the limits allowed under the Cap Law, taking into account applicable adjustments and without conducting a referendum to exceed the cap limits. The Borough has introduced its 2024 budget and it is within the limits allowed under the Cap Law.

### **Miscellaneous Revenues**

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit." See "INFECTIOUS DISEASE OUTBREAK – COVID-19" herein for a discussion of recent amendments to N.J.S.A. 40A:4-26 in response to the COVID-19 outbreak.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

### **Real Estate Taxes**

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected taxes by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See "Assessment And Collection of Taxes - Tax Collection Procedure" herein for a brief discussion of Chapter 99.



## **Deferral of Current Expenses**

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project. See "INFECTIOUS DISEASE OUTBREAK – COVID-19" herein for a discussion of recent amendments to the special emergency provisions in the Local Budget Law in response to the COVID-19 outbreak.

## **Budget Transfers**

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

## **Operation of Utilities**

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

## **Fiscal Year**

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

## **Budget Process**

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by

the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

## **Capital Budget**

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

## **ASSESSMENT AND COLLECTION OF TAXES**

### **Tax Collection Procedure**

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, and an additional penalty of 6% on delinquent taxes in excess of \$10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15 to the County by the Borough. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

In response to the \$10,000 annual limitation on an individual's federal income tax deduction for state and local taxes paid (beginning in 2018 and ending in 2025) contained in the federal "Tax Cuts and Jobs Act", Pub. L. No. 115-97, New Jersey Governor Phil Murphy signed into law Senate Bill No. 1893 ("S-1893") on May 4, 2018. S-1893, which will take effect when implementing regulations are adopted by various State agencies, authorizes municipalities, counties and school districts ("local units") to establish one or more charitable funds, each for specific public purposes, and permits certain donations to those charitable funds to be credited toward the donor's property tax obligation. Moneys held in a charitable fund are immediately available to pay debt service. On June 13, 2019, the Internal Revenue Service issued final regulations, effective August 12, 2019, denying the deductibility (except for a de minimis amount) for federal income tax purposes of property tax credit donation mechanisms authorized by S-1893 and similar laws adopted in other states. The Borough makes no representations as to whether any local units will establish charitable funds pursuant to S-1893 or how S-1893 will be implemented.

## **Tax Appeals**

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the County Tax Board on or before the first day of April of the current tax year for review. The County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Tax Board, appeal may be made to the Tax Court of New Jersey, for a further hearing. Further, an assessment in excess of \$1,000,000 can be appealed directly to the Tax Court of New Jersey. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds).

Further, pursuant to Assembly Bill No. 862, signed into law by Governor Murphy on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding \$100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three year period, with any excess after three years being paid immediately.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Bonds, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

### **Tax Opinions**

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate

alternative minimum tax. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of governmental obligations, such as the Bonds, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Bonds. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

### **Proposals for Tax Changes**

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

**ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

### **STATEMENT OF LITIGATION**

There is no litigation pending or threatened restraining or enjoining the issuance or the delivery of the Bonds or the levy or the collection of taxes to pay the Bonds or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes. There is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a Borough of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its bondholders. All of the Borough's tort actions are being defended by municipal joint insurance funds (which provide pooled private insurance coverage and self-insurance coverage to its members). The Borough is also insured for liability in excess of the limits provided by the municipal joint insurance funds. Pending municipal real estate appeals are limited in number and, based upon the Borough's prior experience in tax appeals, and assuming that such tax appeals are resolved

adversely to the interest of the Borough, such resolution would not in any way endanger the Borough's ability to pay its bondholders.

### **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Borough, including the Bonds, and such Bonds are authorized security for any and all public deposits.

### **RATING**

Moody's Investors Service ("Moody's") has assigned a rating of "Aa2" to the Bonds.

An explanation of the significance of such credit rating may be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. The Borough furnished Moody's with certain information and materials concerning the Bonds and the Borough. Generally, Moody's bases its ratings on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. The rating is not a recommendation to buy, sell or hold the Bonds and there can be no assurance that such rating will be maintained for any given period of time or that such rating may not be raised, lowered or withdrawn entirely if, in Moody's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

### **UNDERWRITING**

The Bonds have been purchased at a public sale from the Borough for resale by the following purchasers (the "Underwriters").

### **INFECTIOUS DISEASE OUTBREAK – COVID-19**

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, then President Trump declared a national emergency to unlock Federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy (the "Governor") of the State of New Jersey (the "State") declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. 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 terminated 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) 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.

See <https://covid19.nj.gov> for further detail regarding the impact of COVID-19 on the State and the Governor's various executive orders.

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'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's primary revenue source for supporting its budget. The Borough 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 hereof, even though the Borough's 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.

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 payments 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.

For municipalities with populations less than 50,000, such as the Borough, the relief funds will be distributed by the State. The relief funds will be received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds is December 31, 2024, and to spend them is December 31, 2026. The Borough has received its full \$1,225,355 allotment of relief funds under the Plan. The Borough utilized the funds for revenue loss in its 2021, 2022 and 2023 budgets.

## **DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS**

### **Absence of Litigation**

Upon delivery of the Bonds, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Borough, or adversely affect the power of the Borough to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

### **Legal Matters**

The legality of the Bonds will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

## **Certificates of Borough Officials**

The original purchasers of the Bonds shall also receive a certificate, dated as of the date of delivery of the Bonds and signed by the Borough Administrator/ Chief Financial Officer and Borough Clerk that (a) as of the date of the Official Statement furnished by the Borough in relation to the Bonds, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such officers have no reason to believe and do not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officers, since the date of said Official Statement and since the date of the sale of the Bonds, there have been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Bonds. In addition, the original purchasers of the Bonds shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Bonds and receipt of payment therefor and a certificate, dated as of the date of delivery of the Bonds and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their respective offices, is being contested.

## **SECONDARY MARKET DISCLOSURE**

The Borough has agreed, pursuant to a resolution adopted on March 27, 2024, to undertake for the benefit of the Bondholders and the beneficial owners of the Bonds to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Bonds and the beneficial owners thereof:

(A) Not later than seven months after the end of the Borough's fiscal year (presently December 31), commencing with the report for the year ending December 31, 2023, provide or cause to be provided, annual financial information with respect to the Borough consisting of (i) audited financial statements (or unaudited financial statements if audited financial statements are not then available by the date of filing, which audited financial statements will be delivered when and if available) of the Borough and (ii) certain financial information and operating data consisting of information concerning the Borough's debt, overlapping indebtedness, tax rate, levy and collection data, property valuation, budget and fund balance of the type contained in Appendix A hereof. The audited financial statements will be prepared in accordance with mandated State statutory accounting principles, as in effect from time to time. Audited financial statements if not available by the filing date will be submitted separately when available.

(B) Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds or financial obligations of the Borough:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the



- Bonds, or other material events affecting the tax status of the Bonds ;
- (7) Modifications to the rights of Bondholders, if material;
  - (8) Bond calls, if material, and tender offers;
  - (9) Defeasances;
  - (10) Release, substitution or sale of property which secures the repayment of the Bonds, if material;
  - (11) Rating changes;
  - (12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borough, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borough);
  - (13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
  - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
  - (15) Incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Bondholders, if material; and
  - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of “financial obligation” to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

(C) Provide or cause to be provided, in a timely manner, notice of a failure of the Borough to provide required annual financial information on or before the date specified above.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Bondholder or beneficial owner of the Bonds may pursue an action for specific performance to enforce the rights of all Bondholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Bonds or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Bondholders and beneficial owners of the Bonds.

The Borough reserves the right to terminate its obligation to provide annual financial information and notice of material events, as set forth above, if and when the Borough no longer remains an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Bondholders or the beneficial owners of the Bonds, in order to make modifications required in connection

with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Bondholders and the beneficial owners of the Bonds.

The Borough previously failed to file, in accordance with Rule 15c2-12, in a timely manner, under previous filing requirements, its most recent adopted budget for the fiscal year ended December 31, 2021. Such financial information has been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA") as of the date of this Official Statement. The Borough has appointed Phoenix Advisors, LLC, Bordentown, New Jersey, to serve as continuing disclosure agent/dissemination agent to assist in the filing of certain information with EMMA as required under its obligations.

#### **PREPARATION OF OFFICIAL STATEMENT**

The firm of Wielkott & Company, LLC, Pompton Lakes, New Jersey, takes responsibility for the financial statements to the extent specified in the Independent Auditor's Report.

The firm of Wielkott & Company, LLC, Pompton Lakes, New Jersey, assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which Wielkott & Company, LLC, considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

#### **APPROVAL OF OFFICIAL STATEMENT**

Prior to the delivery of the Bonds, the Borough Council of the Borough will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Borough Administrator/ Chief Financial Officer to deliver a reasonable number of copies thereof in final form to the Underwriters for their use in the sale, resale or distribution of the Bonds.

#### **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to Lenora Benjamin, Borough Administrator/ Chief Financial Officer, Borough of Glen Rock, Municipal Building, 1 Harding Plaza, Glen Rock, New Jersey, 07452, telephone (201) 670-3965.

#### **MISCELLANEOUS**

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Borough Administrator/ Chief Financial Officer and Borough Clerk on behalf of the Borough.

