

PRELIMINARY OFFICIAL STATEMENT DATED MAY 8, 2025

NEW ISSUE – BOOK-ENTRY-ONLY

RATING: S&P: "AAA"
(See "RATING" herein.)

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Township (as defined herein) with certain tax covenants described herein, under existing law, interest on the Bonds (as defined herein) 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"), and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. Based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

**TOWNSHIP OF MAHWAH, IN THE
COUNTY OF BERGEN, NEW JERSEY**

**\$25,112,000* GENERAL OBLIGATION BONDS, SERIES 2025,
CONSISTING OF:
\$10,712,000* GENERAL IMPROVEMENT BONDS AND
\$14,400,000* REDEVELOPMENT BONDS
(Callable) (Not Bank-Qualified)**

Dated: Date of Delivery

Due: January 15, as shown on the inside front cover

The \$25,112,000* General Obligation Bonds, Series 2025, consisting of the \$10,712,000* General Improvement Bonds (the "General Improvement Bonds") and the \$14,400,000* Redevelopment Bonds (the "Redevelopment Bonds"; and together with the General Improvement Bonds, the "Bonds"), of the Township of Mahwah, in the County of Bergen, New Jersey (the "Township"), will be issued in the form of one certificate for the aggregate principal amount of the Bonds of each series maturing in each year and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York ("DTC"), which will act as the securities depository for the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until maturity or prior redemption, commencing on January 15, 2026. The principal of and interest due on the Bonds will be paid to DTC by the Township or its designated paying agent. Interest on the Bonds will be credited to the Participants (as defined herein) of DTC as listed on the records of DTC as of each next preceding January 1 and July 1 (the "Record Dates" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

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

The Bonds are valid and legally binding obligations of the Township and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, in order to obtain information essential to the making of an informed investment decision.

The Bonds will be offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to the approval of legality by the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, and certain other conditions described herein. Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Township in connection with the issuance of the Bonds. Delivery is anticipated to be through the facilities of DTC in Brooklyn, New York, on or about May 29, 2025.

**BID PROPOSALS WILL BE ACCEPTED ONLY BY ELECTRONIC SUBMISSION VIA THE PARITY
ELECTRONIC BID SYSTEM ON MAY 15, 2025, UNTIL 11:00 A.M. FOR MORE DETAILS ON HOW
TO BID ELECTRONICALLY, VIEW THE NOTICE OF SALE POSTED AT
WWW.I-DEALPROSPECTUS.COM.**

* Preliminary; subject to change.

**TOWNSHIP OF MAHWAH, IN THE
COUNTY OF BERGEN, NEW JERSEY**

**\$25,112,000* GENERAL OBLIGATION BONDS, SERIES 2025,
CONSISTING OF:
\$10,712,000* GENERAL IMPROVEMENT BONDS AND
\$14,400,000* REDEVELOPMENT BONDS**

**MATURITIES, PRINCIPAL AMOUNTS*, INTEREST RATES,
YIELDS AND CUSIP NUMBERS†**

<u>Year</u>	<u>General Improvement Bonds*</u>	<u>Redevelopment Bonds*</u>	<u>Total Principal Amount*</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number†</u>
2026	\$ 762,000	\$300,000	\$1,062,000			
2027	845,000	300,000	1,145,000			
2028	900,000	305,000	1,205,000			
2029	1,045,000	315,000	1,360,000			
2030	1,085,000	330,000	1,415,000			
2031	1,125,000	340,000	1,465,000			
2032	1,170,000	355,000	1,525,000			
2033	1,210,000	365,000	1,575,000			
2034	1,260,000	380,000	1,640,000			
2035	1,310,000	395,000	1,705,000			
2036		415,000	415,000			
2037		430,000	430,000			
2038		445,000	445,000			
2039		465,000	465,000			
2040		485,000	485,000			
2041		505,000	505,000			
2042		530,000	530,000			
2043		555,000	555,000			
2044		585,000	585,000			
2045		600,000	600,000			
2046		600,000	600,000			
2047		600,000	600,000			
2048		600,000	600,000			
2049		600,000	600,000			
2050		600,000	600,000			
2051		600,000	600,000			
2052		600,000	600,000			
2053		600,000	600,000			
2054		600,000	600,000			
2055		600,000	600,000			

* Preliminary; subject to change.

† "CUSIP" is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Bonds only at the time of issuance of the Bonds, and the Township 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 various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or the 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.

**TOWNSHIP OF MAHWAH, IN THE
COUNTY OF BERGEN, NEW JERSEY**

MAYOR

James Wysocki

COUNCIL MEMBERS

Robert M. Ferguson III, Council President
Michelle Crowe Paz, Council Vice President
Janet Ariemma
Ward Donigian
George Ervin
David May
Jonathan S. Wong

CHIEF FINANCIAL OFFICER

Corinne Hockman

TOWNSHIP CLERK

Carolyn George

TOWNSHIP ATTORNEY

Fred Semrau, Esq.
Boonton, New Jersey

AUDITOR

Lerch, Vinci & Bliss, LLP
Fair Lawn, New Jersey

MUNICIPAL ADVISOR

Acacia Financial Group, Inc.
Mount Laurel, New Jersey

BOND COUNSEL

McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township 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 the foregoing. The information contained herein has been provided by the Township 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 or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in any of the information herein since the date hereof or since 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 Township during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the Township from time to time (collectively, the "*Official Statement*"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the Township.

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. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements". Such statements are generally identifiable by the terminology used, such as "plan", "project", "expect", "anticipate", "intend", "believe", "estimate", "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Township does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

McManimon, Scotland & Baumann, LLC has not participated in the preparation of the financial or statistical information contained in this Official Statement nor has it verified the accuracy or completeness thereof and, accordingly, expresses no opinion with respect thereto.

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION	1
THE BONDS	1
General Description.....	1
Redemption	2
Notice of Redemption	2
BOOK-ENTRY-ONLY SYSTEM	2
Discontinuation of Book-Entry-Only System	4
AUTHORIZATION AND PURPOSE OF THE BONDS	5
General Improvement Bonds.....	5
Redevelopment Bonds.....	5
INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC AND ONGOING CONCERNS	6
SECURITY AND SOURCE OF PAYMENT	6
MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES.....	6
Local Bond Law (N.J.S.A. 40A:2-1 <i>et seq.</i>).....	6
Local Budget Law (N.J.S.A. 40A:4-1 <i>et seq.</i>).....	7
Tax Assessment and Collection Procedure	9
Tax Appeals	10
Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 <i>et seq.</i>)	10
TAX MATTERS	10
Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes	10
Original Issue Discount	11
Original Issue Premium.....	12
Bank-Qualification	12
Additional Federal Income Tax Consequences of Holding the Bonds.....	12
Changes in Federal Tax Law Regarding the Bonds	13
State Taxation.....	13
FINANCIAL STATEMENTS.....	13
LITIGATION	13
SECONDARY MARKET DISCLOSURE	14
MUNICIPAL BANKRUPTCY	15
APPROVAL OF LEGAL PROCEEDINGS.....	16
UNDERWRITING	16
RATING.....	16
MUNICIPAL ADVISOR	16
PREPARATION OF OFFICIAL STATEMENT	17
ADDITIONAL INFORMATION	17
MISCELLANEOUS	17
 CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE TOWNSHIP OF MAHWAH, IN THE COUNTY OF BERGEN, NEW JERSEY	 Appendix A
 EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF MAHWAH, IN THE COUNTY OF BERGEN, NEW JERSEY	 Appendix B
 FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL	 Appendix C

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OFFICIAL STATEMENT

RELATING TO

TOWNSHIP OF MAHWAH, IN THE COUNTY OF BERGEN, NEW JERSEY

\$25,112,000* GENERAL OBLIGATION BONDS, SERIES 2025, CONSISTING OF: \$10,712,000* GENERAL IMPROVEMENT BONDS AND \$14,400,000* REDEVELOPMENT BONDS

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the appendices attached hereto, has been prepared by the Township of Mahwah (the "*Township*"), in the County of Bergen (the "*County*"), State of New Jersey (the "*State*"), in connection with the sale and issuance of \$25,112,000* General Obligation Bonds, Series 2025, consisting of \$10,712,000* General Improvement Bonds (the "*General Improvement Bonds*") and \$14,400,000* Redevelopment Bonds (the "*Redevelopment Bonds*"); and together with the General Improvement Bonds, the "*Bonds*"). This Official Statement has been executed by and on behalf of the Township by its Chief Financial Officer and may be distributed in connection with the sale of the Bonds described herein.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. All financial and other information presented herein has been provided by the Township from its records, except for information expressly attributed to other sources.

This Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

THE BONDS

General Description

The Bonds shall be dated their date of delivery, shall mature on January 15 in the years and in the principal amounts as set forth on the inside front cover page hereof, and will bear interest from their dated date. Interest on the Bonds will be payable semiannually on January 15 and July 15 in each year until maturity or prior redemption, commencing on January 15, 2026, at the interest rates set forth on the inside front cover page hereof. Principal of and interest due on the Bonds will be paid to DTC (as defined herein) by the Township or its designated paying agent. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each next preceding January 1 and July 1 (the "*Record Dates*" for the payment of interest on the Bonds). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day calendar months.

* Preliminary; subject to change.

The Bonds are issuable as fully registered book-entry bonds in the form of one certificate for the aggregate principal amount of the Bonds of each series maturing in each year. The Bonds may be purchased in book-entry-only form in the principal amount of \$5,000 or any integral multiple of \$1,000 in excess thereof through book-entries made on the books and records of The Depository Trust Company, Brooklyn, New York ("*DTC*"), and its participants. 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 Township directly to Cede & Co. (or any successor or assign), as nominee for DTC.

Redemption

The Bonds maturing prior to January 15, 2036 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after January 15, 2036 are subject to redemption, in whole or in part, on any date on or after January 15, 2035 at the option of the Township at 100% of the principal amount of the Bonds being redeemed (the "*Redemption Price*"), plus in each case accrued interest thereon to the date fixed for redemption.

Notice of Redemption

Notice of redemption shall be given by mailing by first class mail in a sealed envelope with postage prepaid to the registered owners of the Bonds not less than 30 days nor more than 60 days prior to the date fixed for redemption. Such mailing shall be to the owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township or a duly appointed bond registrar. However, as long as DTC (or any successor thereto) acts as securities depository for the Bonds, notice of redemption may be sent to such securities depository by email or as otherwise permitted by the securities depository regulations. Any failure of the securities depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any notice of redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds prior to maturity, the Bonds to be redeemed shall be selected by the Township; the Bonds to be redeemed having the same maturity shall be selected by the securities depository in accordance with its regulations.

If notice of redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the redeemed Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the Bonds redeemed.

So long as Cede & Co., as nominee for DTC, is the registered owner of the Bonds, the Township shall send redemption notices only to Cede & Co.

BOOK-ENTRY-ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest and other payments due on the Bonds to DTC Participants or Beneficial Owners (each as defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds 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 of each series, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest securities 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 regulated 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.

Purchases of the 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. 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 interests 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 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 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.

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 Township or its paying agent, if any, as soon as possible after the applicable 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 applicable record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, if applicable, and distributions 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 Township 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 shall be the responsibility of such Participant and not of DTC or its nominee, the paying agent, if any, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, if applicable, and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township 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 Township 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 Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

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

THE TOWNSHIP AS PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO THE HOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "SECONDARY MARKET DISCLOSURE") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuation of Book-Entry-Only System

If the Township, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the Township will attempt to locate another qualified securities depository. If the Township fails to find such a securities depository, or if the Township determines, in its sole discretion, that it is in the best interest of the Township

or that the interests of the Beneficial Owners might be adversely affected if the book-entry-only system of transfer is continued (the Township undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the Township shall notify DTC of the termination of the book-entry-only system.

AUTHORIZATION AND PURPOSE OF THE BONDS

General Improvement Bonds

The General Improvement Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Bond Law (constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended) (the "*Local Bond Law*"), the bond ordinances adopted by the Township Council referred to in the chart below and a resolution duly adopted by the Township Council on April 21, 2025 (the "*Resolution*").

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded by Bond Proceeds
2006	Various capital improvements, finally adopted May 1, 2023.	\$4,121,475
2022	Various capital improvements, finally adopted February 5, 2024.	\$2,602,900
2031	Various capital improvements, finally adopted May 20, 2024.	\$3,987,625
Total:		\$10,712,000

Proceeds from the sale and issuance of the General Improvement Bonds will be used to (i) currently refund the Township's \$10,712,275 Bond Anticipation Note, dated November 13, 2024 and maturing on May 30, 2025, together with \$275 being paid down pursuant to a current budget appropriation, and (ii) pay the costs associated with the authorization, sale and issuance of the General Improvement Bonds.

Redevelopment Bonds

The Redevelopment Bonds have been authorized by and are being issued pursuant to the laws of the State, including the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 *et seq.*), the bond ordinance adopted by the Township Council referred to in the chart below and the Resolution.

Number of Bond Ordinance	Description of Improvement and Date of Adoption of Bond Ordinance	Amount Funded by Bond Proceeds
1964	Acquisition of property known as 1201 Norfolk Road and described on the official tax map of the Township as Block 70, Lot 15.01, finally adopted March 10, 2022.	\$14,400,000

Proceeds from the sale and issuance of the Redevelopment Bonds will be used to (i) currently refund the Township's \$14,400,000 Bond Anticipation Note, dated May 30, 2024 and maturing on May 30, 2025, and (iii) pay the costs associated with the authorization, sale and issuance of the Redevelopment Bonds.

INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC AND ONGOING CONCERNS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the "*Plan*"). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Township have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Township. The Township cannot quantify any such impacts at this time.

The Plan, signed into law on March 12, 2021, provided \$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 Township has received \$2,742,316 from the Plan. The deadline to obligate the funds was December 31, 2024, and such funds can only be spent on certain allowable uses as set forth in the Plan.

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding obligations of the Township, and the Township has pledged its full faith and credit for the payment of the principal of and interest on the Bonds. The Township is required by law to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds without limitation as to rate or amount.

MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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, subject to a number of exceptions. All bonds and notes issued by the Township are general full faith and credit obligations.

The authorized bonded indebtedness of the Township for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable property and improvements and certain Class II railroad property within the boundaries of Township, as annually determined by the State Director of Taxation, is \$7,814,953,536.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

As of December 31, 2024, after taking into account the deductions referred to in the prior paragraph, the statutory net debt of the Township as a percentage of average equalized valuation was 0.630%. As noted above, the statutory limit is 3½%.

The Township may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Township 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 Township or substantially reduce the ability of the Township to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Township 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).

The Township 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 a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years.

An additional period may be available following the tenth anniversary date equal to the period from the bond anticipation notes' maturity to the end of the tenth fiscal year in which the bond anticipation notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of bond anticipation notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

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

The foundation of the State 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 (the "*Division*"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division (the "*Director*") prior to final adoption. 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.

The local unit is authorized to issue emergency notes and special emergency notes pursuant to the Local Budget Law. Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

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.

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.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may 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 determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

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

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. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also, the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

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 a local unit. 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, revaluation programs, revision and codification of ordinances, master plan preparation, drainage map preparation for flood control purposes, contractually obligated severance liabilities and payment of compensated absences, 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.

Under legislation recently enacted to address the COVID-19 pandemic, P.L. 2020, c. 74 (A4175), a municipality may adopt an emergency appropriation to fund certain deficits resulting from COVID-19 with approval of the Director of the Division of Local Government Services and may either fund it as a deferred charge or issue special emergency notes to fund it payable by 1/5 each year beginning in the year after the year in which the deferred charge appears in the financial statements so it is paid off no later than the last day of the sixth fiscal year following the end of the fiscal year in which the application is made. If there is a showing of fiscal distress, that may be extended to ten years. The Director may also promulgate guidelines modifying the standard for anticipated revenues when the amount realized in cash from the same source during the next preceding fiscal year experienced reductions due to COVID-19. Also, local units may be able to issue refunding bonds with Local Finance Board approval to repay a Federal Emergency Management Agency Community Disaster Loan for which it executed a promissory note in 2013.

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 fiscal year. Appropriation reserves may also be transferred during the first three months of the fiscal year to the previous year's 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 internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAP"

appropriations to within "CAP" appropriations nor can transfers be made between excluded from "CAP" appropriations.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 *et seq.*) imposes limitations on increases in municipal appropriations, subject to various exceptions. 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 "Index Rate" if the index rate is greater than 2.5%. The "*Index Rate*" is the rate of annual percentage increase, rounded to the nearest one-half percent, 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 things 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. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate, subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation, and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior year's tax levy in years when the Index Rate is 2.5% or less.

Additionally, legislation constituting P.L. 2010, c. 44, limits tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election.

Neither the tax levy limitation nor the "Cap Law" limits the obligation of the Township to levy *ad valorem* taxes upon all taxable property within the Township to pay debt service on its bonds or notes, including the Bonds.

In accordance with the Local Budget Law, each local unit 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 not greater than over 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 that 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 terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Township's local school district and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 *et seq.* Special taxing districts

are permitted in the State for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June or following the adoption of the State budget, at which time state aid is certified, by the Township's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500, and if a delinquency (including interest) is in excess of \$10,000 and remains in arrears after December 31, an additional flat penalty of 6% shall be charged against the delinquency. These interest penalties are the highest permitted under New Jersey statutes. If a delinquency is in excess of \$10,000 and remains in arrears after December 31, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey statutes.

Tax Appeals

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Township must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Board of Taxation on or before April 1 for review. The County Board of Taxation 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 Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

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, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit'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. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended December 31, 2023 for the Township is on file with the Township Clerk and is available for review during business hours.

TAX MATTERS

Exclusion of Interest on the Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "*Code*"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order to assure that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds. The Township will make certain representations in its Arbitrage and Tax Certificate, which will be

executed on the date of issuance of the Bonds, as to various tax requirements. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificate and will assume continuing compliance by the Township with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Bonds for the purposes of alternative minimum tax.

Assuming the Township observes its covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC ("*Bond Counsel*") is of the opinion that, 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, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest of the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("*IRS*") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Township or the owners of the Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the Township as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Bonds.

Payments of interest on tax-exempt obligations, including the Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If an owner of the Bonds is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "*Discount Bonds*"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of

such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "*Premium Bonds*"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Bank-Qualification

The Bonds will not be designated as qualified under Section 265 of the Code by the Township for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated, and that are designated, by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Additional Federal Income Tax Consequences of Holding the Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

Changes in Federal Tax Law Regarding the Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL DECISIONS AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

FINANCIAL STATEMENTS

Appendix B contains certain audited financial data of the Township for the fiscal years ended December 31, 2024 and 2023. The audited financial data were extracted from the report prepared by Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey (the "*Auditor*"), to the extent and for the period set forth in its report appearing in Appendix B to this Official Statement. The Auditor has not participated in the preparation of this Official Statement nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the audited financial data appearing in Appendix B hereto), and, accordingly, will express no opinion with respect thereto. See "APPENDIX B – EXCERPTS FROM FINANCIAL STATEMENTS OF THE TOWNSHIP OF MAHWAH, IN THE COUNTY OF BERGEN, NEW JERSEY".

LITIGATION

To the best of the knowledge of the Township Attorney, Fred Semrau, Esq., Boonton, New Jersey, there is no litigation of any nature, now pending or threatened, restraining or enjoining the issuance or delivery of the Bonds, or the levy or collection of any taxes to pay the principal of or interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or collection of taxes, or contesting the corporate existence or boundaries of the Township or the title of any of the present officers. Moreover, to the best of the knowledge of the Township Attorney, no litigation is presently pending or threatened that, in the opinion of the Township Attorney, would have a material adverse impact on the financial condition of the Township if adversely decided.

SECONDARY MARKET DISCLOSURE

Solely for the purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "*Rule*"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the following requirements in accordance with paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the Township shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof:

(a) On or prior to September 30 of each fiscal year, beginning September 30, 2025 for the fiscal year ending December 31, 2024, electronically to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("*EMMA*") system or such other repository designated by the Securities and Exchange Commission to be an authorized repository for filing secondary market disclosure information, if any, annual financial information with respect to the Township, consisting of the audited financial statements (or unaudited financial statements if audited financial statements are not then available, which audited financial statements will be delivered when and if available) of the Township and certain financial information and operating data, consisting of (i) the Township and overlapping indebtedness, including a schedule of outstanding debt issued by the Township, (ii) the Township's property valuation information and (iii) tax rate, levy and collection data. The audited financial information will be prepared in accordance with generally accepted accounting principles as modified by governmental accounting standards as may be required by New Jersey law.

(b) If any of the following events occur regarding the Bonds, a timely notice not in excess of ten business days after the occurrence of the event sent to EMMA:

- (1) Principal and 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 holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Township;
- (13) The consummation of a merger, consolidation or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, 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 Township, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a

- Financial Obligation of the Township, any of which affect holders of the Bonds, if material; and
- (16) Default, event of acceleration, termination event, modification of terms or other similar event under a Financial Obligation of the Township, if any such event reflects financial difficulties.

The term "*Financial Obligation*" as used in subparagraphs (b)(15) and (b)(16) above means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); *provided, however*, that the term "*Financial Obligation*" shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(c) Notice of failure of the Township to provide required annual financial information on or before the date specified in the Resolution shall be sent in a timely manner to EMMA.

If all or any part of the Rule ceases to be in effect or is not in effect for any reason, then the information required to be provided under the Resolution, insofar as the provisions of the Rule not or no longer in effect required the provision of such information, shall not or no longer be required to be provided.

In the event that the Township fails to comply with the above-described undertaking and covenants, the Township shall not be liable for any monetary damages, remedy of the beneficial owners of the Bonds being specifically limited in the undertaking to specific performance of the covenants.

The undertaking may be amended by the Township from time to time, without the consent of the holders or beneficial owners of the Bonds, in order to make modifications required in connection with a change in legal requirements or change in law, which in the opinion of nationally recognized bond counsel complies with the Rule.

The Township has entered into prior undertakings to provide continuing disclosure for certain outstanding debt issues. In connection with such debt issues, the Township failed to timely file its operating data for the fiscal year ended December 31, 2021 and its adopted budget for the fiscal year ended December 31, 2022. In addition, the Township failed to timely file notices with respect to such late filings. Due to the above issues regarding timely filing of financial information and event notices, the Township has engaged a dissemination agent to assist with the Township's continuing disclosure obligations.

MUNICIPAL BANKRUPTCY

The undertakings of the Township should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. §901 *et seq.*, as amended by Public Law 94-260, approved April 8, 1976, as further amended on November 6, 1978 by the Bankruptcy Reform Act of 1978, effective October 1, 1979, and as further amended by Public Law 100-597, effective November 3, 1988, and other bankruptcy laws affecting creditors' rights and municipalities in general. The amendments of P.L. 94-260 replace former Chapter IX and permit the State or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a court of bankruptcy for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under said chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to debt owed for services or material actually provided within three months of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount or more than one-half in number of the listed creditors. The 1976 Amendments were incorporated into the Bankruptcy Reform Act of 1978 with only minor changes.

Reference should also be made to N.J.S.A. 52:27-40 *et seq.*, which provides that a municipality has the power to file a petition in bankruptcy provided the approval of the Municipal Finance Commission has been obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Bond Counsel, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix C. Certain legal matters will be passed on for the Township by the Township Attorney.

UNDERWRITING

The Bonds have been purchased from the Township, pursuant to the terms of the Township's notice of sale, by _____ (the "*Underwriter*") at a purchase price of \$_____ (the "*Purchase Price*"). The Purchase Price reflects the par amount of the Bonds in the amount of \$_____, plus [net] original issue premium in the amount of \$_____, less Underwriter's discount in the amount of \$_____. The Underwriter is obligated to purchase all of the Bonds if any are purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the inside front cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investments trusts) at yields higher than the public offering yields set forth on the inside front cover page of this Official Statement, and such yields may be changed, from time to time, by the Underwriter without prior notice.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (the "*Rating Agency*"), has assigned a rating of "AAA" to the Bonds based upon the creditworthiness of the Township.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Township furnished to the Rating Agency certain information and materials concerning the Bonds and the Township. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency'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.

MUNICIPAL ADVISOR

Acacia Financial Group, Inc., Mount Laurel, New Jersey, has served as Municipal Advisor to the Township with respect to the issuance of the Bonds (the "*Municipal Advisor*"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, marketing or trading municipal securities or other negotiable instruments.

PREPARATION OF OFFICIAL STATEMENT

The Township hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects, and it will confirm to the Underwriter by a certificate signed by the Mayor and the Chief Financial Officer of the Township that, to their knowledge, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

All other information has been obtained from sources that the Township considers to be reliable, and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Neither Bond Counsel nor the Municipal Advisor has participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy, completeness or fairness thereof and, accordingly, express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to Corinne Hockman, Chief Financial Officer, Township of Mahwah, 475 Corporate Drive, Mahwah, New Jersey 07430, (201) 529-5757, or by e-mail at chockman@mahwahtwp.org.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Township, the Underwriter and the 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 the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Township since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

TOWNSHIP OF MAHWAH

By: _____
Corinne Hockman
Chief Financial Officer

Dated: May __, 2025

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APPENDIX A

**CERTAIN ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE
TOWNSHIP OF MAHWAH, IN THE COUNTY OF BERGEN, NEW JERSEY**

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INFORMATION REGARDING THE TOWNSHIP OF MAHWAH

General Information

The present Township of Mahwah (the “Township” or “Mahwah”) was originally inhabited by the Delaware or Lenni Lenape Indians. There is reason to believe that the name Mahwah is a derivative of the Indian word “MAWEWI” meaning an assembly where streams and paths meet. Thus, Mahwah gets its name from being a meeting place at the conjunction of transportation routes.

As part of eastern New Jersey, the territory now comprising the Township was originally in the hands of Sir Georges Carteret who with Lord John Berkeley received a grant to all of New Jersey from the Duke of York in 1664.

During the early settlements the Mahwah area was part of Saddle River Township which included all land in Bergen County west of Saddle River. In 1771 the Saddle River Township was divided, and Mahwah was incorporated as Franklin Township. In 1849 Franklin Township was divided, and Mahwah was incorporated into Ho-Ho-Kus Township. In 1949 Ho-Ho-Kus Township incorporated, and the remaining section became known as Mahwah.

Government Structure

The Township is governed by a seven-member Township Council and an elected Mayor who serves as chief executive officer. The council members and the Mayor are elected at non- partisan elections for four-year terms.

The Township Council meets two evenings a month in a combined work session and public meeting. The meetings are open to the public in compliance with New Jersey’s Sunshine Law (Open Public Meeting Act). Under the Township of Mahwah Sunshine Ordinance, the public role at work session meetings is limited to that of an observer. At regular meetings, citizens are given an opportunity to speak on proposed ordinances. There are also times set aside during both the work session and public meeting so that any citizen may address the Township Council on any matter of concern.