**BOROUGH OF GLEN ROCK, IN THE  
COUNTY OF BERGEN, NEW JERSEY**

By: /s/ \_\_\_\_\_  
Lenora Benjamin  
Borough Administrator/ Chief Financial Officer

By: /s/ \_\_\_\_\_  
Jacqueline Scalia  
Borough Clerk

Dated: May \_\_\_\_, 2024

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**APPENDIX A**

**ECONOMIC AND DEMOGRAPHIC INFORMATION  
RELATING TO THE BOROUGH OF GLEN ROCK**

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## **GENERAL INFORMATION REGARDING THE BOROUGH**

### **Size and Geographical Location**

The Borough of Glen Rock comprises an area of approximately 2.8 square miles, located in the western edge of Bergen County, New Jersey. Surrounding municipalities include the boroughs of Fair Lawn and Hawthorne and the Village of Ridgewood.

### **Form of Government**

Glen Rock was incorporated in 1894 under the borough form of government. There is a Mayor and a six-member Council.

The Mayor is elected to serve a four-year term and may succeed that term by re-election. He is empowered, amongst his legal powers as head of the municipal government, to: (i) provide for the proper execution of local and State laws; (ii) recommend to the Borough Council measures he deems in the best interest of the Borough; (iii) nominate and, with the advice and consent of the Borough Council, appoint most subordinate officers of the Borough; and (iv) maintain peace and order. Although he presides over meetings of the Borough Council, the Mayor votes only in case of a tie. State law requires that he be a member of the Planning Board and the Board of Trustees of the municipal Public Library.

The six Council members are elected at-large, two each year, for terms of three years. The Council exercises general legislative powers conferred upon it by State law to protect and promote the general welfare of the Borough. Among these are the right to enact ordinances, approve resolutions, approve mayoral appointments, adopt the annual budget and determine the tax levy. The Council, acting in committees, oversees the various departments and functions of the Borough Government.

### **Transportation**

Glen Rock is well-served by the regional highway system. Three major roads, Route 17, Route 208 and Route 20, as well as the Garden State Parkway and the New Jersey Turnpike, provide access to areas north and south of the Borough - New York City, Newark, northern New Jersey, the Jersey Shore and Philadelphia, and to major centers of commercial transport and shipping such as Newark Liberty International Airport and Port Elizabeth. In addition, two types of mass transit, bus and rail, are available in the Borough.

### **Protection**

Glen Rock is served by a police department of 23 officers including the Police Chief. Its fire services consist of approximately 30 volunteer firefighters. Ambulance service is provided for the public by a volunteer ambulance corps.

### **Sanitation**

The Borough provides garbage collection for all homes on a weekly basis. The Borough contracts with a private contractor for these services. Payment for such garbage collection services is part of the general property tax levy. Sewerage disposal is provided under contract by the Passaic Valley Sewerage Commission. For this service the Borough pays an annual service charge based on the metered flow of sewerage. This service charge is part of the general property tax levy.

## Utilities

Electricity and gas are supplied by PSE&G. The Borough's water supply is treated, distributed and sold to all users of water in the Ridgewood Water Department service area, which includes Ridgewood, Glen Rock, Midland Park and Wyckoff.

## Recreation

The Borough offers numerous recreation opportunities for its residents throughout the year including swim lessons, safety classes and open gym. The Borough has many parks and fields as well as basketball and tennis courts, a roller hockey rink and municipal swim club. Thielke Arboretum is a wetland forest with perennial, shade, azalea and grass gardens, lawns, and an allee of Kousa dogwood trees. There is a spring fed pond with fountain and aerators that is stocked annually with fish. A section of the arboretum, across Diamond Brook is a bird sanctuary.

## Education

The Borough's local school district, coterminous with the Borough, is a type II school district, and is an independent legal entity administered by a seven-member Board of Education elected by the voters of the school district. The school district provides for kindergarten through 12th grade. The elementary school system consists of four schools. The junior high and high school students are housed in separate schools in the same building.

## Population

<u>Area</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Borough of Glen Rock	10,883	11,546	11,601	12,133
County of Bergen	825,380	884,118	905,116	955,732
State of New Jersey	7,730,188	8,414,350	8,791,894	9,288,994

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Source: U.S. Census Bureau



## Employment and Unemployment Data

The New Jersey Department of Labor reported the following annual average employment information for the Borough of Glen Rock, the County of Bergen and the State of New Jersey:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Borough of Glen Rock</u></b>				
2022	6,268	6,115	153	2.4%
2021	6,055	5,811	244	4.0%
2020	6,018	5,645	373	6.2%
2019	6,279	6,143	136	2.2%
2018	6,198	6,038	160	2.6%
<b><u>County of Bergen</u></b>				
2022	504,149	487,246	16,903	3.3%
2021	490,000	468,200	21,800	4.4%
2020	461,832	426,689	35,143	7.6%
2019	482,038	467,946	14,092	2.9%
2018	474,700	458,630	16,070	3.4%
<b><u>State of New Jersey</u></b>				
2022	4,812,600	4,619,200	193,400	4.0%
2021	4,626,700	4,264,900	361,800	7.8%
2020	4,373,251	4,023,930	349,321	8.0%
2019	4,493,100	4,333,300	159,800	3.6%
2018	4,422,900	4,239,600	183,300	4.1%

Source: State of New Jersey Data Center

**Summary of the Borough of Glen Rock Budgets  
Current Fund  
(As Adopted)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Anticipated Revenues:					
Surplus Anticipated	2,650,000	1,950,000	1,650,000	1,650,000	1,500,000
Miscellaneous Revenues	3,386,470	3,171,986	3,271,975	2,623,384	2,959,687
Receipts from Delinquent Taxes	324,000	348,000	365,000	389,000	390,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>16,998,928</u>	<u>16,223,308</u>	<u>15,803,208</u>	<u>15,293,754</u>	<u>15,077,243</u>
	<u>\$23,359,398</u>	<u>\$21,693,294</u>	<u>\$21,090,183</u>	<u>\$19,956,138</u>	<u>\$19,926,930</u>
Appropriations:					
Salaries and Wages	8,546,782	8,347,644	8,088,489	7,658,151	7,370,228
Other Expenses	9,169,030	8,004,393	7,633,885	7,411,715	7,603,279
Deferred Charges and Statutory Expenditures	2,029,151	1,950,083	2,095,808	1,749,322	1,589,188
Capital Improvement Fund	180,000	280,000	280,000	100,000	400,000
Municipal Debt Service	2,288,523	2,007,508	1,921,080	1,965,225	1,935,125
Reserve for Uncollected Taxes	<u>1,145,912</u>	<u>1,103,666</u>	<u>1,070,921</u>	<u>1,071,725</u>	<u>1,029,110</u>
	<u>\$23,359,398</u>	<u>\$21,693,294</u>	<u>\$21,090,183</u>	<u>\$19,956,138</u>	<u>\$19,926,930</u>

Source: Borough of Glen Rock Adopted Budgets

**Comparative Schedule of Fund Balances  
Current Fund**

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023(1)	\$3,755,556.26	\$2,200,000.00 (2)
2022	4,373,165.97	2,650,000.00
2021	4,374,303.15	1,950,000.00
2020	3,809,879.47	1,650,000.00
2019	3,947,508.03	1,650,000.00

(1) Unaudited

(2) Borough's 2024 Budget, as introduced

## Current Tax Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections During Year of Levy</u>	
		<u>Amount</u>	<u>Percentage</u>
2023(1)	\$77,538,044.25	\$77,144,478.59	99.49%
2022	74,911,598.25	74,558,022.04	99.53
2021	73,525,995.31	73,124,700.88	99.45
2020	73,239,070.54	72,860,443.27	99.48
2019	70,887,009.44	70,843,255.24	99.93

(1) Unaudited

## Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage</u>
2023(1)	\$10,910.00	\$385,826.50	\$396,736.50	.51%
2022	10,391.76	323,613.97	334,005.73	.45
2021	9,886.48	347,269.26	357,155.74	.49
2020	9,387.43	364,411.43	373,798.86	.51
2019	8,887.39	373,105.74	381,993.13	.54

(1) Unaudited

## Ten Largest Taxpayers

The ten largest taxpayers in the Borough and their 2024 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Opeachy Ltd, L.P.	\$12,500,000
208 Glen Rock Associates LLC	11,000,000
266 Harristown Propty LLC	8,750,000
HMOB of Glen Rock Owner LLC	8,315,000
Glen Rock Senior Housing Corp.	8,285,000
333 Realty LLC	7,333,000
PSI Atlantic Glen Rock NJ LLC	6,060,000
201 Rock Road LLC, C/O Newmark (ETAL)	5,369,100
Rock Glen Mall	4,861,800
Rock Glen Assoc, LLC	4,800,000

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Source: Borough of Glen Rock Tax Assessor

## Assessed Valuations Land and Improvements by Class

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2024	\$6,536,000	\$2,273,681,500	\$144,749,000	\$26,466,900	\$7,855,800	\$2,459,289,200
2023	7,345,800	2,254,077,500	144,786,800	26,519,300	7,855,800	2,440,585,200
2022	7,945,300	2,231,641,900	144,816,800	26,076,500	7,855,800	2,418,336,300
2021	6,604,800	2,222,573,300	153,132,155	26,076,500	-	2,408,386,755
2020	6,194,900	2,207,767,000	153,132,155	26,076,500	-	2,393,170,555

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Source: Tax Duplicate and Ratables Assessed Value Class Labor and Income Data

**Assessed Valuations  
Net Valuation Taxable**

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value To True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2023	2,440,585,200	-	2,440,585,200	83.11	2,940,420,159
2022	2,418,336,300	-	2,418,336,300	87.55	2,766,157,787
2021	2,408,386,755	-	2,408,386,755	86.94	2,774,020,697
2020	2,393,170,555	-	2,393,170,555	88.43	2,710,189,354
2019	2,379,216,455	-	2,379,216,455	89.61	2,658,993,412

Source: Tax Duplicate and Ratables Assessed Value Class Labor and Income Data

**Apportionment of Tax Levy  
Including School and County Purposes**

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County<sup>(1)</sup></u>
2023	\$66,291,704	\$14,560,388	\$45,344,616	\$6,386,700
2022	64,851,354	14,339,611	44,307,807	6,203,936
2021	63,605,351	14,219,837	43,437,662	5,947,852
2020	62,539,340	13,947,399	42,928,723	5,663,218
2019	61,711,952	13,475,111	42,570,579	5,666,262

Source: Tax Collector and Ratables Assessed Value Class Labor and Income Data

(1) Includes County Open Space Tax

**Components of Real Estate Tax Rate  
(Per \$100 of Assessment)**

<u>Year</u>	<u>Total</u>	<u>Municipal<sup>(1)</sup></u>	<u>Local School</u>	<u>County<sup>(2)</sup></u>
2023	3.160	.700	2.171	.289
2022	3.081	.670	2.135	.276
2021	3.043	.656	2.096	.291
2020	3.049	.639	2.129	.281
2019	2.969	.634	2.063	.272

Source: Tax Collector

(1) Includes Library Tax

(2) Includes County Open Space Tax

## DEBT INFORMATION ON THE BOROUGH

### Debt Statements

The Borough must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey. The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31, of each year, the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Borough as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

### Debt Incurring Capacity As of December 31, 2023

Municipal	
Equalized Valuation Basis (last 3 years average)	\$2,938,776,336
3-1/2% Borrowing Margin	102,857,172
Net Debt Issued, Outstanding and Authorized	<u>23,054,226</u>
Remaining Municipal Borrowing Capacity	<u>\$79,802,946</u>
Local School	
4% Borrowing Margin	\$117,551,053
Debt Issued, Outstanding and Authorized	<u>36,180,000</u>
Remaining School Borrowing Capacity	<u>\$81,371,053</u>

### Gross and Statutory Net Debt (Exclusive of Overlapping Debt) as of December 31,

<u>Year</u>	<u>Gross Debt Amount</u>	<u>Statutory Net Debt</u>	
		<u>Amount</u>	<u>Percent</u>
2023	59,241,170	23,054,226	.784
2022	61,061,290	21,184,026	.775
2021	62,963,290	20,403,026	.747
2020	46,204,970	16,608,026	.616
2019	47,952,970	16,666,026	.634

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Source: Borough of Glen Rock Audit Reports and 2023 Annual Debt Statement

**STATEMENT OF INDEBTEDNESS  
AS OF DECEMBER 31, 2023**

**GENERAL PURPOSES**

Bonds Issued and Outstanding	\$7,225,000
Bond Anticipation Notes	12,258,000
Bonds and Notes Authorized But Not Issued	<u>3,578,170</u>

**LOCAL SCHOOL**

Bonds and Notes Issued and Outstanding	<u>36,180,000</u>
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TOTAL GROSS DEBT	<u>\$59,241,170</u>
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**STATUTORY DEDUCTIONS**

Local School Purposes	36,180,000
Cash on Hand	<u>6,944</u>
TOTAL NET DEBT	<u>\$23,054,226</u>

**OVERLAPPING DEBT**

County of Bergen (Note 1)	\$13,537,631
Passaic Valley Sewerage Commission (Note 2)	<u>817,603</u>

TOTAL OVERLAPPING DEBT	<u>\$14,355,234</u>
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**GROSS DEBT**

Per Capita (2020 – 12,133)	\$4,883
Percent of Equalized Valuation (2023 - \$2,938,776,336)	2.016%

**NET MUNICIPAL DEBT**

Per Capita (2020 – 12,133)	\$1,900
Percent of Equalized Valuation (2023 - \$2,938,776,336)	.784%

**OVERALL DEBT (Gross and Overlapping Debt)**

Per Capita (2020 – 12,133)	\$6,066
Percent of Equalized Valuation (2023 - \$2,938,776,336)	2.504%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2023 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Borough of Glen Rock 2023 Annual Debt Statement

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**APPENDIX B**

**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
AND SELECTED FINANCIAL INFORMATION FOR THE YEARS ENDED  
DECEMBER 31, 2023-2019  
OF THE BOROUGH OF GLEN ROCK,  
IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY**

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# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Glen Rock  
Glen Rock, NJ 07452

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

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

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Glen Rock, as of December 31, 2022 and 2021, the related statement of operations and changes in fund balance – regulatory basis for the years then ended, and the related statement of revenues -regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Glen Rock as of December 31, 2022 and 2021, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



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

As described in Note 14 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,637,746.88 and \$1,951,698.06 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

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

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2022 and 2021, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

### ***Other Information***

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Glen Rock's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and  
Members of the Borough Council  
Page 4.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2023 on our consideration of the Borough of Glen Rock's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Glen Rock's internal control over financial reporting and compliance.

*Steven D. Wielkotz*

Steven D. Wielkotz, C.P.A.  
Registered Municipal Accountant  
No. 413

*Wielkotz + Company, LLC*

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

July 5, 2023

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Current Fund:			
Cash	A-4	5,918,469.66	5,610,495.76
Change Fund	A-5	453.00	453.00
		<u>5,918,922.66</u>	<u>5,610,948.76</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	323,613.97	347,269.26
Tax Title Liens	A-9	10,391.76	9,886.48
Revenue Accounts Receivable	A-10	3,202.94	4,790.20
Interfund Receivables:			
Other Trust - Escrow	A-11	222.84	222.84
General Capital Fund	A-11		90,791.00
		<u>337,431.51</u>	<u>452,959.78</u>
Deferred Charges:			
Special Emergency Authorizations	A-12	105,000.00	
		<u>6,361,354.17</u>	<u>6,063,908.54</u>
Federal and State Grant Fund:			
Cash	A-4	385,556.83	89,250.57
Grants Receivable	A-21	3,444.34	3,444.34
		<u>389,001.17</u>	<u>92,694.91</u>
		<u>6,750,355.34</u>	<u>6,156,603.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	624,220.63	451,921.72
Due to State of New Jersey: Ch. 73, P.L.			
Senior Citizens and Veterans Deduction	A-7	31,981.35	31,248.47
Interfunds Payable:			
Other Trust - Payroll Fund	A-11	17,061.35	6,159.99
Other Trust Fund - General Trust	A-11	1,955.00	
Other Trust - SUI Trust	A-11	506.61	
Encumbrances Payable	A-14	548,109.82	183,739.98
Accounts Payable	A-15		8,998.00
Prepaid Taxes	A-16	313,817.11	504,996.59
Prepaid Revenue	A-17	25,025.00	20,400.00
County Taxes Payable	A-19	36,094.76	22,834.86
Due to State of New Jersey - DCA	A-20		5,996.00
Due to State of New Jersey - Marriage	A-20		350.00
Reserve for:			
Municipal Relief Fund	A-20	51,985.06	
		<u>1,650,756.69</u>	<u>1,236,645.61</u>
Reserve for Receivables	Contra	337,431.51	452,959.78
Fund Balance	A-1	<u>4,373,165.97</u>	<u>4,374,303.15</u>
		<u>6,361,354.17</u>	<u>6,063,908.54</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	76,710.08	78,082.70
Unappropriated Reserves for Grants	A-23	312,291.09	14,612.21
		<u>389,001.17</u>	<u>92,694.91</u>
		<u>6,750,355.34</u>	<u>6,156,603.45</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.



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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b>Revenues and Other Income:</b>			
Fund Balance Utilized	A-2	1,950,000.00	1,650,000.00
Miscellaneous Revenue Anticipated	A-2	3,652,294.55	3,535,416.15
Receipts from Delinquent Taxes	A-2	337,520.55	364,411.43
Receipts from Current Taxes	A-2	74,558,022.04	73,124,700.88
Non-Budget Revenue	A-2	507,485.79	283,174.73
<b>Other Credits to Income:</b>			
Interfunds Returned	A-11	91,013.84	28.95
Unexpended Balance of Appropriation Reserves	A-13	94,565.12	260,502.78
Canceled Accounts Payable			43,648.00
Canceled Local School Tax Payable			540,000.00
		<hr/>	<hr/>
Total Revenues and Other Income		81,190,901.89	79,801,882.92
<b>Expenditures:</b>			
<b>Budget and Emergency Appropriations:</b>			
<b>Operations:</b>			
Salaries and Wages	A-3	8,217,079.00	8,081,614.00
Other Expenses	A-3	8,552,836.58	7,633,294.86
Capital Improvement Fund	A-3	280,000.00	280,000.00
Municipal Debt Service	A-3	2,007,505.50	1,876,050.05
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,952,183.00	2,134,508.00
Refund of Prior Year's Revenue	A-4	18,578.50	1,630.39
Interfund Advances	A-11	222.84	91,013.84
Local District School Tax	A-18	51,617,773.00	50,487,730.00
County Taxes including Added Taxes	A-19	6,700,860.65	7,001,618.10
		<hr/>	<hr/>
Total Expenditures		79,347,039.07	77,587,459.24