The Mayor is the chief executive officer of the Township and shall have the responsibility of enforcing the charter and ordinances of the Township. The Township Administrator is appointed by the Mayor with the consent of the Council as provided by the charter. He or she, under the direction of the Mayor, serves as the chief personnel officer of the Township and directs and supervises personnel practices and procedures and reports to the Council. He or she is also the budget officer of the Township and directs and supervises municipal purchasing and is responsible for overseeing purchasing practices and procedures. The Township Administrator is responsible for the implementation of the policy and legislative actions of the Township Council and performs such other duties as may be directed by the Mayor.

Geographical Location and Size

The Township is located in the northwest section of Bergen County, New Jersey, approximately 25 miles from New York City. The Township has a land area of approximately 26 square miles which is the largest in Bergen County. Mahwah is bordered by Suffern, New York, Upper Saddle River, Ramsey, Allendale, Wyckoff, Franklin Lakes and Oakland in Bergen County and Ringwood in Passaic County.

Transportation

Transportation is available via a variety of bus and train connections. New Jersey Transit provides rail service for Mahwah residents to and from New York City or intermediate points. Bus transportation is provided by the Short Line Hudson Transit Line. The Short Line, one of the largest independent bus companies in the United States, offers connecting and direct service to New Jersey, New York, and Pennsylvania as well as commuter services to and from Port Authority Bus Terminal in New York City.

Four major highways, Interstate 287, NJ Route No. 17, New York State Thruway and US Highway Route 202, provide quick and convenient access and movement throughout the Metropolitan area.

Utilities

Natural gas is provided by the Public Service Electric and Gas Co., while electricity is furnished by Rockland Electric Company and Direct Energy.

The Township owns and operates its own water utility which supplies water to Township residents. It also owns a sewer utility which operates the sanitary sewer collection system for the Township. The sewage is treated by the Northwest Bergen Utilities Authority.

The Township provides garbage and trash removal, and it is paid for by budget appropriation.

Public Safety (Police Department, Fire Services, Ambulance Services)

The Township's Police Department has been recognized as a nationally accredited public safety agency by the Commission for Accreditation for Law Enforcement Agencies, Inc. ("CALEA") since 2003. The police force staff is comprised of 53 sworn officers and 9 full time civilian staff and, currently, 3 part-time civilian staff. The Department has 30 police cars including both marked and unmarked. The Police Department provides round the clock police coverage to the community in the Township including Ramapo College.

The all-Volunteer Fire Department has 26 pieces of equipment manned by highly trained volunteers. Mahwah Fire Department consists of 200 volunteers divided into five companies, covering all areas of the Township. Both police and fire fighting training is provided by the Bergen County Law and Public Safety Institute located in Mahwah.

Ambulance Service is comprised of a volunteer ambulance corps and is provided on a 24-hour basis utilizing fully equipped ambulances.

Free Public Library

The Township has a library housed in its own facility and operated by a Library Board, the members of which are appointed.

Growth and Development

The location of Mahwah, at the crossroads where the New York State Thruway, Route 17 and I-287 converge, is an excellent commercial location. Complementing its proximity to New York City, Westchester, and all of northern New Jersey, are easy accessibility to air and rail transportation, food and lodging accommodations, recreational opportunities, and a great variety of housing. Mahwah is the largest township in Bergen County and has breathtaking natural beauty, and a trained workforce. Many people and companies have chosen to make Mahwah their home. The major commercial area remaining to be developed is an approximately 130 acre site commonly known as "Crossroads". The site has been rezoned to permit up to 300,000 square feet of commercial/retail use and 800 residential units.

Employees

The Township has 177 full and part time employees.

Collective Bargaining Units

The Township has three bargaining units as follows:

Police Benevolent Association Contract expires:	December 31, 2026
UPSEU White Collar Union Contract expires:	December 31, 2026
UPSEU Blue Collar Union Contract expires:	December 31, 2026

Retirement Systems

All full-time permanent or qualified Township employees who began employment after 1944 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State Law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Township is enrolled in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). Pension Information Employees, who are eligible to participate in a pension plan, are enrolled in the PERS or the PFRS, Department of the State of New Jersey. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,227,994 for PERS and \$2,485,685 for PFRS for the year ending December 31, 2023 (Unaudited).

Education

The Township's school district, coterminous with the Township, is a type II school district, and is an independent legal entity administered by a nine-member Board of Education elected by the voters of the Township. The school district provides for kindergarten through 12th grade.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Population trends for the Township, County and the State of New Jersey are shown below:

<u>Area</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
Township of Mahwah	17,905	24,062	25,890	25,487	25,344
County of Bergen	825,380	884,118	905,116	955,732	957,736
State of New Jersey	7,730,188	8,414,350	8,791,894	9,288,994	9,290,841

Source: U.S. Census Bureau.

Income as of 2022

	Median Household <u>Income</u>	Median Family <u>Income</u>	Per Capita <u>Income</u>
Township of Mahwah	\$120,618	\$160,000	\$62,760
County of Bergen	118,714	144,348	60,222
State of New Jersey	97,126	119,240	50,995

Source: U.S. Census Bureau, 2018 - 2022 American Community Survey 5 Year Estimates

Labor Force, Employment and Unemployment

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

	Total Labor <u>Force</u>	Employed <u>Labor Force</u>	Total <u>Unemployed</u>	Unemployment <u>Rate</u>
<u>Township of Mahwah</u>				
2023	15,289	14,736	553	3.6%
2022	14,999	14,520	479	3.2%
2021	14,559	13,812	747	5.1%
2020	14,484	13,374	1,110	7.7%
2019	14,983	14,598	385	2.6%
<u>County of Bergen</u>				
2023	514,345	494,480	19,865	3.9%
2022	504,149	487,246	16,903	3.4%
2021	493,303	463,475	29,828	6.0%
2020	494,483	448,791	45,692	9.2%
2019	482,038	467,791	14,247	3.0%
<u>State of New Jersey</u>				
2023	4,829,671	4,615,722	213,949	4.4%
2022	4,736,213	4,552,563	183,650	3.9%
2021	4,648,814	4,337,793	311,021	6.7%
2020	4,638,386	4,200,980	437,406	9.4%
2019	4,687,390	4,525,044	162,346	3.5%

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research

DEBT INFORMATION

Debt Statements

The Township 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 "Division"). 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 Township 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 Township 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, 2024 (Unaudited)

Municipal

Equalized Valuation Basis (last 3 years average)	\$ 7,814,953,536
3 1/2% Borrowing Margin	273,523,374
Net Debt Issued, Outstanding and Authorized	48,415,946
Remaining Municipal Borrowing Capacity	225,107,428

Local School

4% Borrowing Margin	312,598,141
Debt Issued, Outstanding and Authorized	-
Remaining School Borrowing Capacity	312,598,141

Gross and Statutory Net Debt as of December 31,

<u>Year</u>	<u>Gross Debt</u>		<u>Statutory Net Debt</u>	
	<u>Amount</u>		<u>Amount</u>	<u>Percentage</u>
2024 (Unaudited)	\$ 92,795,531	*	\$ 48,415,946	0.620%
2023	85,072,204	*	43,754,232	0.600%
2022	83,347,226	*	39,926,226	0.589%
2021	67,288,985	*	35,270,541	0.548%
2020	37,358,014		32,792,542	0.523%

* Includes lease debt issued through the Bergen County Improvement Authority.

Source: Township of Mahwah Annual Audit Reports, 2024 Annual Debt Statement and 2024 Unaudited Annual Financial Statement

Statement of Indebtedness
As of December 31, 2024 (Unaudited)

GENERAL PURPOSES

Bonds and Capital Leases Issued and Outstanding	\$ 32,325,000	
Capital Leases Issued and Outstanding	14,024,275	
Bond Anticipation Notes	10,675,000	
Bonds and Notes Authorized But Not Issued	<u>2,307,284</u>	

\$ 59,331,559

WATER UTILITY

Bonds Issued and Outstanding	5,242,000
Capital Leases Issued and Outstanding	5,337,500
Bonds and Notes Authorized But Not Issued	<u>3,210,222</u>

13,789,722

SEWER UTILITY

Bonds Issued and Outstanding	2,181,000
Capital Leases Issued and Outstanding	5,337,500
Bond Anticipation Notes	<u>495,750</u>

8,014,250

AFFORDABLE HOUSING UTILITY

Bond Anticipation Notes	11,088,000
Bonds and Notes Authorized But Not Issued	<u>572,000</u>

11,660,000

LOCAL SCHOOL

Debt Issued, Outstanding and Authorized	<u>-</u>
---	----------

TOTAL GROSS DEBT

92,795,531

STATUTORY DEDUCTIONS

Municipal Purpose	10,915,613
Utility Purposes	<u>33,463,972</u>

44,379,585

TOTAL NET DEBT

\$ 48,415,946

OVERLAPPING DEBT

County of Bergen (Note 1)	<u>56,166,600</u>
---------------------------	-------------------

TOTAL OVERLAPPING DEBT

\$ 56,166,600

GROSS DEBT

Per Capita (2023 Estimate - 25,344)	\$ 3,661
Percent of Net Valuation Taxable (2024 - \$5,799,285,240)	1.60%
Percent of Estimated True Value of Real Property (2024 - \$7,751,289,406)	1.20%

NET MUNICIPAL DEBT

Per Capita (2023 Estimate - 25,344)	\$ 1,910
Percent of Net Valuation Taxable (2024 - \$5,799,285,240)	0.83%
Percent of Estimated True Value of Real Property (2024 - \$7,751,289,406)	0.62%

OVERALL DEBT (Gross and Overlapping Debt)

Per Capita (2023 Estimate - 25,344)	\$ 5,878
Percent of Net Valuation Taxable (2024 - \$5,799,285,240)	2.57%
Percent of Estimated True Value of Real Property (2024 - \$7,751,289,406)	1.92%

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: Township of Mahwah.

BUDGET INFORMATION**Current Fund
(As Adopted)**

	<u>2025 (1)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Anticipated Revenues					
Fund Balance	\$ 5,600,000	\$ 5,910,000	\$ 5,403,898	\$ 5,667,904	\$ 5,481,657
Miscellaneous Revenues	10,421,680	12,112,757	10,717,905	9,696,478	9,136,945
Receipts from Delinquent Taxes	450,000	449,205	425,000	275,000	495,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>32,792,182</u>	<u>31,111,796</u>	<u>30,589,731</u>	<u>29,554,333</u>	<u>28,860,638</u>
	<u>\$ 49,263,862</u>	<u>\$ 49,583,758</u>	<u>\$ 47,136,534</u>	<u>\$ 45,193,715</u>	<u>\$ 43,974,240</u>
Appropriations					
Salaries and Wages	\$ 16,397,668	\$ 15,926,223	\$ 15,829,614	\$ 15,193,121	\$ 14,817,955
Other Expenses	19,851,748	20,039,526	19,053,894	17,306,444	16,914,884
Deferred Charges and Statutory Expenditures	4,124,391	4,094,825	3,791,650	3,654,717	3,679,483
Capital Improvement Fund	300,000	415,000	365,000	415,000	415,000
Municipal Debt Service	5,442,102	5,775,732	4,860,783	5,447,175	5,024,740
Reserve for Uncollected Taxes	<u>3,147,953</u>	<u>3,332,452</u>	<u>3,235,593</u>	<u>3,177,258</u>	<u>3,122,178</u>
	<u>\$ 49,263,862</u>	<u>\$ 49,583,758</u>	<u>\$ 47,136,534</u>	<u>\$ 45,193,715</u>	<u>\$ 43,974,240</u>

(1): Budget as introduced

Source: Township of Mahwah.

FINANCIAL INFORMATION**Current Fund Balance and Amounts Utilized in Succeeding Year's Budget**

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2024 (Unaudited)	\$ 8,190,488	\$ 5,600,000 (1)
2023	10,638,180	5,910,000
2022	5,375,439	5,660,000
2021	9,493,572	5,667,904
2020	3,505,798	5,481,657

(1): Budget as introduced

Source: Township of Mahwah Unaudited Annual Financial Statement and Annual Audit Reports.

Current Tax Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collection During Year of Levy</u>	
		<u>Amount</u>	<u>Percent</u>
2024 (Unaudited)	\$ 119,869,118	\$ 119,245,455	99.47%
2023	118,245,074	117,754,356	99.58%
2022	114,373,734	113,811,912	99.51%
2021	113,016,946	111,661,099	98.80%
2020	110,143,572	109,448,885	99.35%

Source: Township of Mahwah Unaudited Annual Financial Statement and Annual Audit Reports.

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2024 (Unaudited)	\$ 191,796	\$ 449,367	\$ 641,163	0.53%
2023	167,816	413,454	581,270	0.49%
2022	111,204	533,965	645,169	0.56%
2021	105,766	321,968	427,734	0.38%
2020	100,051	589,863	689,914	0.63%

Source: Township of Mahwah Unaudited Annual Financial Statement and Annual Audit Reports.

Assessed Valuation of Property Owned by the Township Acquired for Taxes

<u>Year</u>	<u>Amount</u>
2024 (Unaudited)	\$ 2,057,000
2023	2,057,000
2022	2,057,000
2021	2,057,000
2018	2,091,500

Source: Township of Mahwah Unaudited Annual Financial Statement and Annual Audit Reports.