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

**Current Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Excess (Deficit) Revenue Over Expenditures		1,843,862.82	2,214,423.68
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-12	<u>105,000.00</u>	<u>                    </u>
Statutory Excess to Fund Balance		1,948,862.82	2,214,423.68
Fund Balance, January 1,	A	<u>4,374,303.15</u>	<u>3,809,879.47</u>
		6,323,165.97	6,024,303.15
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>1,950,000.00</u>	<u>1,650,000.00</u>
Fund Balance, December 31,	A	<u><u>4,373,165.97</u></u>	<u><u>4,374,303.15</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

## Borough of Glen Rock, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

	Ref	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	<u>1,950,000.00</u>	<u>1,950,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-10	14,000.00	14,870.00	870.00
Other	A-2	6,500.00	8,560.00	2,060.00
Fees and Permits	A-2	86,000.00	83,806.25	(2,193.75)
Fines and Costs: Municipal Court	A-10	34,400.00	31,064.33	(3,335.67)
Interest and Costs on Taxes	A-4	47,000.00	40,701.58	(6,298.42)
Parking Meters	A-10	16,900.00	64,095.51	47,195.51
Verizon Fios Franchise Fee	A-10	87,670.00	87,669.50	(0.50)
Residential Parking Fees	A-10	48,950.00	71,384.17	22,434.17
Cell Tower Revenue	A-10	240,000.00	253,989.56	13,989.56
Recycling Programs Sales	A-10	57,000.00	41,060.86	(15,939.14)
Sewer Rental Fee - Hawthorne	A-10	21,000.00	22,270.50	1,270.50
Cable T.V.	A-10	68,665.00	68,665.00	
Shack Program	A-10	9,600.00	27,374.00	17,774.00
Swimming Pool Badges	A-10	329,000.00	343,226.50	14,226.50
Pavilion Rental	A-10	1,500.00	1,425.00	(75.00)
Swimming Pool Concession Stand Rental	A-10	5,000.00	19,075.00	14,075.00
Rent of Municipal Property	A-10	18,000.00	19,152.66	1,152.66
Senior Transportation - Taxi Books	A-10	200.00	770.00	570.00
Energy Receipts Tax	A-10	996,572.00	996,572.00	
Uniform Construction Code Fees	A-10	565,000.00	620,499.00	55,499.00
Interlocal Agreements				
Municipal Court-Wyckoff/ Ridgewood	A-10	107,543.00	107,271.00	(272.00)
Public and Private Revenues:				
Recycling Tonnage Grant	A-21	12,094.00	12,094.00	
Body-Worn Camera Grant	A-21	39,130.00	39,130.00	
Clean Communities Program	A-21	21,569.28	21,569.28	
NJ CARES Act - Bergen County	A-21	6,700.41	6,700.41	
Body Armor Fund	A-21	1,911.80	1,911.80	
CDBG - Senior Programs	A-21	28,700.00	28,700.00	
Assistance to Firefighters Grant	A-21	293,409.09	293,409.09	
Distracted Driving Grant	A-21	6,000.00	6,000.00	
Other Special Items:				
Uniform Fire Safety Act	A-10	10,950.00	13,277.55	2,327.55
Fiscal Recovery Funds - ARP - Loss of Revenue	A-10	<u>306,000.00</u>	<u>306,000.00</u>	
Total Miscellaneous Revenues	A-1	3,486,964.58	3,652,294.55	165,329.97
Receipts from Delinquent Taxes	A-1/A-2	<u>348,000.00</u>	<u>337,520.55</u>	<u>(10,479.45)</u>
Subtotal General Revenues		<u>5,784,964.58</u>	<u>5,939,815.10</u>	<u>154,850.52</u>
Amount to be Raised by Taxes for Support of				
Municipal Budget - Local Tax for Municipal				
Purposes Including Reserve for Uncollected Taxes		15,306,352.00	16,426,098.39	1,119,746.39
Minimum Library Tax		916,956.00	916,956.00	
Total Amount to be Raised by Taxes for Support of Bud.	A-2/A-8	<u>16,223,308.00</u>	<u>17,343,054.39</u>	<u>1,119,746.39</u>
Budget Totals		22,008,272.58	23,282,869.49	1,274,596.91
Non-Budget Revenue	A-1/A-2		507,485.79	507,485.79
		<u>22,008,272.58</u>	<u>23,790,355.28</u>	<u>1,782,082.70</u>
Adopted Budget	A-3	21,693,294.21		
Appropriated by N.J.S. 40A:4-87	A-3	314,978.37		
		<u>22,008,272.58</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

## Borough of Glen Rock, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2022

Analysis of Realized Revenues

	<u>Ref.</u>		
Revenue from Collections	A-1/A-8		74,558,022.04
Allocated to School and County Taxes	A-8		<u>58,318,633.65</u>
Balance for Support of Municipal Budget Appropriations			16,239,388.39
Add : Appropriation - Reserve for Uncollected Taxes	A-3		<u>1,103,666.00</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>17,343,054.39</u>
<b>Receipts from Delinquent Taxes:</b>			
Delinquent Taxes	A-8	<u>337,520.55</u>	
	A-2		<u>337,520.55</u>
Licenses - Other:			
Clerk	A-10	1,150.00	
Board of Health/ Registrar	A-10	<u>7,410.00</u>	
	A-2		<u>8,560.00</u>
Fees and Permits - Other:			
Planning/ Zoning	A-10	16,250.00	
Construction Code	A-10	7,170.00	
Police	A-10	37,135.25	
Fire Prevention	A-10	22,541.00	
Board of Health / Registrar	A-10	<u>710.00</u>	
	A-2		<u>83,806.25</u>

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Miscellaneous Sales		724.53	
Bounced Check Fees		200.00	
Spectrum Donation		7,836.17	
Sewer Charges		4,298.86	
Senior Citizens & Vets Admin Fee		919.66	
Sale of Assets		23,445.00	
Miscellaneous Fees		7,302.48	
Tax Miscellaneous		2,614.50	
Off Duty Police		119,855.00	
Interest on Investments		130,923.18	
P.I.L.O.T		3,932.28	
P.I.L.O.T - Admin Fee		78.65	
Kindergarten Swim		6,050.00	
DMV Inspections		2,350.00	
Property Owner Lists		410.00	
LOSAP Forfeitures		1,457.71	
Miscellaneous Refunds & Reimbursements		4,232.34	
FEMA		<u>190,855.43</u>	
	A-2, A-4		<u>507,485.79</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Administration						
Salaries and Wages		97,160.00	115,521.00	105,484.64	10,036.36	
Mayor and Council						
Salaries and Wages		22,507.00	22,507.00	22,507.00		
Municipal Clerk						
Salaries and Wages		187,912.00	169,551.00	169,003.83	547.17	
Other Expenses		214,300.00	210,800.00	209,052.17	1,747.83	
Elections						
Salaries and Wages		2,408.00	2,408.00	2,029.14	378.86	
Other Expenses		13,000.00	14,500.00	14,432.80	67.20	
Financial Administration						
Salaries and Wages		186,693.00	186,693.00	186,693.00		
Other Expenses		35,000.00	35,600.00	35,557.70	42.30	
Audit Services		44,500.00	46,500.00	46,450.00	50.00	
Revenue Administration (Tax Collection)						
Salaries and Wages		92,225.00	92,225.00	91,207.97	1,017.03	
Other Expenses		12,800.00	20,300.00	19,194.11	1,105.89	
Tax Assessment Administration						
Salaries and Wages		43,882.00	43,882.00	43,882.00		
Other Expenses		4,350.00	4,350.00	3,840.90	509.10	
Preparation of Tax Map						
Liquidation of Tax Title Liens						
Other Expenses		100.00	100.00		100.00	
Legal Services (Legal Department)						
Other Expenses		92,000.00	110,000.00	108,374.68	1,625.32	
Engineering Services and Costs						
Other Expenses		55,000.00	55,000.00	54,439.00	561.00	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Planning Board						
Salaries and Wages		47,175.00	47,175.00	47,175.00		
Other Expenses		24,900.00	24,900.00	17,097.59	7,802.41	
Zoning Board						
Salaries and Wages		44,770.00	44,770.00	44,770.00		
Other Expenses		11,000.00	11,000.00	8,539.75	2,460.25	
Preparation of Master Plan			40,000.00		40,000.00	
Insurance:						
General Liability		672,435.00	672,435.00	649,598.21	22,836.79	
Employee Group Insurance		1,835,000.00	1,812,400.00	1,808,870.14	3,529.86	
Health Benefit Waiver		13,100.00	15,600.00	15,531.92	68.08	
Unemployment Insurance		5,000.00	5,000.00	5,000.00		
Police						
Salaries and Wages		3,375,959.00	3,375,959.00	3,368,348.66	7,610.34	
Other Expenses		234,595.00	234,595.00	221,704.06	12,890.94	
ARP - Police Salaries & Wages		306,000.00	306,000.00	306,000.00		
Office of Emergency Management						
Salaries and Wages		13,447.00	13,447.00	13,445.64	1.36	
Other Expenses		33,900.00	20,900.00	18,959.87	1,940.13	
Fire Department						
Other Expenses		73,400.00	86,400.00	71,261.99	15,138.01	
Other Expenses - Clothing Allowance		36,000.00	36,000.00	35,310.76	689.24	
Aid to Volunteer Ambulance Companies						
Other Expenses		129,700.00	129,700.00	104,700.00	25,000.00	
Fire Prevention						
Salaries and Wages		55,466.00	54,401.00	53,442.28	958.72	
Other Expenses		4,500.00	4,500.00	2,131.28	2,368.72	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Municipal Prosecutor		13,000.00	14,065.00	14,065.00		
Other Expenses						
Streets and Road Maintenance		1,691,949.00	1,623,849.00	1,588,462.77	35,386.23	
Salaries and Wages		565,550.00	566,550.00	514,997.11	51,552.89	
Other Expenses						
Solid Waste Collection		924,440.00	851,423.00	840,641.07	10,781.93	
Salaries and Wages		50,500.00	58,500.00	56,155.04	2,344.96	
Other Expenses						
Recycling		400,050.00	400,050.00	298,475.95	101,574.05	
Salaries and Wages		223,406.00	223,406.00	194,670.22	28,735.78	
Other Expenses						
Building and Grounds		132,700.00	152,700.00	147,495.45	5,204.55	
Other Expenses						
Public Health Services (Board of Health)		1,630.00	1,647.00	1,647.00		
Salaries and Wages		66,172.00	66,172.00	61,461.63	4,710.37	
Other Expenses						
Recreation Commission RS 40:12-1		70,500.00	73,100.00	73,088.37	11.63	
Salaries and Wages		39,650.00	37,050.00	28,241.70	8,808.30	
Other Expenses						
Recreation Services and Programs - Senior Citizens		22,750.00	22,750.00	6,240.88	16,509.12	
Other Expenses						
Recreation Services and Programs - Shuttle Bus Program		38,500.00	38,500.00	36,337.34	2,162.66	
Salaries and Wages		1,500.00	3,000.00	2,749.24	250.76	
Other Expenses						
Swimming Pool		176,000.00	176,000.00	148,366.35	27,633.65	
Salaries and Wages		125,000.00	125,000.00	81,637.74	43,362.26	
Other Expenses						