Ten Largest Taxpayers

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

<u>Taxpayer</u>	<u>Assessment</u>
MacArthur Boulevard, LLC	\$ 102,000,000
Vista Distribution Center, Inc.	65,000,000
Howmedica Osteonics Corporation	60,000,000
Crossroads Developers	55,350,200
Colfin Inc.	33,000,000
Volvo Cars USA LLC	28,500,000
Inwood Rlty Grp	24,555,400
Sharp Office Hldg	24,000,000
Garden Crossroads, LLC	20,100,000
PR III/RD Mahwah Industries	18,763,800
	<u>\$ 431,269,400</u>

Source: Tax Assessor.

Assessed Valuation Land Improvements by Class

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2025	\$ 64,300,400	\$4,507,756,500	\$ 18,317,040	\$767,895,900	\$ 393,011,600	\$48,264,400	\$ 5,799,545,840
2024	66,452,500	4,502,907,300	19,088,040	771,131,900	391,441,100	48,264,400	5,799,285,240
2023	78,806,300	4,488,991,700	16,558,040	786,504,800	372,657,700	47,706,500	5,791,225,040
2022	70,578,400	4,474,797,200	16,558,040	801,881,300	372,657,700	49,592,700	5,786,065,340
2021	75,400,700	4,460,013,800	17,566,540	809,206,000	373,091,400	49,592,700	5,784,871,140

Source: Tax Duplicate.

Assessed Valuations Net Valuation Taxable

<u>Year</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>
2025	\$ 5,799,545,840	N/A	N/A
2024	5,799,285,240	75.07%	7,751,289,406
2023	5,791,225,040	78.27%	7,424,596,547
2022	5,786,065,340	88.90%	6,533,412,478
2021	5,784,871,140	89.90%	6,459,989,176

Source: Bergen County Abstract of Ratables

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

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>
2024	\$ 3.527	\$ 1.224	\$ 1.951	\$ 0.352
2023	2.037	0.538	1.193	0.306
2022	1.972	0.520	1.180	0.272
2021	1.951	0.508	1.161	0.282
2020	1.904	0.491	1.139	0.274

Source: Tax Collector.

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

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County</u>
2024 (Unaudited)	\$ 119,869,118	\$ 31,846,502	\$ 69,969,591	\$ 18,053,025
2023	118,245,074	31,432,552	69,064,394	17,748,128
2022	114,373,734	30,388,143	68,253,796	15,731,795
2021	113,016,946	29,621,784	67,160,783	16,234,379
2020	110,143,990	28,489,798	65,831,008	15,823,184

Source: Township of Mahwah.

APPENDIX B

**EXCERPTS FROM FINANCIAL STATEMENTS OF THE
TOWNSHIP OF MAHWAH, IN THE COUNTY OF BERGEN, NEW JERSEY**

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**ACCOUNTANT'S COMPILATION REPORT AND
UNAUDITED ANNUAL FINANCIAL STATEMENTS OF THE TOWNSHIP OF MAHWAH
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Members
of the Township Council
475 Corporate Drive
Mahwah, New Jersey 07430

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds of the Township of Mahwah, as of December 31, 2024 and the related statement of operations and changes in fund balance – regulatory basis, the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements – regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the financial and accounting reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Township's assets, liabilities, fund balances, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

By/s/ LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
April 22, 2025

17-17 ROUTE 208 • FAIR LAWN, NJ 07410 • TELEPHONE (201) 791-7100 • FACSIMILE (201) 791-3035
WWW.LVBCPA.COM

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

ASSETS**REGULAR FUND**

Cash	\$ 14,898,065
Due from State of New Jersey -Senior Citizens and Veterans Dedications	<u>4,232</u>
	<u>14,902,297</u>
Receivables and Other Assets With Full Reserves	
Delinquent Property Taxes Receivable	443,367
Tax Title Liens Receivable	191,796
Property Acquired for Taxes	2,057,000
Due from:	
Other Trust Fund	822,831
Water Utility Operating Fund	47,279
Sewer Utility Operating Fund	178,772
Affordable Housing Utility Operating Fund	<u>60,903</u>
	<u>3,801,948</u>
Deferred Charges	
Overexpenditure of Appropriations	26,584
Overexpenditure of Appropriation Reserves	<u>75,291</u>
	<u>101,875</u>
	<u>18,806,120</u>
FEDERAL AND STATE GRANT FUND	
Due From Regular Fund	221,075
Grants Receivable	<u>2,005,182</u>
	<u>2,226,257</u>
Total Assets	<u><u>\$ 21,032,377</u></u>

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

LIABILITIES, RESERVES AND FUND BALANCE**REGULAR FUND**

Liabilities	
Appropriation Reserves	\$ 1,174,390
Encumbrance Payable	1,566,790
Accounts Payable	139,190
Tax Overpayments	224,180
Prepaid Taxes	759,325
State Fees Payable	2,346
Due to:	
Federal and State Grant Fund	221,075
Open Space Preservation Trust Fund	2,337
General Capital Fund	9,522
Affordable Housing Utility Capital Fund	69,271
Miscellaneous Reserves	1,199,658
Reserve for Tax Appeals	<u>1,445,600</u>
	6,813,684
Reserve for Receivables and Other Assets	3,801,948
Fund Balance	<u>8,190,488</u>
	<u>18,806,120</u>

FEDERAL AND STATE GRANT FUND

Unappropriated Grant Reserves	203,032
Appropriated Grant Reserves	1,104,063
Encumbrances Payable	<u>919,162</u>
	<u>2,226,257</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 21,032,377</u></u>

TOWNSHIP OF MAHWAH
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

REVENUES AND OTHER INCOME REALIZED

Fund Balance Utilized	\$ 5,910,000
Miscellaneous Revenues Anticipated	12,748,615
Receipts from Delinquent Taxes	409,873
Receipts from Current Taxes	119,245,455
Non-Budget Revenue	116,173
Other Credits to Income	
Unexpended Balance of Appropriation Reserves	2,219,677
Interfunds Returned	532,617
	<u>141,182,410</u>

EXPENDITURES

Budget Appropriations	
Operations	
Salaries and Wages	16,320,623
Other Expenses	19,989,998
Capital Improvements	415,000
Municipal Debt Service	5,775,707
Deferred Charges and Statutory Expenditures	4,094,522
County Taxes	18,053,025
Local District School Taxes	69,969,591
Municipal Open Space Taxes	580,772
Other Debits	
Interfunds Advanced	1,109,786
Prior Year Adjustment for Cancellation of Unappropriated Grant	76,195
Refund of Prior Year Revenue	1,334,883
	<u>137,720,102</u>

Statutory Excess to Fund Balance	3,462,308
Fund Balance, January 1, 2024	<u>10,638,180</u>

	14,100,488
Decreased by:	
Utilization as Anticipated Revenue	<u>5,910,000</u>

Fund Balance, December 31, 2024	<u><u>\$ 8,190,488</u></u>
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TOWNSHIP OF MAHWAH
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

	<u>Budget</u>	<u>Special NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	\$ 5,910,000	-	\$ 5,910,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	30,000		29,481	\$ (519)
Other	50,000		61,374	11,374
Fees and Permits	190,000		207,795	17,795
Fines and Costs				
Municipal Court	160,000		200,058	40,058
Interest and Costs on Taxes	126,500		133,833	7,333
Interest on Investments and Deposits	790,000		1,004,300	214,300
Rental of Township Owned Property	425,000		533,174	108,174
Energy Receipts Tax	4,943,509		4,968,116	24,607
Garden State Trust Fund	4,734		4,734	-
Reserve for Municipal Relief Fund Aid	512,096		512,096	-
Uniform Construction Code Fees	1,025,000		928,465	(96,535)
Shared Service Agreements				
Mahwah BOE School Resource Officer	70,000		79,608	9,608
Public and Private Revenues Offset with Appropriations				
Body Armor Grant	3,955		3,955	
Clean Communities Program	59,030		59,030	
Recycling Tonnage Grant	42,393		42,393	
National Opioid Settlement	27,851	30,915	58,766	
Private Well Outreach	6,000		6,000	
Well Filtration Grant	1,600,000		1,600,000	
FEMA - Silver Creek Dam		43,196	43,196	
Drunk Driving Enforcement Fund		17,712	17,712	
NJACCHO - Sustaining Local Public Health		168,049	168,049	
ARP - Assistance to Firefighters Grant		75,000	75,000	
NJ Dept. of Agriculture - Spotted Lanternfly Grant		10,000	10,000	
Other Special Items				
Uniform Fire Safety Act	160,000		184,127	24,127
Swim Club Fees	95,000		104,305	9,305
Municipal Hotel/Motel Occupancy Tax	700,000		627,750	(72,250)
Cable Television Franchise Fee	180,000		191,429	11,429
Payments in Lieu of Taxes (PILOT)	35,000			(35,000)
Police Outside Duty	450,000		450,000	-
Norfolk Village Rents	225,000		242,179	17,179
Reserve for Premium on Debt Service	51,090		51,090	-
Reserve for Debt Service	99,600		99,600	-
Accumulated Absence Reserve	51,000	-	51,000	-
 Total Miscellaneous Revenues	 12,112,758	 344,872	 12,748,615	 290,985
RECEIPTS FROM DELINQUENT TAXES	449,205	-	409,873	(39,332)
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes				
Township Operations	28,218,884		31,081,608	2,862,724
Minimum Library Tax	2,892,912	-	2,892,912	-
	31,111,796	-	33,974,520	2,862,724
 Total General Revenues	 \$ 49,583,759	 \$ 344,872	 53,043,008	 \$ 3,114,377
Non-Budget Revenue			116,169	
			<u>\$ 53,159,177</u>	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - WITHIN "CAPS"					
General Government					
Legislation					
Township Council					
Salaries and Wages	\$ 35,500	\$ 35,500	\$ 35,500		
Other Expenses	9,150	9,150	4,628	\$ 4,522	
Office of the Township Clerk					
Salaries and Wages	264,450	238,450	226,239	12,211	
Other Expenses	58,100	58,100	55,083	3,017	
Administration					
Office of the Mayor					
Salaries and Wages	10,000	10,000	10,000	-	
Other Expenses	4,005	4,005	3,571	434	
Office of the Business Administrator					
Salaries and Wages	490,000	485,000	482,294	2,706	
Other Expenses	143,715	143,715	142,339	1,376	
Division of Finance					
Bureau of Treasury					
Salaries and Wages	215,000	215,000	210,709	4,291	
Other Expenses	101,000	101,000	93,023	7,977	
Bureau of Collections					
Salaries and Wages	170,810	181,810	181,208	602	
Other Expenses	19,750	19,750	15,174	4,576	
Bureau of Assessment					
Salaries and Wages	170,155	170,155	170,154	1	
Other Expenses	54,865	54,865	32,049	22,816	
Auditor					
Other Expenses	40,000	40,000	39,180	820	
Division of Law					
Other Expenses	730,000	656,500	636,657	19,843	
Division of Engineering					
Salaries and Wages	150,000	150,000	133,265	16,735	
Other Expenses	84,900	84,900	79,682	5,218	
Computer Equipment/Consultant					
Other Expenses	125,000	125,000	120,207	4,793	
Community Cable Television					
Other Expenses	2,150	2,150	-	2,150	
Historic Preservation Commission					
Salaries and Wages	4,001	4,001	4,001	-	
Other Expenses	10,600	10,600	6,005	4,595	
				-	
Municipal Land Use Law					
Division of Planning and Zoning					
Salaries and Wages	436,000	446,000	444,388	1,612	
Other Expenses	175,500	165,500	103,299	62,201	
				-	
Insurance					
Liability Insurance	607,287	607,287	452,570	154,717	
Other Insurance	80,000	80,000	40,785	39,215	
Workers Compensation Insurance	513,765	513,765	385,323	128,442	
Employee Group Insurance	5,200,000	5,200,000	5,197,165	2,835	
Health Benefit Waiver	105,000	105,000	101,677	3,323	
Optical Insurance	60,000	60,000	60,000	-	
				-	
Public Safety					
Police Department					
Salaries and Wages	8,755,856	9,022,756	9,013,310	9,446	
Other Expenses	308,385	267,385	266,614	771	
Emergency Management					
Salaries and Wages	44,550	44,550	33,100	11,450	
Other Expenses	134,200	113,800	113,767	33	
Fire Department/Fire Prevention					
Salaries and Wages	545,200	480,200	461,893	18,307	
Other Expenses	246,900	246,900	240,014	6,886	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Overexpended</u>
		<u>Modification</u>	<u>Charged</u>		
OPERATIONS - WITHIN "CAPS" (Continued)					
Aid to Volunteer Fire Companies					
Other Expenses	\$ 10,000	\$ 10,000	\$ 10,000		
Mahwah Emergency Medical Services (MEMS)					
Salaries and Wages	125,000	150,000	150,000		
Other Expenses	125,000	125,000	125,000		
Municipal Prosecutor					
Other Expenses	45,000	45,000	42,000	\$ 3,000	
Public Works					
Administration					
Salaries and Wages	225,500	225,500	170,623	54,877	
Other Expenses	10,275	10,275	9,880	395	
Streets and Roads					
Salaries and Wages	890,650	940,650	877,302	63,348	
Other Expenses	662,692	608,692	569,033	39,659	
Buildings and Grounds					
Salaries and Wages	630,250	634,450	624,653	9,797	
Other Expenses	404,000	388,500	372,394	16,106	
Recycling					
Salaries and Wages	612,000	630,300	630,214	86	
Other Expenses	216,525	256,525	252,839	3,686	
Solid Waste Collection				-	
Other Expenses	1,750,000	1,750,000	1,750,000	-	
Municipal Services Act					
Other Expenses	138,997	138,997	129,797	9,200	
Disposal Fees	1,000,000	825,000	820,682	4,318	
Health and Human Services					
Board of Health Administration					
Salaries and Wages	358,000	335,200	329,849	5,351	
Other Expenses	129,345	114,645	109,550	5,095	
Health and Safety Programs					
Other Expenses	7,650	7,650	3,896	3,754	
Environmental Commission					
Salaries and Wages	4,000	4,000	4,000	-	
Other Expenses	39,110	14,110	13,486	624	
Animal Control					
Other Expenses	38,000	38,000	37,618	382	
Access Transportation					
Salaries and Wages	136,725	136,725	105,557	31,168	
Other Expenses	1,160	1,160	376	784	
Senior Citizens Activities					
Salaries and Wages	136,760	137,060	136,948	112	
Other Expenses	87,220	87,220	82,179	5,041	
Access for All Commission					
Other Expenses	14,095	14,095	13,829	266	
Municipal Court and Public Defender					
Municipal Court					
Salaries and Wages	282,066	286,066	285,919	147	
Other Expenses	21,225	21,225	20,838	387	
Public Defender					
Other Expenses	35,000	35,000	33,413	1,587	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
Recreation					
Recreation Services and Programs					
Salaries and Wages	\$ 56,200	\$ 87,200	\$ 86,690	\$ 510	
Other Expenses	122,755	116,755	94,616	22,139	
Parks and Playgrounds					
Salaries and Wages	152,750	226,250	225,778	472	
Other Expenses	112,100	112,100	84,511	27,589	
Municipal Pool					
Salaries and Wages	155,300	169,300	168,883	417	
Other Expenses	70,700	71,400	71,388	12	
Utility and Bulk Purchases					
Bulk Utility Purchases	1,163,500	1,173,500	1,133,378	40,122	
Bulk Purchases of Centralized Accounts	187,485	187,485	118,251	69,234	
Uniform Construction Code Appropriations Offset by					
Dedicated Revenues					
Construction Code Official					
Salaries and Wages	669,500	674,500	601,973	72,527	
Other Expenses	11,550	1,550	1,389	161	
Unclassified					
Salary Adjustment/Accumulated Leave	25,000	25,000		25,000	
Tuition Reimbursement Account	3,000	3,000	-	3,000	-
Total Operations Within "CAPS"	30,971,879	30,971,879	29,893,605	1,078,274	-
Contingent	-	-	-	-	-
Total Operations Including Contingent - Within "CAPS"	30,971,879	30,971,879	29,893,605	1,078,274	-
Detail:					
Salaries and Wages	15,856,223	16,250,623	15,906,127	344,496	-
Other Expenses (Including Contingent)	15,115,656	14,721,256	13,987,478	733,778	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Public Employees Retirement System	950,000	891,000	825,417	65,583	
Social Security System	630,000	685,000	684,455	545	
Police and Firemen's Retirement System	2,474,825	2,478,825	2,478,582	243	
Unemployment Insurance	10,000	10,000	-	10,000	
Defined Contribution Retirement Plan	15,000	15,000	9,759	5,241	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	4,079,825	4,079,825	3,998,213	81,612	-
Total General Appropriations for Municipal Purposes Within "CAPS"	35,051,704	35,051,704	33,891,818	1,159,886	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Other Operations					
Maintenance of Free Public Library	2,892,912	2,892,912	2,891,912	1,000	
Length of Service Awards Program	250,000	250,000	250,000	-	
Recycling Tax	41,730	41,730	28,226	13,504	-
Total Other Operations Excluded From "CAPS"	3,184,642	3,184,642	3,170,138	14,504	-
Shared Service Agreements					
Mahwah School Resource Officer					
Salaries and Wages	70,000	70,000	70,000	-	
Other Expenses	-	-	-	-	-
Total Shared Service Agreements	70,000	70,000	70,000	-	-

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Public and Private Programs Offset by Revenues					
Body Armor Fund	\$ 3,955	\$ 3,955	\$ 3,955		
Clean Communities Program	59,030	59,030	59,030		
Recycling Tonnage Grant	42,393	42,393	42,393		
National Opioid Settlement	27,851	58,766	58,766		
Private Well Outreach	6,000	6,000	6,000		
Well Filtration Grant	1,600,000	1,600,000	1,600,000		
Drunk Driving Enforcement Fund		17,712	17,712		
Spotted Lanternfly	-	10,000	10,000		
Sustaining Local Public Health		168,049	168,049		
American Rescue Grant	-	75,000	75,000		
FEMA Disaster Grant	-	43,196	43,196	-	-
Total Public and Private Programs Offset by Revenues	1,739,229	2,084,101	2,084,101	-	-
Total Operations Excluded from "CAPS"	4,993,871	5,338,743	5,324,239	\$ 14,504	-
Detail:					
Salaries and Wages	70,000	70,000	70,000	-	
Other Expenses	4,923,871	5,268,743	5,254,239	14,504	-
CAPITAL IMPROVEMENTS -					
Capital Improvement Fund	\$ 415,000	\$ 415,000	\$ 415,000	-	-
Total Capital Improvements	415,000	415,000	415,000	-	-
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	3,735,000	3,735,000	3,735,000		
Interest on Notes	1,092,682	1,092,682	1,092,657		\$ 25
Interest on Bonds	165,600	165,600	165,600	-	-
BCIA Capital Lease Obligations					
Principal	320,000	320,000	320,000	-	-
Interest	462,450	462,450	462,450	-	-
Total Municipal Debt Service	5,775,732	5,775,732	5,775,707	-	25
DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"					
Deferred Charges to Future Taxation - Unfunded	15,000	15,000	14,697	-	303
Total Deferred Charges - Municipal - Excluded from "CAPS"	15,000	15,000	14,697	-	303
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	11,199,603	11,544,475	11,529,643	14,504	328
Subtotal General Appropriations	46,251,307	46,596,179	45,421,461	1,174,390	328
Reserve for Uncollected Taxes	3,332,452	3,332,452	3,332,452	-	-
Total General Appropriations	\$ 49,583,759	\$ 49,928,631	\$ 48,753,913	\$ 1,174,390	\$ 328
Budget as Adopted		\$ 49,583,759			
Added by NJSA 40A:4-87		344,872			
		\$ 49,928,631			

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 (UNAUDITED)**

ASSETS

ANIMAL CONTROL TRUST FUND

Cash	\$ 31,481
	<u>31,481</u>

OTHER TRUST FUND

Cash	6,286,257
Reinsurance Receivables	723,546
Due from Unemployment Insurance Trust Fund	<u>31,524</u>
	<u>7,041,327</u>

UNEMPLOYMENT INSURANCE TRUST FUND

Cash	553,578
Due from Housing Utility Operating Fund	<u>500</u>
	<u>554,078</u>

OPEN SPACE PRESERVATION TRUST FUND

Cash	1,467,153
Due from Current Fund	<u>2,337</u>
	<u>1,469,490</u>

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)

Investments	<u>6,838,820</u>
	<u>6,838,820</u>

Total Assets	<u>\$ 15,935,196</u>
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**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 (UNAUDITED)
(Continued)**

LIABILITIES, RESERVES AND FUND BALANCE

ANIMAL CONTROL TRUST FUND

Due to State of New Jersey	\$ 7
Reserve for Animal Control Expenditures	<u>31,474</u>
	<u>31,481</u>

OTHER TRUST FUND

Due to Current Fund	822,831
Due to Water Utility Operating Fund	379,760
Due to Sewer Utility Operating Fund	295,797
Due to Affordable Housing Utility Operating Fund	65,536
Due to General Capital Fund	112,347
Encumbrances Payable	678,284
Miscellaneous Reserves and Deposits	<u>4,686,772</u>
	<u>7,041,327</u>

UNEMPLOYMENT INSURANCE TRUST FUND

Due to Other Trust Fund	31,524
Reserve for Unemployment Insurance Expenditures	<u>522,554</u>
	<u>554,078</u>

OPEN SPACE PRESERVATION TRUST FUND

Reserve for Open Space Expenditures	<u>1,469,490</u>
	<u>1,469,490</u>

LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)

Reserve for Length of Service Awards Program	<u>6,838,820</u>
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Total Liabilities, Reserves and Fund Balance	<u><u>\$ 15,935,196</u></u>
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**TOWNSHIP OF MAHWAH
STATEMENT OF REVENUES - REGULATORY BASIS -
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 579,929	\$ 580,772	\$ 843
Interest on Investments and Deposits	<u>-</u>	<u>63,483</u>	<u>63,483</u>
	<u>\$ 579,929</u>	<u>\$ 644,255</u>	<u>\$ 64,326</u>

**STATEMENT OF EXPENDITURES - REGULATORY BASIS -
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Reserved for Future Use	\$ 579,929	\$ -	\$ 579,929
	<u>\$ 579,929</u>	<u>\$ -</u>	<u>\$ 579,929</u>

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

ASSETS

Cash	\$ 10,498,229
Cash with Fiscal Agents	20,388,171
Accrued Interest Receivable	74,314
Due from Current Fund	9,522
Due from Other Trust Fund	112,347
Deferred Charges to Future Taxation	
Funded	32,325,000
Unfunded	<u>16,331,559</u>
	<u><u>\$ 79,739,142</u></u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	\$ 32,325,000
Bond Anticipation Notes	14,024,275
Improvement Authorizations	
Funded	1,030,852
Unfunded	3,957,918
Contracts Payable	9,083,013
Reserve for Construction of DPW Garage	18,763,305
Reserve for Payment of Debt	240,613
Capital Improvement Fund	311,712
Fund Balance	<u>2,454</u>
	<u><u>\$ 79,739,142</u></u>

There were bonds and notes authorized but not issued of \$2,307,284 at December 31, 2024.

TOWNSHIP OF MAHWAH
STATEMENT OF CHANGE IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Balance, January 1, 2024		\$ 281,989
Increased by:		
Premium on Sale of Bond Anticipation Notes		<u>41,155</u>
		<u>323,144</u>
Decreased by:		
Down Payment on Improvement Authorizations	\$ 170,000	
Anticipated as Current Fund Budget Revenue	<u>150,690</u>	
		<u>320,690</u>
Balance, December 31, 2024		<u><u>\$ 2,454</u></u>

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

ASSETS**OPERATING FUND**

Cash	\$ 2,291,785
Due from Water Utility Capital Fund	17,688
Due from Sewer Utility Operating Fund	183,252
Due from Other Trust Fund	<u>379,760</u>

2,872,485

Receivables With Full Reserves

Consumer Accounts Receivable	<u>509,281</u>
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Deferred Charges

Overexpenditure of Appropriations	<u>83,391</u>
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3,465,157

CAPITAL FUND

Cash	4,446,728
Fixed Capital	19,793,587
Fixed Capital Authorized and Uncompleted	<u>16,452,271</u>

40,692,586

Total Assets

\$ 44,157,743

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)
(Continued)**

LIABILITIES, RESERVES AND FUND BALANCE

OPERATING FUND

Liabilities	
Appropriation Reserves	\$ 109,458
Encumbrances Payable	402,979
Accounts Payable	2,552
Accrued Interest on Bonds and Notes Payable	39,180
Water Rent Overpayments	2,973
Due to Current Fund	<u>47,279</u>
	604,421
 Reserve for Receivables	 509,281
Fund Balance	<u>2,351,455</u>
	<u>3,465,157</u>

CAPITAL FUND

Contracts Payable	316,868
Serial Bonds Payable	5,242,000
Due To Water Utility Operating Fund	17,688
Improvement Authorization	
Funded	3,164,529
Unfunded	3,162,885
Reserves for	
Amortization	25,577,205
Deferred Amortization	2,216,431
Various Improvements	24,115
Payment of Debt	4,816
Capital Improvement Fund	902,794
Fund Balance	<u>63,255</u>
	<u>40,692,586</u>

Total Liabilities, Reserves and Fund Balance	<u><u>\$ 44,157,743</u></u>
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There were bonds and notes authorized but not issued in the amount of \$3,210,222 at December 31, 2024.