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Landfill/Solid Waste Disposal Costs		318,000.00	318,000.00	315,000.00	3,000.00	
Other Expenses						
Municipal Court						
Salaries and Wages		127,826.00	127,826.00	126,178.72	1,647.28	
Other Expenses		8,700.00	8,700.00	2,399.29	6,300.71	
Construction Code Official						
Salaries and Wages		333,602.00	342,602.00	341,900.32	701.68	
Other Expenses		19,800.00	19,800.00	18,390.02	1,409.98	
Fire Hydrant Service						
Other Expenses		31,000.00	31,000.00	30,569.22	430.78	
Electricity						
Other Expenses		235,000.00	235,000.00	230,446.37	4,553.63	
Street Lighting						
Other Expenses		140,000.00	215,000.00	210,536.21	4,463.79	
Telephone (Excluding Equipment Acquisition)						
Other Expenses		80,000.00	83,500.00	83,259.45	240.55	
Water						
Other Expenses		50,000.00	50,000.00	49,514.77	485.23	
Natural Gas						
Other Expenses		50,000.00	50,000.00	44,263.31	5,736.69	
Fuel Oil						
Other Expenses		140,000.00	140,000.00	137,798.49	2,201.51	
Contingent		4,000.00	4,000.00	3,253.37	746.63	
Total Operations within "CAPS"		14,101,409.00	14,189,309.00	13,657,278.49	532,030.51	
Detail:						
Salaries and Wages	A-1	8,240,101.00	8,109,536.00	7,909,087.05	200,448.95	
Other Expenses	A-1	5,861,308.00	6,079,773.00	5,748,191.44	331,581.56	



Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<b>General Appropriations</b>						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		571,949.00	571,949.00	571,949.00		
Police and Firemen's Retirement System		887,134.00	887,134.00	887,134.00		
Social Security System (O.A.S.I.)		475,000.00	469,790.00	459,258.56	10,531.44	
Defined Contribution Retirement Plan		16,000.00	23,310.00	23,303.30	6.70	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,950,083.00	1,952,183.00	1,941,644.86	10,538.14	
Total General Appropriations for Municipal Purposes within "CAPS"		16,051,492.00	16,141,492.00	15,598,923.35	542,568.65	
<b>Operations - Excluded from "CAPS"</b>						
Municipal Library						
Other Expense		916,956.00	931,956.00	928,523.85	3,432.15	
Reserve for Tax Appeals		5,000.00	5,000.00		5,000.00	
LOSAP						
Other Expenses		55,000.00	55,000.00		55,000.00	
Recycling Tax						
Other Expenses		13,500.00	13,500.00	13,000.00	500.00	
Police Dispatch						
Other Expenses		419,609.00	419,609.00	419,609.00		
Sewerage Processing and Disposal						
Other Expenses		638,484.00	638,484.00	638,483.12	0.88	
Shared Municipal Court						
Salaries and Wages		107,543.00	107,543.00	89,824.05	17,718.95	

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Public and Private Programs Offset by Revenues						
Body Armor Grant		1,911.80	1,911.80	1,911.80		
Recycling Tonnage		12,094.00	12,094.00	12,094.00		
Clean Communities Program		21,569.28	21,569.28	21,569.28		
Body Worn Camera Grant		39,130.00	39,130.00	39,130.00		
CDBG - Senior Programs		28,700.00	28,700.00	28,700.00		
Assistance to Firefighters Grant		293,409.09	293,409.09	293,409.09		
Distracted Driving Grant		6,000.00	6,000.00	6,000.00		
NJ CARES Act		6,700.41	6,700.41	6,700.41		
Total Operations - Excluded from "CAPS"		<u>2,565,606.58</u>	<u>2,580,606.58</u>	<u>2,498,954.60</u>	<u>81,651.98</u>	
<u>Detail:</u>						
Salaries & Wages	A-1	107,543.00	107,543.00	89,824.05	17,718.95	
Other Expenses	A-1	2,458,063.58	2,473,063.58	2,409,130.55	63,933.03	
<u>Capital Improvements:</u>						
Capital Improvement Fund		280,000.00	280,000.00	280,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>280,000.00</u>	<u>280,000.00</u>	<u>280,000.00</u>		
<u>Municipal Debt Service:</u>						
Payment of Bond Principal		1,585,000.00	1,585,000.00	1,585,000.00		
Payment of Bond Anticipation Notes		119,800.00	119,800.00	119,800.00		
Interest on Bonds		275,065.00	275,065.00	275,062.50		2.50
Interest on Notes		27,643.00	27,643.00	27,643.00		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>2,007,508.00</u>	<u>2,007,508.00</u>	<u>2,007,505.50</u>		<u>2.50</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>4,853,114.58</u>	<u>4,868,114.58</u>	<u>4,786,460.10</u>	<u>81,651.98</u>	<u>2.50</u>

Borough of Glen Rock, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Appropriations						
Subtotal General Appropriations		20,904,606.58	21,009,606.58	20,385,383.45	624,220.63	2.50
Reserve for Uncollected Taxes		<u>1,103,666.00</u>	<u>1,103,666.00</u>	<u>1,103,666.00</u>		
Total General Appropriations		<u>22,008,272.58</u>	<u>22,113,272.58</u>	<u>21,489,049.45</u>	<u>624,220.63</u>	<u>2.50</u>
Adopted Budget	A-2		21,693,294.21			
Appropriated by N.J.S. 40A:4-87	A-2		314,978.37			
Appropriated by (N.J.S. 40A:4-53)	A-13		<u>105,000.00</u>			
			<u>22,113,272.58</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			1,103,666.00		
Cash Disbursed	A-4			19,427,759.05		
Encumbrances Payable	A-14			548,109.82		
Reserve for Federal and State Grants	A-22			<u>409,514.58</u>		
				<u>21,489,049.45</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Animal Control Trust:			
Cash - Treasurer	B-1	11,396.90	14,375.80
Due from State Department of Health	B-4		76.80
		<u>11,396.90</u>	<u>14,452.60</u>
Other Trust Funds:			
Cash - Treasurer	B-1	1,438,032.64	1,300,086.81
Interfund - Current Fund	B-2	19,522.96	6,159.99
		<u>1,457,555.60</u>	<u>1,306,246.80</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-1	1,637,746.88	1,896,526.62
Contributions Receivable	B-8		55,171.44
		<u>1,637,746.88</u>	<u>1,951,698.06</u>
		<u><u>3,106,699.38</u></u>	<u><u>3,272,397.46</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust:			
Reserve for Dog Fund Expenditures	B-3	<u>11,396.90</u>	<u>14,452.60</u>
		<u>11,396.90</u>	<u>14,452.60</u>
Other Trust Fund:			
Interfund - Current Fund	B-2	222.84	222.84
Interfund - General Capital Fund	B-2	62,500.00	
Various Reserves	B-5	1,330,209.21	1,213,976.59
Payroll Deductions Payable	B-6	<u>64,623.55</u>	<u>92,047.37</u>
		<u>1,457,555.60</u>	<u>1,306,246.80</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-9	<u>1,637,746.88</u>	<u>1,951,698.06</u>
		<u>1,637,746.88</u>	<u>1,951,698.06</u>
		<u><u>3,106,699.38</u></u>	<u><u>3,272,397.46</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statement