TOWNSHIP OF MAHWAH
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

REVENUES AND OTHER INCOME REALIZED

Fund Balance Utilized	\$ 719,537
Rents	5,639,588
Miscellaneous	435,082
Non-Budget Revenue	15,785
Other Credits to Income	
Unexpended Balance of Appropriation Reserves	183,369
Prior Year Overpayments Cancelled	41,064
	<u>7,034,425</u>

EXPENDITURES

Budget Appropriations	
Salaries and Wages	1,305,345
Other Expenses	4,212,966
Debt Service	655,884
Deferred Charges and Statutory Expenditures	293,533
	<u>6,467,728</u>

Excess in Revenue	566,697
Adjustments to Income Before Fund Balance	
Deferred Charges to Budget of Succeeding Year	83,391
Statutory Excess to Fund Balance	650,088
Fund Balance, January 1, 2024	<u>2,420,904</u>
	3,070,992
Decreased by:	
Utilization as Anticipated Revenue	719,537
Fund Balance, December 31, 2024	<u><u>\$ 2,351,455</u></u>

TOWNSHIP OF MAHWAH
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Balance, January 1	<u>\$ 63,255</u>
Balance, December 31	<u><u>\$ 63,255</u></u>

**TOWNSHIP OF MAHWAH
STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Utilized	\$ 719,537	\$ 719,537	
Rents	5,460,000	5,639,588	\$ 179,588
Miscellaneous	<u>211,000</u>	<u>435,082</u>	<u>224,082</u>
	<u>\$ 6,390,537</u>	6,794,207	<u>\$ 403,670</u>
Non-Budget Revenue		<u>15,785</u>	
		<u>\$ 6,809,992</u>	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Cancelled</u>
OPERATING						
Salaries and Wages	\$ 1,305,345	\$ 1,305,345	\$ 1,228,903	\$ 76,442		
Other Expenses	3,074,575	3,074,575	3,157,966		\$ 83,391	
Insurance	1,055,000	1,055,000	1,030,888	24,112		
DEBT SERVICE						
Payment of Bond Principal	179,000	179,000	179,000			
Interest on Bonds	91,859	91,859	85,659			\$ 6,200
BCIA Capital Lease Obligations						
Principal	160,000	160,000	160,000			
Interest	231,225	231,225	231,225			
DEFERRED CHARGES						
Deferred Charges - Overexpenditures	14,698	14,698	14,698			
STATUTORY EXPENDITURES						
Public Employees Retirement System	175,835	175,835	175,835			
Social Security System	95,000	95,000	86,745	8,255		
Unemployment Compensation Insurance	5,000	5,000	5,000	-		
Defined Contribution Retirement Program	3,000	3,000	2,351	649	-	-
	<u>\$ 6,390,537</u>	<u>\$ 6,390,537</u>	<u>\$ 6,358,270</u>	<u>\$ 109,458</u>	<u>\$ 83,391</u>	<u>\$ 6,200</u>

Cash Disbursed	\$ 5,176,183
Encumbrances Payable	402,979
Due to Current Fund	678,751
Due to Sewer Utility Operating Fund Fund	
Deferred Charge	14,698
Accrued Interest on Bonds	85,659
	<u>\$ 6,358,270</u>

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

ASSETS**OPERATING FUND**

Cash	\$ 3,746,291
Due from Other Trust Fund	295,797
Due from Sewer Utility Assessment Trust Fund	<u>79,386</u>
	4,121,474
Receivables with Full Reserves	
Sewer Rents Receivable	<u>473,516</u>
	<u>4,594,990</u>

CAPITAL FUND

Cash	1,718,274
Due from Sewer Utility Operating Fund	289,903
Fixed Capital	26,815,492
Fixed Capital Authorized and Uncompleted	<u>2,800,500</u>
	<u>31,624,169</u>

ASSESSMENT TRUST FUND

Cash	79,386
Assessments Receivable	<u>1,821</u>
	<u>81,207</u>

Total Assets	<u><u>\$ 36,300,366</u></u>
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**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

LIABILITIES, RESERVES AND FUND BALANCE

OPERATING FUND

Appropriation Reserves	\$ 452,112
Encumbrances Payable	90,235
Sewer Overpayments	28,139
Accrued Interest on Bonds	18,059
Reserve for Arbitrage Rebate	45,000
Due to Current Fund	178,772
Due to Water Utility Operating Fund	183,252
Due to Sewer Utility Capital Fund	<u>289,903</u>

1,285,472

Reserve for Receivables	473,516
Fund Balance	<u>2,836,002</u>

4,594,990

CAPITAL FUND

Contracts Payable	169,138
Serial Bonds Payable	2,181,000
Reserve for	
Amortization	26,905,492
Payment of Debt	19,242
Deferred Reserve for Amortization	33,750
Capital Improvement Fund	655,059
Improvement Authorizations	
Funded	1,261,920
Unfunded	375,046
Fund Balance	<u>23,522</u>

31,624,169

ASSESSMENT TRUST FUND

Due to Sewer Utility Operating Fund	79,386
Reserve for Assessments and Liens	<u>1,821</u>

81,207

Total Liabilities, Reserves and
Fund Balance

\$ 36,300,366

There were bonds and notes authorized but not issued in the amount of \$495,750 at December 31, 2024 (Unaudited).

TOWNSHIP OF MAHWAH
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

REVENUES AND OTHER INCOME REALIZED

Fund Balance Utilized	\$ 1,300,372
Rents	6,629,706
Sewer Utility Assessment Fund Balance	494,035
Non-Budget Revenues	184,828
Other Credits	
Unexpended Balance of Appropriation Reserves	784,250
Cancelled Prior Year Accounts Payable	<u>76</u>
Total Income	<u>9,393,267</u>

EXPENDITURES

Budget Appropriations	
Operating	6,776,510
Debt Service	520,713
Deferred Charges and Statutory Expenditures	<u>197,183</u>
Total Expenditures	<u>7,494,406</u>
Excess in Revenue	1,898,861
Fund Balance, January 1, 2024	<u>2,237,513</u>
	4,136,374
Decreased by:	
Utilization as Anticipated Revenue	<u>1,300,372</u>
Fund Balance, December 31, 2024	<u><u>\$ 2,836,002</u></u>

**TOWNSHIP OF MAHWAH
STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

Balance, January 1, 2024	\$ 23,522
Balance, December 31, 2024	<u>\$ 23,522</u>

**STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
SEWER UTILITY ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

Balance, January 1, 2024	\$ 494,035
Decreased by:	
Anticipated as Revenue in Utility Operating Fund	<u>494,035</u>
Balance, December 31, 2024	<u>\$ -</u>

**TOWNSHIP OF MAHWAH
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Utilized	\$ 1,300,372	\$ 1,300,372	
Sewer Rents	5,700,000	6,629,706	\$ 929,706
Sewer Utility Assessment Fund Balance	<u>494,035</u>	<u>494,035</u>	<u>-</u>
	<u>\$ 7,494,407</u>	8,424,113	<u>\$ 929,706</u>
Non-Budget Revenues		<u>184,828</u>	
		<u>\$ 8,608,941</u>	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 984,491	\$ 984,491	\$ 869,232	\$ 115,259	
Other Expenses	493,825	493,825	317,946	175,879	
Insurance	1,403,000	1,403,000	1,399,008	3,992	
NW Bergen County Utilities Authority	3,895,194	3,895,194	3,744,469	150,725	
DEBT SERVICE					
Payment of Bond Principal	90,000	90,000	90,000		
Interest on Bonds	39,489	39,489	39,488		\$ 1
BCIA Capital Lease Obligations					
Principal	160,000	160,000	160,000		
Interest	231,225	231,225	231,225		
DEFERRED CHARGES					
Deferred Charges - Overexpenditures	21,705	21,705	21,705		
STATUTORY EXPENDITURES					
Contribution to					
Public Employees Retirement System	100,478	100,478	100,478		
Social Security System	70,000	70,000	63,826	6,174	
Unemployment Compensation Insurance	2,500	2,500	2,500		
Defined Contribution Retirement System	2,500	2,500	2,417	83	-
	<u>\$ 7,494,407</u>	<u>\$ 7,494,407</u>	<u>\$ 7,042,294</u>	<u>\$ 452,112</u>	<u>\$ 1</u>

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY FUND
AS OF DECEMBER 31, 2024 (UNAUDITED)**

ASSETS**OPERATING FUND**

Cash	\$ 612,849
Due from Other Trust Fund	<u>65,536</u>
	<u>678,385</u>

CAPITAL FUND

Due from Affordable Housing Utility Operating Fund	19,211
Due from Current Fund	69,271
Fixed Capital	11,088,000
Fixed Capital Authorized and Uncomplete	<u>572,000</u>
	<u>11,748,482</u>

Total Assets	<u><u>\$ 12,426,867</u></u>
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LIABILITIES, RESERVES AND FUND BALANCE**OPERATING FUND**

Appropriation Reserves	\$ 100,750
Encumbrances Payable	13,234
Due to Current Fund	60,903
Due to Affordable Housing Utility Capital Fund	19,211
Due to Unemployment Trust Fund	500
Reserve for Security Deposits	<u>129,580</u>
	324,178
Fund Balance	<u>354,207</u>
	<u>678,385</u>

CAPITAL FUND

Bond Anticipation Notes	11,088,000
Improvement Authorizations	
Unfunded	536,000
Encumbrances Payable	36,000
Capital Improvement Fund	21,400
Fund Balance	<u>67,082</u>
	<u>11,748,482</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 12,426,867</u></u>

There were bonds and notes authorized but not issued at December 31, 2024 of \$572,000.

TOWNSHIP OF MAHWAH
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS - AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

REVENUES AND OTHER INCOME REALIZED

Fund Balance Utilized	\$ 100,862
Rents	663,138
Reserve for Premium on Notes	168,538
Interest on Investments	22,987
Non-Budget Revenue	1,540
Other Credits	
Unexpended Balance of Appropriation Reserves	<u>149,875</u>

Total Income	<u>1,106,940</u>
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EXPENDITURES

Budget Appropriations	
Operating	<u>891,400</u>
Total Expenditures	<u>891,400</u>

Excess in Revenues Over Expenditures	215,540
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Fund Balance, January 1, 2024	<u>239,529</u>
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455,069

Decreased by:

Utilization as Anticipated Revenue	<u>100,862</u>
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Fund Balance, December 31, 2024	<u>\$ 354,207</u>
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EXHIBIT F-2

STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

Balance, January 1, 2024	\$ 168,538
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Increased by:

Premium on Bond Anticipation Notes	<u>67,082</u>
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235,620

Decreased by:

Utilization as Anticipated Revenue	<u>168,538</u>
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Balance, December 31, 2024	<u>\$ 67,082</u>
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TOWNSHIP OF MAHWAH
STATEMENT OF REVENUES - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)

	<u>Adopted Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	\$ 100,862		\$ 100,862	
Rents	605,000		663,138	\$ 58,138
Reserve for Premium on Notes	168,538		168,538	
Interest on Investments	<u>17,000</u>	<u>-</u>	<u>22,987</u>	<u>22,987</u>
	<u>\$ 891,400</u>	<u>\$ -</u>	\$ 955,525	<u>\$ 81,125</u>
Non-Budget Revenue			<u>1,540</u>	
			<u>\$ 957,065</u>	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024 (UNAUDITED)**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 85,000	\$ 85,000	\$ 60,399	\$ 24,601
Other Expenses	175,000	175,000	123,660	51,340
Insurance	40,000	40,000	38,927	1,073
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	10,000	10,000	10,000	-
DEBT SERVICE				
Interest on Notes	554,400	554,400	554,400	
STATUTORY EXPENDITURES				
Contribution to				
Public Employees Retirement System	15,000	15,000		15,000
Social Security System	<u>12,000</u>	<u>12,000</u>	<u>3,264</u>	<u>8,736</u>
	<u>\$ 891,400</u>	<u>\$ 891,400</u>	<u>\$ 790,650</u>	<u>\$ 100,750</u>

**INDEPENDENT AUDITORS REPORT AND
FINANCIAL STATEMENTS OF THE TOWNSHIP OF MAHWAH
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Council
475 Corporate Drive
Mahwah, New Jersey 07430

Report on the Audit of the Financial Statements

Opinions

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

Qualified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financial statements as of and for the year ended December 31, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Township's Trust Funds, and represent 42 percent and 38 percent of the assets and liabilities of the Township's Trust Funds as of December 31, 2023 and 2022, respectively.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Mahwah on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

By/s/ LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Fair Lawn, New Jersey
July 31, 2024

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

ASSETS	<u>2023</u>	<u>2022</u>
REGULAR FUND		
Cash	\$ 21,389,362	\$ 16,255,380
Cash - Change Funds	750	750
Due from State of New Jersey -Senior Citizens and Veterans Dedications	<u>3,232</u>	<u>3,788</u>
	<u>21,393,344</u>	<u>16,259,918</u>
Receivables and Other Assets With Full Reserves		
Delinquent Property Taxes Receivable	413,454	533,965
Tax Title Liens Receivable	167,816	111,204
Property Acquired for Taxes	2,057,000	2,057,000
Revenue Accounts Receivable	11,846	10,512
Due from:		
Federal and State Grant Fund	287,775	
Animal Control Trust Fund	27,302	43,368
Other Trust Fund		1,588,076
General Capital Fund		2,019,457
Water Utility Capital Fund	500	
Sewer Utility Capital Fund	500	
Sewer Utility Operating Fund	<u>216,540</u>	<u>1,214,281</u>
	<u>3,182,733</u>	<u>7,577,863</u>
Deferred Charges		
Overexpenditure of Appropriations	<u>26,584</u>	<u>-</u>
	<u>24,602,661</u>	<u>23,837,781</u>
FEDERAL AND STATE GRANT FUND		
Grants Receivable	1,429,550	1,383,528
Due from Regular Fund	<u>-</u>	<u>1,010,684</u>
	<u>1,429,550</u>	<u>2,394,212</u>
Total Assets	<u>\$ 26,032,211</u>	<u>\$ 26,231,993</u>

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

	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE		
REGULAR FUND		
Liabilities		
Appropriation Reserves	\$ 2,224,171	\$ 3,156,081
Encumbrance Payable	1,437,117	1,504,291
Accounts Payable	187,968	207,789
Tax Overpayments	11,032	13,481
Prepaid Taxes	783,492	746,397
Prepaid Licenses	425	1,680
State Fees Payable	1,621	
County Taxes Payable	41,464	37,748
Due to:		
Federal and State Grant Fund		1,010,684
Other Trust Fund	41,257	
Open Space Preservation Trust Fund	1,494	83,471
Unemployment Trust Fund	10,000	
General Capital Fund	839,403	
Water Utility Operating Fund	921,572	721,050
Affordable Housing Utility Operating Fund	7,872	60,667
Affordable Housing Utility Capital Fund	2,189	
Miscellaneous Reserves	1,521,715	1,348,178
Reserve for Municipal Relief Fund Aid	512,096	256,102
Reserve for Tax Appeals	<u>2,236,860</u>	<u>1,736,860</u>
	10,781,748	10,884,479
Reserve for Receivables and Other Assets	3,182,733	7,577,863
Fund Balance	<u>10,638,180</u>	<u>5,375,439</u>
	<u>24,602,661</u>	<u>23,837,781</u>
FEDERAL AND STATE GRANT FUND		
Unappropriated Grant Reserves	136,149	1,491,679
Appropriated Grant Reserves	956,593	706,282
Encumbrances Payable	49,033	196,251
Due To Regular Fund	<u>287,775</u>	<u>-</u>
	<u>1,429,550</u>	<u>2,394,212</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 26,032,211</u>	<u>\$ 26,231,993</u>

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

	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 5,403,898	\$ 5,667,904
Miscellaneous Revenues Anticipated	11,177,114	10,210,435
Receipts from Delinquent Taxes	491,819	323,712
Receipts from Current Taxes	117,254,356	113,311,912
Non-Budget Revenue	1,382,164	775,859
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	2,135,211	2,098,799
Cancellation of Unappropriated Grant Reserve	76,195	
Prior Year Senior Citizen and Veterans Deduction Allowed	250	
Interfunds Returned	4,865,182	622,796
Statutory Excess - Animal Control Trust Fund	3,067	22,243
Accounts Payable Cancelled	4,562	305,332
	<u>142,793,818</u>	<u>133,338,992</u>
EXPENDITURES		
Budget Appropriations		
Operations		
Salaries and Wages	15,872,614	14,918,660
Other Expenses	19,277,599	17,950,474
Capital Improvements	365,000	415,000
Municipal Debt Service	4,860,783	5,419,605
Deferred Charges and Statutory Expenditures	3,791,650	3,654,717
County Taxes	17,748,128	15,731,795
Local District School Taxes	69,064,394	68,253,796
Municipal Open Space Taxes	580,803	579,992
Other Debits		
Interfunds Advanced	532,617	4,865,182
Prior Year Senior Citizen and Veterans Disallowed	713	
Refund of Prior Year Revenue	59,462	-
	<u>132,153,763</u>	<u>131,789,221</u>
Excess in Revenue over Expenditures	10,640,055	1,549,771
Adjustments to Income Before Surplus		
Expenditures Included Above which are by Statute Deferred Charges to Budget of Succeeding Year	26,584	-
Statutory Excess to Fund Balance	10,666,639	1,549,771
Fund Balance, January 1	5,375,439	9,493,572
	16,042,078	11,043,343
Decreased by:		
Utilization as Anticipated Revenue	5,403,898	5,667,904
Fund Balance, December 31	<u>\$ 10,638,180</u>	<u>\$ 5,375,439</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>		<u>2022</u>	
	<u>Budget After</u>	<u>Actual</u>	<u>Budget After</u>	<u>Actual</u>
	<u>Modification</u>		<u>Modification</u>	
FUND BALANCE ANTICIPATED	\$ 5,403,898	\$ 5,403,898	\$ 5,667,904	\$ 5,667,904
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	30,000	31,182	\$ 32,000	\$ 31,371
Other	47,000	53,268	47,000	47,978
Fees and Permits	80,000	191,504	100,000	89,169
Fines and Costs				
Municipal Court	130,000	164,512	150,000	130,382
Interest and Costs on Taxes	120,000	127,591	130,000	120,136
Interest on Investments and Deposits	125,000	795,272		
Anticipated Water Utility Operating Surplus			215,000	215,000
Anticipated Sewer Utility Operating Surplus	366,000	366,000	366,000	366,000
Rental of Township Owned Property	490,000	429,506	600,000	493,333
American Rescue Plan	611,295	611,295		
Energy Receipts Tax	4,909,572	4,943,509	4,909,572	4,909,572
Garden State Trust Fund	3,844	4,734	3,844	3,844
Reserve for Municipal Relief Fund Aid	256,102	256,102		
Uniform Construction Code Fees	1,200,000	1,027,186	1,050,000	1,223,186
Shared Service Agreements				
Mahwah BOE School Resource Officer	70,000	59,030	44,000	71,645
Public and Private Revenues Offset with Appropriations				
Recycling Tonnage Grant	3,347	3,347	80,332	80,332
Alcohol Education and Rehabilitation Act			6,159	6,159
Bergen County Prosecutor's Office - Police	84,183	84,183	98,155	98,155
Bergen County Open Space - Park Impvts	47,000	47,000		
Distracted Driving Crackdown			10,500	10,500
Bergen County History Grant			2,000	2,000
Municipal Alliance			5,754	5,754
FEMA Projects	115,955	115,955		
Department of Transportation - Airmount Road	226,000	226,000		
National Opioid Settlement	20,000	20,000		
Bergen County Community Devel. - Riverview Ter	100,834	100,834		
Clean Communities Program			52,629	52,629
Drive Sober or Get Pulled Over	7,000	7,000		
Department of Agriculture - Spotted Lanternfly Grant	15,000	15,000		
Bergen County JIF Safety Incentive Grant				
NJ DOT- 2021 Municipal Aid				
Joint Insurance Fund Safety Incentive Grant	1,000	1,000		
Private Donations				
Body Worn Cameras				
Alcohol Education and Rehabilitation Program	7,788	7,788		
Department of Environmental Protection - Radon	2,000	2,000		
Department of Community Affairs - Recreation	10,000	10,000		
Department of Transportation - Pedestrian Safety	76,500	76,500		
Other Special Items				
Uniform Fire Safety Act	160,000	167,039	190,000	174,232
Swim Club Fees	95,000	95,583	95,000	95,755
Reserve for Open Space Trust Fund	578,606		537,900	537,900
Reserve for Payment of Debt			45,472	45,472
Municipal Hotel/Motel Occupancy Tax	550,000	701,555	445,000	561,402
Cable Television Franchise Fee	189,000	184,964	189,000	189,942
General Capital Fund Balance			159,000	159,000
Payments in Lieu of Taxes (PILOT)	30,000	36,565		
Police Outside Duty			387,690	387,690
Norfolk Village Rents	200,000	214,110	114,040	101,897
Total Miscellaneous Revenues	10,958,026	11,177,114	10,066,047	10,210,435

**TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>		<u>2022</u>	
	<u>Budget After Modification</u>	<u>Actual</u>	<u>Budget After Modification</u>	<u>Actual</u>
RECEIPTS FROM DELINQUENT TAXES	<u>425,000</u>	<u>491,819</u>	<u>275,000</u>	<u>323,712</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes				
Township Operations	27,817,565	30,324,458	27,114,146	29,483,400
Minimum Library Tax	<u>2,772,166</u>	<u>2,772,166</u>	<u>2,440,187</u>	<u>2,440,187</u>
	<u>30,589,731</u>	<u>33,096,624</u>	<u>29,554,333</u>	<u>31,923,587</u>
 Total General Revenues	 <u>\$ 47,376,655</u>	 <u>\$ 50,169,455</u>	 <u>\$ 45,563,284</u>	 <u>\$ 48,125,638</u>

2023 STATEMENT OF EXPENDITURES - CURRENT FUND

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - WITHIN "CAPS"					
General Government					
Legislation					
Township Council					
Salaries and Wages	\$ 35,500	\$ 35,500	\$ 35,499	\$ 1	
Other Expenses	9,150	9,150	6,021	3,129	
Office of the Township Clerk					
Salaries and Wages	243,250	243,250	187,552	55,698	
Other Expenses	58,100	58,100	52,750	5,350	
Administration					
Office of the Mayor					
Salaries and Wages	10,000	10,000	10,000	-	
Other Expenses	4,005	4,005	2,623	1,382	
Office of the Business Administrator					
Salaries and Wages	460,000	460,000	438,049	21,951	
Other Expenses	143,715	143,715	99,626	44,089	
Division of Finance					
Bureau of Treasury					
Salaries and Wages	215,000	215,000	158,525	56,475	
Other Expenses	85,000	85,000	71,281	13,719	
Bureau of Collections					
Salaries and Wages	170,810	170,810	152,437	18,373	
Other Expenses	19,675	19,675	16,653	3,022	
Bureau of Assessment					
Salaries and Wages	165,000	165,000	164,252	748	
Other Expenses	44,865	44,865	41,676	3,189	
Auditor					
Other Expenses	40,000	40,000	37,822	2,178	
Division of Law					
Other Expenses	730,000	730,000	728,300	1,700	
Division of Engineering					
Salaries and Wages	150,000	150,000	133,376	16,624	
Other Expenses	76,650	76,650	14,969	61,681	
Computer Equipment/Consultant					
Other Expenses	125,000	125,000	122,918	2,082	
Community Cable Television					
Other Expenses	2,150	2,150	1,420	730	
Demolition of Structures					
Historic Preservation Commission					
Salaries and Wages	4,001	4,001	4,000	1	
Other Expenses	12,600	12,600	11,525	1,075	
				-	
Municipal Land Use Law					
Division of Planning and Zoning					
Salaries and Wages	414,500	439,500	436,812	2,688	
Other Expenses	235,300	195,300	120,828	74,472	
				-	
Insurance					
Liability Insurance	475,000	475,000	345,545	129,455	
Other Insurance	93,000	100,650	50,226	50,424	
Workers Compensation Insurance	486,800	486,800	400,871	85,929	
Employee Group Insurance	5,110,000	5,110,000	5,136,584	-	\$ 26,584
Health Benefit Waiver	105,000	105,000	89,139	15,861	
Optical Insurance	60,000	60,000	60,000	-	
				-	
Public Safety					
Police Department					
Salaries and Wages	8,924,226	8,934,226	8,763,146	171,080	
Other Expenses	443,132	433,132	429,261	3,871	
Emergency Management					
Salaries and Wages	44,550	44,550	36,155	8,395	
Other Expenses	134,200	134,200	85,987	48,213	
Fire Department/Fire Prevention					
Salaries and Wages	533,700	533,700	413,135	120,565	
Other Expenses	268,750	268,750	254,426	14,324	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Aid to Volunteer Fire Companies					
Other Expenses	\$ 10,000	\$ 10,000	\$ 10,000	-	
Mahwah Emergency Medical Services (MEMS)					
Salaries and Wages	75,000	75,000	25,750	\$ 49,250	
Other Expenses	95,000	95,000	95,000	-	
Municipal Prosecutor					
Other Expenses	45,000	45,000	42,000	3,000	
Public Works					
Administration					
Salaries and Wages	160,325	129,825	111,930	17,895	
Other Expenses	9,475	9,975	9,753	222	
Streets and Roads					
Salaries and Wages	899,750	813,750	813,648	102	
Other Expenses	807,240	807,240	735,064	72,176	
Buildings and Grounds					
Salaries and Wages	515,725	515,725	487,372	28,353	
Other Expenses	382,350	357,350	353,987	3,363	
Recycling					
Salaries and Wages	581,687	726,687	662,556	64,131	
Other Expenses	298,025	298,025	166,861	131,164	
Solid Waste Collection				-	
Other Expenses	1,582,170	1,582,170	1,582,170	-	
Municipal Services Act					
Other Expenses	160,000	160,000	142,222	17,778	
Disposal Fees	1,127,000	1,127,000	846,165	280,835	
Health and Human Services					
Board of Health Administration					
Salaries and Wages	348,000	348,000	315,644	32,356	
Other Expenses	105,110	105,110	99,464	5,646	
Health and Safety Programs					
Other Expenses	7,650			-	
Environmental Commission					
Salaries and Wages	4,000	4,000	4,000	-	
Other Expenses	30,310	30,310	16,545	13,765	
Animal Control					
Other Expenses	38,000	39,000	38,720	280	
Access Transportation					
Salaries and Wages	136,725	106,725	105,692	1,033	
Other Expenses	1,160	1,160	340	820	
Senior Citizens Activities					
Salaries and Wages	136,715	136,715	134,559	2,156	
Other Expenses	79,417	79,417	76,068	3,349	
Access for All Commission					
Other Expenses	13,495	13,495	12,359	1,136	
Municipal Court and Public Defender					
Municipal Court					
Salaries and Wages	267,700	267,200	267,142	58	
Other Expenses	19,475	19,475	19,417	58	
Public Defender					
Other Expenses	32,400	32,900	32,838	62	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
Recreation					
Recreation Services and Programs					
Salaries and Wages	\$ 55,000	\$ 81,000	\$ 80,250	\$ 750	
Other Expenses	121,655	94,655	90,700	3,955	
Parks and Playgrounds					
Salaries and Wages	199,450	213,450	213,078	372	
Other Expenses	94,600	80,600	80,591	9	
Municipal Pool					
Salaries and Wages	154,500	154,500	143,246	11,254	
Other Expenses	70,700	70,700	62,514	8,186	
Utility and Bulk Purchases					
Bulk Utility Purchases	1,135,505	913,700	846,550	67,150	
Bulk Purchases of Centralized Accounts	187,485	480,290	423,483	56,807	
Uniform Construction Code Appropriations Offset by					
Dedicated Revenues					
Construction Code Official					
Salaries and Wages	669,500	604,500	584,988	19,512	
Other Expenses	11,550	11,550	10,625	925	
Unclassified					
Salary Adjustment/Accumulated Leave	115,000	115,000	115,000		
Tuition Reimbursement Account	3,000	3,000	1,136	1,864	-
Total Operations Within "CAPS"	30,919,478	30,884,478	28,972,816	1,938,246	\$ 26,584
Contingent	10,000	10,000	-	10,000	-
Total Operations Including Contingent - Within "CAPS"	30,929,478	30,894,478	28,972,816	1,948,246	26,584
Detail:					
Salaries and Wages	15,794,614	15,802,614	15,086,932	715,682	-
Other Expenses (Including Contingent)	15,134,864	15,091,864	13,885,884	1,232,564	26,584
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Public Employees Retirement System	818,685	818,685	807,573	11,112	
Social Security System	670,000	668,000	645,349	22,651	
Police and Firemen's Retirement System	2,277,965	2,279,965	2,279,632	333	
Unemployment Insurance	10,000	10,000	10,000	-	
Defined Contribution Retirement Plan	15,000	15,000	15,000	-	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	3,791,650	3,791,650	3,757,554	34,096	-
Total General Appropriations for Municipal Purposes Within "CAPS"	34,721,128	34,686,128	32,730,370	1,982,342	26,584
OPERATIONS - EXCLUDED FROM "CAPS"					
Other Operations					
Maintenance of Free Public Library	2,772,166	2,772,166	2,772,166		
Length of Service Awards Program	250,000	250,000	250,000		
Recycling Tax	41,730	41,730	32,000	9,730	
Solid Waste Collection	17,830	17,830	8,830	9,000	
Recycling	3,013	3,013		3,013	
Public Employees Retirement System	139,151	139,151		139,151	
Police and Firemen's Retirement System	207,719	207,719	207,719	-	-
Total Other Operations Excluded From "CAPS"	3,431,609	3,431,609	3,270,715	160,894	-
Shared Service Agreements					
Mahwah School Resource Officer					
Salaries and Wages	35,000	70,000		70,000	
Other Expenses	10,935	10,935	-	10,935	-
Total Shared Service Agreements	45,935	80,935	-	80,935	-