Borough of Glen Rock, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	C-2/C-3	946,323.20	5,561,626.80
Various Receivables	C-4	1,588,465.44	1,289,466.44
Deferred Charges to Future Taxation:			
Funded	C-5	8,810,000.00	10,395,000.00
Unfunded	C-6	12,380,970.00	10,014,970.00
Interfund - Other Trust Fund	C-12	62,500.00	
		<u>23,788,258.64</u>	<u>27,261,063.24</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	C-7	8,810,000.00	10,395,000.00
Bond Anticipation Notes	C-8	9,892,000.00	9,900,000.00
Improvement Authorizations:			
Funded	C-9	637,005.42	902,059.14
Unfunded	C-9	4,158,215.38	5,848,046.02
Capital Improvement Fund	C-10	127,365.00	23,616.00
Reserve for:			
Municipal Improvements	C-11	93,524.00	93,524.00
Apron Assessments	C-11	1,083.00	1,083.00
Debt Service	C-11	6,943.75	6,943.75
Interfund - Current Fund	C-12		90,791.00
Fund Balance	C-1	62,122.09	0.33
		<u>23,788,258.64</u>	<u>27,261,063.24</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2022 and 2021 of \$2,488,970.00 and \$114,970.00 respectively per Exhibit C-13.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

**Borough of Glen Rock, N.J.**

**Comparative Statement of Fund Balance - Regulatory Basis**

**December 31,**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Balance - January 1,	C	0.33	90,791.33
Increased by:			
Premium on Sale of Notes	C-2	<u>62,121.76</u>	<u>                    </u>
		62,122.09	90,791.33
Decreased by:			
Anticipated as Revenue		<u>                    </u>	<u>90,791.00</u>
Balance - December 31,	C/C-3	<u><u>62,122.09</u></u>	<u><u>0.33</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Glen Rock, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2022

With Comparative Figures for 2021

	<u>2022</u>	<u>2021</u>
<u>General Fixed Assets:</u>		
Land	4,960,300.00	4,960,300.00
Buildings and Building Improvements	3,512,260.00	3,449,502.00
Machinery and Equipment	<u>9,146,738.00</u>	<u>8,602,177.00</u>
	<u>17,619,298.00</u>	<u>17,011,979.00</u>
Investment in Fixed Assets	<u>17,619,298.00</u>	<u>17,011,979.00</u>

See accompanying notes to financial statements.



**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

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

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

A. Reporting Entity

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

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

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

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

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. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

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

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

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

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

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the participant's length of service awards.

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective August 9, 2011, the Borough transferred the financial and operational responsibility for the administration of general public assistance to the Bergen County Board of Social Services.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

**Basis of Accounting**

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Basis of Accounting, (continued)**

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

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

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

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

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022, the Borough Council increased the original budget by \$419,978.37, \$314,978.37 in additional aid allotted the Borough and \$105,000 in Special Emergency Appropriations. In addition, several budget transfers were approved by the governing body.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Basis of Accounting, (continued)**

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

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

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

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

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

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

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Basis of Accounting, (continued)**

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

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Basis of Accounting, (continued)**

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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

Impact of Recently Issued Accounting Principles

There were no recently issued accounting pronouncements that were adopted by the Borough.

C. Basic Financial Statements

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

**NOTE2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk- Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statute 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022, \$0- of the Borough's bank balance of \$9,638,877.93 was exposed to custodial credit risk.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Unaudited Investments**

As more fully described in Note 14, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Company, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$1,637,746.88 and \$1,896,526.62, respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Company on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Fixed Income	\$352,998.84	\$334,711.01
Growth Funds	288,739.98	375,774.40
Index Funds	757,820.13	920,644.99
Value Funds	148,316.26	167,323.76
All Others	89,871.67	98,072.46
Total	<u>\$1,637,746.88</u>	<u>\$1,896,526.62</u>



**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

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

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences	\$650,181.07	\$89,790.98	\$93,510.24	\$646,461.81	\$
Bonds Payable - General Obligation Debt	10,395,000.00	_____	<u>1,585,000.00</u>	<u>8,810,000.00</u>	<u>1,585,000.00</u>
	<u>\$11,045,181.07</u>	<u>\$89,790.98</u>	<u>\$1,678,510.24</u>	<u>\$9,456,461.81</u>	<u>\$1,585,000.00</u>

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

The Borough's debt is summarized as follows:

**SUMMARY OF MUNICIPAL DEBT**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>ISSUED</u></b>			
General - Bonds, Loans and Notes	\$18,702,000.00	\$20,295,000.00	\$15,120,500.00
Less: Funds Temporarily Held to Pay Bonds and Notes:			
General	<u>6,943.75</u>	<u>6,943.75</u>	<u>6,943.75</u>
Net Debt Issued	18,695,056.25	20,288,056.25	15,113,556.25
<b><u>AUTHORIZED BUT NOT ISSUED</u></b>			
General - Bonds and Notes	<u>2,488,970.00</u>	<u>114,970.00</u>	<u>1,494,470.00</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$21,184,026.25</u>	<u>\$20,403,026.25</u>	<u>\$16,608,026.25</u>

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a net debt of .755%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$39,870,320.00	\$39,870,320.00	\$0.00
General Debt	<u>21,190,970.00</u>	<u>6,943.75</u>	<u>21,184,026.25</u>
	<u>\$61,061,290.00</u>	<u>\$39,877,263.75</u>	<u>\$21,184,026.25</u>

Net Debt \$21,184,026.25 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,804,447,018.00 = .755%.

**BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED**

3-1/2% of equalized valuation basis (municipal)	\$98,155,645.63
Less net debt	<u>21,184,026.25</u>
Remaining Borrowing Power	<u>\$76,971,619.38</u>

The Borough's long term debt consisted of the following at December 31, 2022:

**Paid by Current Fund:**

	<u>Amount Outstanding</u>
\$9,550,000.00 General Improvement Bonds - issued January 15, 2014, due through January 15, 2024 with an interest rate of 1.50%-3.00%	\$2,250,000.00
\$8,370,000.00 General Improvement Bonds - issued July 15, 2018, due through July 15, 2030 with an interest rate of 2.50%-3.00%	<u>6,560,000.00</u>
Total Serial Bonds	<u>\$8,810,000.00</u>

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

In addition to the above, the Borough had authorized but not issued debt, as follows:

General Capital	<u>\$2,488,970.00</u>
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**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING**

Calendar	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year			
2023	\$1,585,000.00	\$232,625.00	\$1,817,625.00
2024	1,925,000.00	187,375.00	2,112,375.00
2025	800,000.00	150,500.00	950,500.00
2026	900,000.00	130,500.00	1,030,500.00
2027	900,000.00	108,000.00	1,008,000.00
2028-2030	<u>2,700,000.00</u>	<u>162,000.00</u>	<u>2,862,000.00</u>
	<u>\$8,810,000.00</u>	<u>\$971,000.00</u>	<u>\$9,781,000.00</u>

**NOTE 4. BOND ANTICIPATION NOTES**

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

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

On December 31, 2022, the Borough had \$9,892,000.00 in outstanding general capital bond anticipation notes maturing on July 20, 2023 at an interest rate of 4.75%.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Amboy Bank	\$9,900,000.00	\$	\$9,900,000.00	\$
TD Bank	<u>                    </u>	<u>9,892,000.00</u>	<u>                    </u>	<u>9,892,000.00</u>
	<u>\$9,900,000.00</u>	<u>\$9,892,000.00</u>	<u>\$9,900,000.00</u>	<u>\$9,892,000.00</u>

**NOTE 5. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the Borough had Special Emergencies of \$105,000.00 on the Current Fund Balance Sheet.

	<u>Balance Dec. 31, 2022</u>	<u>Amount in 2023 Budget</u>	<u>Balance to Succeeding Years</u>
Special Emergency Authorization	\$105,000.00	\$21,000.00	\$84,000.00

**NOTE 6. LOCALSCHOOL TAXES**

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2022.

**NOTE 7. PENSION PLANS**

Description of Plans:

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

*Public Employees' Retirement System (PERS)*

Plan Description

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

Benefits Provided

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

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

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

Plan Description

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

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2022	\$571,949.00	\$887,134.00	\$23,303.30
2021	565,485.00	841,323.00	17,472.75
2020	499,295.00	819,281.40	15,811.19

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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

The following pension information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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

**Public Employees Retirement System (PERS)**

At December 31, 2021, the Borough had a liability of \$5,785,586.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .0488379366 percent, which was a decrease of .0028540261 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the Borough recognized pension expense of \$571,949.00. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:



**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$91,246	\$41,418
Changes of assumptions	30,131	2,059,706
Net difference between projected and actual earnings on pension plan investments		1,524,075
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>121,756</u>	<u>594,574</u>
Total	<u>\$243,133</u>	<u>\$4,219,773</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$(1,356,146)
2023	(974,711)
2024	(664,587)
2025	(499,572)
2026	194

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,972,782,878	16,435,616,426
Borough's Proportion	.0488379366%	.0516919627%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$7,878,795	\$5,785,586	\$4,009,201

**Pension Plan Fiduciary Net Position**

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

At December 31, 2021, the Borough had a liability of \$5,563,617 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the Borough's proportion was .0761185040 percent, which was an increase of .0008101483 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2022, the Borough recognized pension expense of \$887,134. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$63,474	\$666,464
Changes of assumptions	29,605	1,667,391
Net difference between projected and actual earnings on pension plan investments		2,370,838
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,084,147</u>	<u>149,561</u>
Total	<u>\$1,177,226</u>	<u>\$4,854,254</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:

2022	\$(1,476,354)
2023	(1,108,215)
2024	(950,926)
2025	(937,729)
2026	(118,282)
Thereafter	(20,108)

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.17, 5.90, 5.92, 5.73, 5.59 and 5.58 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$817,271,932	\$1,601,195,680
Collective deferred inflows of resources	6,875,738,520	4,191,274,402
Collective net pension liability	9,364,849,587	14,926,648,722
Borough's Proportion	.0761185040%	.0753083557%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	2.75%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Mortality Rates**

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Long-Term Rate of Return, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.