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

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
Public and Private Programs Offset by Revenues					
Recycling Tonnage Grant					
Body Armor Fund	\$ 3,347	\$ 3,347	\$ 3,347		
Clean Communities Program					
Alcohol Education and Rehabilitation Program		7,788	7,788		
County of Bergen - Open Space Trust Fund: Park Improvements	47,000	47,000	47,000		
Bergen County - CDBG - RiverView Terrace		100,834	100,834		
County Prosecutor - Police	84,183	84,183	84,183		
Department of Agriculture - Spotted Lanternfly		15,000	15,000		
Recreation Improvement Grant		10,000	10,000		
National Opioid Settlement		20,000	20,000		
NJ Department of Transportation - Airmount Road	226,000	226,000	226,000		
State of NJ - Department of Environmental Protection - Radon		2,000	2,000		
FEMA Projects	115,955	115,955	115,955		
Pedestrian Safety Programs	-	76,500	76,500		
Drive Sober	-	7,000	7,000		
JIF Safety	-	1,000	1,000	-	-
Total Public and Private Programs Offset by Revenues	476,485	716,607	716,607	-	-
Total Operations Excluded from "CAPS"	3,954,029	4,229,151	3,987,322	\$ 241,829	-
Detail:					
Salaries and Wages	35,000	70,000	-	70,000	
Other Expenses	3,919,029	4,159,151	3,987,322	171,829	-
CAPITAL IMPROVEMENTS -					
Capital Improvement Fund	365,000	365,000	365,000	-	-
Total Capital Improvements	365,000	365,000	365,000	-	-
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	3,290,000	3,290,000	3,290,000		
Interest on Notes	408,883	408,883	408,883		
Interest on Bonds	1,161,900	1,161,900	1,161,900	-	-
Total Municipal Debt Service	4,860,783	4,860,783	4,860,783	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	9,179,812	9,454,934	9,213,105	241,829	-
Subtotal General Appropriations	43,900,940	44,141,062	41,943,475	2,224,171	\$ 26,584
Reserve for Uncollected Taxes	3,235,593	3,235,593	3,235,593	-	-
Total General Appropriations	\$ 47,136,533	\$ 47,376,655	\$ 45,179,068	\$ 2,224,171	\$ 26,584
Budget as Adopted		\$ 47,136,533			
Added by NJSA 40A:4-87		240,122			
		<u>\$ 47,376,655</u>			

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2022 STATEMENT OF EXPENDITURES - CURRENT FUND

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
General Government					
Legislation					
Township Council					
Salaries and Wages	\$ 71,000	\$ 71,000	\$ 70,999	\$ 1	
Other Expenses	9,150	9,150	6,796	2,354	
Office of the Township Clerk					
Salaries and Wages	258,250	287,250	278,982	8,268	
Other Expenses	58,100	59,100	56,115	2,985	
Administration					
Office of the Mayor					
Salaries and Wages	20,000	20,000	20,000		
Other Expenses	4,005	4,005	3,548	457	
Office of the Business Administrator					
Salaries and Wages	438,910	456,910	452,100	4,810	
Other Expenses	166,215	166,215	95,592	70,623	
Division of Finance					
Bureau of Treasury					
Salaries and Wages	225,000	172,500	170,622	1,878	
Other Expenses	45,000	47,500	47,141	359	
Bureau of Collections					
Salaries and Wages	170,810	153,810	152,246	1,564	
Other Expenses	17,908	17,908	13,852	4,056	
Bureau of Assessment					
Salaries and Wages	155,200	156,200	155,802	398	
Other Expenses	45,515	45,515	26,980	18,535	
Auditor					
Other Expenses	35,000	35,000	28,360	6,640	
Division of Law					
Other Expenses	590,000	855,775	730,532	125,243	
Division of Engineering					
Other Expenses	135,000	135,000	67,522	67,478	
Computer Equipment/Consultant					
Other Expenses	125,000	125,000	98,069	26,931	
Community Cable Television					
Other Expenses	2,150	2,150	2,093	57	
Demolition of Structures	26,000	17,000	11,695	5,305	
Historic Preservation Commission					
Salaries and Wages	4,200	4,200	4,000	200	
Other Expenses	11,005	11,005	7,634	3,371	
Municipal Land Use Law					
Division of Planning and Zoning					
Salaries and Wages	336,000	397,000	392,871	4,129	
Other Expenses	181,750	202,750	184,401	18,349	
Insurance					
Liability Insurance	464,985	464,985	333,121	131,864	
Other Insurance	89,000	99,000	42,634	56,366	
Workers Compensation Insurance	486,800	486,800	363,246	123,554	
Employee Group Insurance	5,050,919	5,040,919	4,137,811	903,108	
Health Benefit Waiver	89,000	95,500	94,571	929	
Public Safety					
Police Department					
Salaries and Wages	8,771,510	8,517,445	8,503,319	14,126	
Other Expenses	402,218	409,218	361,981	47,237	
Emergency Management					
Salaries and Wages	44,550	44,550	19,314	25,236	
Other Expenses	128,950	128,950	91,912	37,038	
Fire Department/Fire Prevention					
Salaries and Wages	465,700	453,700	257,929	195,771	
Other Expenses	279,050	279,050	265,923	13,127	
Aid to Volunteer Fire Companies					
Other Expenses	10,000	10,000	10,000		
Mahwah Emergency Medical Services (MEMS)					
Salaries and Wages	14,000	14,000	14,000		
Other Expenses	70,000	70,000	70,000		
Municipal Prosecutor					
Other Expenses	45,000	45,000	42,000	3,000	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Public Works					
Administration					
Salaries and Wages	\$ 105,955	\$ 105,955	\$ 103,755	\$ 2,200	
Other Expenses	8,875	8,875	8,767	108	
Streets and Roads					
Salaries and Wages	960,147	878,187	827,050	51,137	
Other Expenses	791,565	875,565	695,354	180,211	
Buildings and Grounds					
Salaries and Wages	439,799	439,799	439,555	244	
Other Expenses	282,225	282,225	241,527	40,698	
Recycling					
Salaries and Wages	550,016	562,016	561,189	827	
Other Expenses	233,425	233,425	173,390	60,035	
Solid Waste Collection					
Other Expenses	1,528,667	1,528,667	1,528,667		
Municipal Services Act					
Other Expenses	255,000	105,000	95,547	9,453	
Disposal Fees	1,127,000	1,127,000	800,185	326,815	
Health and Human Services					
Board of Health Administration					
Salaries and Wages	348,000	308,500	308,274	226	
Other Expenses	108,208	108,208	97,901	10,307	
Health and Safety Programs					
Other Expenses	7,650	7,650	3,561	4,089	
Environmental Commission					
Salaries and Wages	4,200	4,200	4,000	200	
Other Expenses	30,310	30,310	3,372	26,938	
Animal Control					
Other Expenses	38,000	38,000	38,000		
Access Transportation					
Salaries and Wages	112,725	111,725	101,559	10,166	
Other Expenses	1,286	2,286	1,982	304	
Senior Citizens Activities					
Salaries and Wages	133,600	133,600	124,410	9,190	
Other Expenses	69,072	69,072	63,957	5,115	
Access for All Commission					
Other Expenses	10,200	11,200	9,896	1,304	
Municipal Court and Public Defender					
Municipal Court					
Salaries and Wages	259,786	261,786	261,540	246	
Other Expenses	19,475	18,475	13,640	4,835	
Public Defender					
Other Expenses	32,400	32,400	32,400		
Recreation					
Recreation Services and Programs					
Salaries and Wages	51,709	52,208	51,746	462	
Other Expenses	120,510	120,510	117,471	3,039	
Parks and Playgrounds					
Salaries and Wages	192,689	212,689	211,537	1,152	
Other Expenses	98,600	98,600	65,079	33,521	
Municipal Pool					
Salaries and Wages	135,550	145,550	145,160	390	
Other Expenses	65,500	58,500	44,600	13,900	
Utility and Bulk Purchases					
Bulk Utility Purchases	1,050,000	1,209,160	1,033,200	175,960	
Bulk Purchases of Centralized Accounts	179,935	193,000	169,537	23,463	
Uniform Construction Code Appropriations Offset by					
Dedicated Revenues					
Construction Code Official					
Salaries and Wages	686,750	677,250	642,107	35,143	
Other Expenses	11,550	11,550	5,935	5,615	

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Budget</u>	<u>Appropriated</u> Budget After <u>Modification</u>	<u>Expended</u> Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
Unclassified					
Salary Adjustment/Accumulated Leave	\$ 115,000	\$ 115,000	\$ 115,000		
Tuition Reimbursement Account	3,000	3,000	-	\$ 3,000	-
Total Operations Within "CAPS"	29,711,229	29,792,203	26,826,563	2,965,640	-
Contingent	9,000	9,000	-	9,000	-
Total Operations Including Contingent - Within "CAPS"	29,720,229	29,801,203	26,826,563	2,974,640	-
Detail:					
Salaries and Wages	15,160,056	14,852,530	14,483,637	368,893	-
Other Expenses (Including Contingent)	14,560,173	14,948,673	12,342,926	2,605,747	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Charges					
Public Employees Retirement System	827,000	791,000	714,706	76,294	
Social Security System	602,285	632,285	626,884	5,401	
Police and Firemen's Retirement System	2,199,432	2,200,932	2,200,487	445	
Unemployment Insurance	10,000	10,000	2,530	7,470	
Defined Contribution Retirement Plan	15,000	19,500	19,405	95	-
Total Deferred Charges & Statutory Expenditures - Municipal Within "CAPS"	3,653,717	3,653,717	3,564,012	89,705	-
Total General Appropriations for Municipal Purposes Within "CAPS"	33,373,946	33,454,920	30,390,575	3,064,345	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Other Operations					
Maintenance of Free Public Library	2,440,187	2,440,187	2,440,187		
Length of Service Awards Program	250,000	250,000	250,000		
Recycling Tax	41,730	41,730	30,479	11,251	-
Total Other Operations Excluded From "CAPS"	2,731,917	2,731,917	2,720,666	11,251	-
Shared Service Agreements					
Mahwah School Resource Officer					
Salaries and Wages	33,065	66,130		66,130	
Other Expenses	10,935	10,936	-	10,936	-
Total Shared Service Agreements	44,000	77,066	-	77,066	-
Public and Private Programs Offset by Revenues					
Recycling Tonnage Grant		80,332	80,332		
Clean Communities Program		52,629	52,629		
Alcohol Education and Rehabilitation Program		6,159	6,159		
Municipal Alliance Grant					
Grant		5,754	5,754		
Match	3,419	3,419		3,419	
Bergen County Prosecutor Office - Police		98,155	98,155		
DDEF Grant - State Salaries and Wages		10,500	10,500		
Bergen County History Grant	-	2,000	2,000	-	-
Total Public and Private Programs Offset by Revenues	3,419	258,948	255,529	3,419	-
Total Operations Excluded from "CAPS"	2,779,336	3,067,931	2,976,195	91,736	-
Detail:					
Salaries and Wages	33,065	66,130	-	66,130	
Other Expenses	2,746,271	3,001,801	2,976,195	25,606	-

TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
CAPITAL IMPROVEMENTS -					
Capital Improvement Fund	\$ 400,000	\$ 400,000	\$ 400,000		
Various Capital Improvements	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	-	-
Total Capital Improvements	<u>415,000</u>	<u>415,000</u>	<u>415,000</u>	-	-
MUNICIPAL DEBT SERVICE -					
Payment of Bond Principal	3,670,000	3,670,000	3,670,000		
Interest on Bonds	<u>1,777,175</u>	<u>1,777,175</u>	<u>1,749,605</u>	-	\$ 27,570
Total Municipal Debt Service	<u>5,447,175</u>	<u>5,447,175</u>	<u>5,419,605</u>	-	27,570
DEFERRED CHARGES-MUNICIPAL-EXCLUDED FROM "CAPS"					