**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

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

The following presents the collective net pension liability of the participating employers as of June 30, 2021 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2021</u>		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$10,824,227	\$5,563,617	\$4,051,993

**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, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,564,766 and \$1,510,181, respectively. For the years ended December 31, 2021 and 2020, 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 \$174,269 and \$171,149, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$135,930 and \$116,208, respectively. 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.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 7. PENSION PLANS, (continued)**

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

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

**Pension Plan Fiduciary Net Position**

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

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

In addition to the pension described in Note 7, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. 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 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) retired with 25 or more years of service credit in a State or locally administered retirement

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 8**    **OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

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) retired 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 provides 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 of coverage.

**Total OPEB Liability**

The following Other Post Employment Benefit information is as of June 30, 2021 which is the latest information available. This information is eighteen months prior to December 31, 2022. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current Other Post Employment Benefit information is available.

At December 31, 2021, the Borough had a liability of \$22,851,802 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2021 the Borough's proportion was .126956 percent.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

For the year ended December 31, 2022, the Borough recognized OPEB expense of \$595,713. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$512,767	\$4,780,934
Changes of assumptions	3,287,300	4,039,324
Net difference between projected and actual earnings on OPEB plan investments	10,926	
Changes in proportion	<u>1,293,895</u>	<u>2,489,521</u>
Total	<u>\$5,104,888</u>	<u>\$11,309,779</u>

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

Year ended June 30:	
2022	\$(1,364,464)
2023	(1,366,259)
2024	(1,367,899)
2025	(976,821)
2026	(164,210)
Thereafter	230,388

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Actual Assumptions and Other Inputs:**

The total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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.

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)**

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. 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.

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

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 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 or 1 percentage point higher than the current rate:

	June 30, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$26,892,188	\$22,851,802	\$19,649,710

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates**

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

	June 30, 2020		
	% Decrease	Healthcare Cost Trend Rate	% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$19,066,099	\$22,851,802	\$27,791,676

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 9. FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2022 and 2021 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2023 and 2022 were as follows:

	Anticipated <u>2023</u>	Anticipated <u>2022</u>
Current Fund	<u>\$2,650,000</u>	<u>\$1,950,000.00</u>

**NOTE 10. FIXED ASSETS**

The balance as of December 31, 2022 and December 31, 2021 are as follows:

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
Land	\$4,960,300.00	\$	\$	\$4,960,300.00
Building and Building Improvements	3,449,502.00	62,758.00		3,512,260.00
Machinery and Equipment	<u>8,602,177.00</u>	<u>773,511.00</u>		<u>9,146,738.00</u>
	<u>\$17,011,979.00</u>	<u>\$836,269.00</u>	<u>\$0.00</u>	<u>\$17,619,298.00</u>

**NOTE 11. ACCRUED SICK AND VACATION BENEFITS**

The Chief Financial Officer has advised our office that the accrued sick and vacation benefits policies of the Borough of Glen Rock are as follows:

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and 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 \$646,461.81 and \$650,181.07 at December 31, 2022 and 2021, respectively. These amounts, which are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 12. DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2022 consist of the following:

\$2,238.77	Due to Other Trust Fund from Current Fund for Other Trust Fund receipts deposited in Current Fund.
17,061.35	Due to Payroll Trust Fund from Current Fund for Current Fund expenditures paid by Payroll Fund.
<u>62,500.00</u>	Due to General Capital Fund from Other Trust Fund Improvement for Authorization financing source.
<u>\$81,800.12</u>	

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

**NOTE 13. TAXES COLLECTED IN ADVANCE**

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

	Balance <u>Dec 31, 2022</u>	Balance <u>Dec 31, 2021</u>
Prepaid Taxes	<u>\$313,817.11</u>	<u>\$504,996.59</u>
Cash Liability for Taxes Collected in Advance	<u>\$313,817.11</u>	<u>\$504,996.59</u>

**NOTE 14. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED**

The Borough of Glen Rock Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on July 25, 2001 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 Glen Rock approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2002. The tax deferred income benefits for emergency services volunteers, consisting of the Glen Rock Volunteer Fire Department and the Volunteer Ambulance Corps. Inc., 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.



**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 14. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED, (continued)**

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 Glen Rock has contributed \$1,532.54 and \$1,520.38, for 2022 and 2021, respectively, for each eligible Glen Rock Volunteer Fire Department and Volunteer Corps. Inc. member into the Plan. The total Borough contributions were not known at time of audit and \$55,171.44 for 2022 and 2021, 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 administer 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 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 Service. 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 Funds.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 15. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2022 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

The Borough of Glen Rock is a member of the Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund. These funds are both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

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

- a. Workers' Compensation and Employer's Liability
- b. Liability Other Than Motor Vehicles
- c. Property Damage Other Than Motor Vehicles
- d. Motor Vehicle

The Municipal Excess Liability Joint Insurance Fund also offers Public Officials' Liability Coverage.

Members of the Bergen County Municipal Joint Insurance Fund are also members of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance for each of the coverages noted above, except for excess property coverage which is purchased by the Bergen County Municipal Joint Insurance Fund from a commercial carrier.

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

These Funds can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

**BOROUGH OF GLEN ROCK, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**  
**(continued)**

**NOTE 15. RISK MANAGEMENT, (continued)**

**New Jersey Unemployment Compensation Insurance**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. 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>Borough</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	\$5,000.00	\$506.61	\$12,451.85	\$12,020.50	\$61,627.20
2021	25,000.00	9.82	10,745.38	12,528.94	55,689.24
2020	5,000.00	19.42	7,858.40	16,607.69	32,462.98

**NOTE 16. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Borough Counsel that the Borough is not involved in any litigation that would materially affect the financial statements.

**NOTE 17. OTHER MATTERS**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Glen Rock is \$1,225,354.77 which will be available for use until December 31, 2024.

**NOTE 18. SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through July 5, 2023, the date which the financial statements were available to be issued, and, no items were noted for disclosure.

**BOROUGH OF GLEN ROCK**  
**COMPARATIVE ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**  
**CURRENT FUND**

<u>Assets</u>	<u>(Unaudited)</u> <u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Regular Fund:					
Cash	5,363,382	5,918,470	5,610,496	5,699,365	5,328,466
Cash - Change Fund		453	453	453	453
Petty Cash					
	<u>5,363,382</u>	<u>5,918,923</u>	<u>5,610,949</u>	<u>5,699,818</u>	<u>5,328,919</u>
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	385,826	323,614	347,269	364,411	373,106
Tax Title Liens	10,910	10,392	9,887	9,387	8,887
Property Acquired for Taxes-Assessed Valuation					
Revenue Accounts Receivable	3,203	3,203	4,790	1,003	6,095
Due From Animal Trust Fund	61			1	18
Due from General Capital Fund	52,106		90,791	16	
Due from Other Trust Fund	3,156	223	223	12	4,710
Due From Public Assistance Trust					4
	<u>455,262</u>	<u>337,432</u>	<u>452,960</u>	<u>374,830</u>	<u>392,820</u>
Deferred Charges:					
Special Emergency Authorization (40A:4-55)	84,000	105,000		255,000	
	<u>84,000</u>	<u>105,000</u>	<u>0</u>	<u>255,000</u>	<u>0</u>
	<u>5,902,644</u>	<u>6,361,355</u>	<u>6,063,909</u>	<u>6,329,648</u>	<u>5,721,739</u>
Federal and State Grant Fund:					
Cash	66,127	385,557	89,251	111,885	88,097
Grants Receivable	129,594	3,444	3,444	3,444	969
	<u>195,721</u>	<u>389,001</u>	<u>92,695</u>	<u>115,329</u>	<u>89,066</u>
Total Assets	<u>6,098,365</u>	<u>6,750,356</u>	<u>6,156,604</u>	<u>6,444,977</u>	<u>5,810,805</u>

**BOROUGH OF GLEN ROCK**  
**COMPARATIVE ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**  
**CURRENT FUND**

<u>Liabilities, Reserves and Fund Balance</u>	<u>(Unaudited)</u> <u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Appropriation Reserves	613,463	624,222	451,922	626,620	667,658
Reserve for Encumbrances	413,142	548,110	183,740	350,064	233,570
Accounts Payable	100,666		8,998	57,521	56,194
Interfunds Payable	24,612				14,520
Reserve for Municipal Relief Fund	103,948	51,985			
Due to-Other Trusts		19,523	6,160	5,073	
Due to COAH Trust					
Due to State of New Jersey - DCA Fees			5,996	13,699	
Due to State of New Jersey - SC & Veteran's Deductions	31,998	31,981	31,248	28,656	27,156
Due to State of New Jersey - Marriage License Fees	300		350	400	150
Prepaid Revenue	23,955	25,025	20,400		150
Prepaid Taxes	341,709	313,817	504,997	460,826	359,231
Tax Overpayments	67			37,076	
Due to County for Added and Omitted Taxes	37,966	36,095	22,835	25,003	22,782
School Taxes Payable				540,000	
Miscellaneous Reserves					
	<u>1,691,826</u>	<u>1,650,758</u>	<u>1,236,646</u>	<u>2,144,938</u>	<u>1,381,411</u>
Reserve for Receivables and Other Assets	455,262	337,432	452,960	374,831	392,820
Fund Balance	<u>3,755,556</u>	<u>4,373,165</u>	<u>4,374,303</u>	<u>3,809,879</u>	<u>3,947,508</u>
	<u>5,902,644</u>	<u>6,361,355</u>	<u>6,063,909</u>	<u>6,329,648</u>	<u>5,721,739</u>
Federal and State Grant Fund:					
Encumbrances					
Due to Current Fund					
Due to General Capital Fund					
Appropriated Grant Reserves	176,941	76,710	78,083	100,896	65,272
Unappropriated Reserves	18,780	312,291	14,612	14,433	23,794
	<u>195,721</u>	<u>389,001</u>	<u>92,695</u>	<u>115,329</u>	<u>89,066</u>
Total Liabilities, Reserves and Fund Balance	<u>6,098,365</u>	<u>6,750,356</u>	<u>6,156,604</u>	<u>6,444,977</u>	<u>5,810,805</u>

**BOROUGH OF GLEN ROCK**  
**COMPARATIVE OPERATIONS AND CHANGES IN FUND BALANCE**  
**CURRENT FUND**

	(Unaudited) 2023	2022	2021	2020	2019
<b>Revenue and Other Income Realized:</b>					
Fund Balance Utilized	2,650,000	1,950,000	1,650,000	1,650,000	1,500,000
Miscellaneous Revenue	3,489,374	3,652,295	3,535,416	2,429,935	2,978,882
Receipts from Current Taxes	77,144,479	74,558,022	73,124,701	72,860,443	70,483,255
Receipts from Delinquent Taxes	323,609	337,521	364,411	373,106	389,112
Non-Budget Revenue	636,611	507,486	283,175	160,101	466,103
<b>Other Credits to Income:</b>					
Unexpended Balance of Appropriation Reserves	218,523	94,565	260,503	301,925	241,857
Sale of Assets	158,814				
Interfunds Returned		91,014	29	4,732	5,707
COVID Revenue Losses				255,000	
Liabilities Cancelled			583,648	43,546	325
	<u>84,621,410</u>	<u>81,190,903</u>	<u>79,801,883</u>	<u>78,078,788</u>	<u>76,065,241</u>
<b>Expenditures:</b>					
Budget and Emergency Appropriations	22,374,118	21,009,604	20,005,467	18,879,897	18,893,320
County Taxes	7,052,297	6,700,861	7,001,618	6,755,860	6,503,573
County Share of Added and Omitted Taxes					
Local District School Taxes	52,984,851	51,617,773	50,487,730	50,930,631	49,072,243
Municipal Open space Tax	122,654				
Interfund Advances	55,100	225	91,014	29	4,732
Overexpenditures					
Refund of Prior Years' Taxes and Revenues		18,578	1,630		
	<u>82,589,020</u>	<u>79,347,041</u>	<u>77,587,459</u>	<u>76,566,417</u>	<u>74,473,868</u>
Excess/(Deficit) in Revenue	2,032,390	1,843,862	2,214,424	1,512,371	1,591,373
Deferred Charges Which are by Statute Raised in Succeeding Years Budget		105,000			
Statutory Excess to Fund Balance	2,032,390	1,948,862	2,214,424	1,512,371	1,591,373
Fund Balance, January 1,	4,373,166	4,374,303	3,809,879	3,947,508	3,856,135
	6,405,556	6,323,165	6,024,303	5,459,879	5,447,508
Less Utilized as Anticipated Revenue	2,650,000	1,950,000	1,650,000	1,650,000	1,500,000
Fund Balance, December 31,	<u>3,755,556</u>	<u>4,373,165</u>	<u>4,374,303</u>	<u>3,809,879</u>	<u>3,947,508</u>

**BOROUGH OF GLEN ROCK**  
**COMPARATIVE ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**  
**GENERAL CAPITAL FUND**

<u>Assets</u>	<u>(Unaudited)</u> <u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash	1,349,696	946,323	5,561,627	267,224	2,365,589
Federal and State grants Receivable	900,870	1,588,465	1,289,466	1,492,033	1,347,627
Interfunds Receivable	62,500	62,500			14,520
Deferred Charges to Future Taxation:					
Funded	7,225,000	8,810,000	10,395,000	11,945,000	13,495,000
Unfunded	15,836,170	12,380,971	10,014,970	4,669,970	3,177,970
	<u>25,374,236</u>	<u>23,788,259</u>	<u>27,261,063</u>	<u>18,374,227</u>	<u>20,400,706</u>
 <u>Liabilities, Reserves and Fund Balance</u>					
Due to Current Fund	52,106		90,791	16	
Reserve for Apron Assessment	1,083	1,083	1,083	1,083	1,083
Reserve for Debt Service	77,300	6,944	6,944	6,944	6,944
Reserve for Municipal Improvements	93,524	93,524	93,524	93,524	193,524
Bond Anticipation Notes	12,258,000	9,892,000	9,900,000	3,175,500	3,175,500
General Serial Bonds	7,225,000	8,810,000	10,395,000	11,945,000	13,495,000
Improvement Authorizations:					
Funded	759,688	637,006	902,059	1,105,671	1,749,368
Unfunded	4,830,027	4,158,215	5,848,046	1,933,782	1,678,589
Capital Improvement Fund		127,365	23,616	21,916	1,166
Fund Balance	77,508	62,122		90,791	99,532
	<u>25,374,236</u>	<u>23,788,259</u>	<u>27,261,063</u>	<u>18,374,227</u>	<u>20,400,706</u>

**BOROUGH OF GLEN ROCK**  
**COMPARATIVE SCHEDULE OF FUND BALANCE**  
**GENERAL CAPITAL FUND**

	(Unaudited) 2023	2022	2021	2020	2019
Fund Balance, January 1	62,122		90,791	99,532	81,907
Increased by:					
Premium on Note/Bond Sale	77,508	62,122			17,625
	139,630	62,122	90,791	99,532	99,532
Decreased by:					
Transferred as budget revenue	62,122		90,791	8,741	
Fund Balance, December 31	<u>77,508</u>	<u>62,122</u>	<u>0</u>	<u>90,791</u>	<u>99,532</u>



**APPENDIX C**

**PROPOSED FORM OF BOND COUNSEL OPINION**

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## APPENDIX C

[Proposed Form of Bond Counsel Opinion]

May \_\_, 2024

Borough Council  
Borough of Glen Rock  
County of Bergen, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$15,830,000 aggregate principal amount of General Improvement Bonds (the "Bonds") by the Borough of Glen Rock, in the County of Bergen, a municipal corporation of the State of New Jersey (the "Borough"). The Bonds are dated May 15, 2024 and comprise an issue of registered bonds. The Bonds bear interest from their date, payable on each March 1 and September 1, commencing March 1, 2025 (each, an "Interest Payment Date"), in each year until maturity or prior redemption.

The Bonds are payable in annual installments on March 1 in each year, and bear interest at the rates per annum, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$ 950,000	%	2031	\$1,470,000	%
2026	960,000		2032	1,500,000	
2027	970,000		2033	1,605,000	
2028	975,000		2034	1,710,000	
2029	980,000		2035	1,810,000	
2030	1,000,000		2036	1,900,000	

The Bonds maturing on or before March 1, 2031 are not subject to redemption prior to their stated maturities. The Bonds maturing on or after March 1, 2032 are subject to redemption at the option of the Borough prior to maturity, in whole on any date or in part on any Interest Payment Date, on or after March 1, 2031, upon notice as set forth in the resolutions referred to below at the redemption price of 100% of the principal amount being redeemed, plus accrued interest to the date fixed for redemption.

If the Borough determines to optionally redeem a portion of the Bonds prior to maturity, such Bonds so redeemed shall be in such maturities as determined by the Borough, and within any maturity, by lot.

The Bonds are issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to twelve bond ordinances adopted by the Borough Council of the Borough on May 16, 2018 (Ord. No. 1785), April 10, 2019 (Ord. No. 1801), March 24, 2021 (Ord. No. 1840), May 12, 2021 (two ordinances: Ord. Nos. 1842 and 1843), July 28, 2021 (Ord. No. 1845), February 23, 2022 (Ord. No. 1866), June 29, 2022 (Ord. No. 1876), August 24, 2022 (Ord. No. 1881), June 14, 2023 (two ordinances: Ord. Nos. 1898 and 1900) and November 8, 2023 (Ord. No. 1911) and resolutions adopted by the Borough Council of the Borough on March 27, 2024.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Bonds and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the bond ordinances and resolutions referred to above and related proceedings in connection with the issuance of the Bonds. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and the exhibits thereto. We have also examined the executed and authenticated first numbered Bond and have assumed that all of the other Bonds have been similarly executed and authenticated. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Bonds, or (ii) other documents of the Borough delivered to the purchasers of the Bonds, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough enforceable in accordance with their terms, except as enforcement of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with its Tax Certificate, under existing law, interest on the Bonds is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Bonds is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Bonds that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Bonds and any gain from the sale of the Bonds are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC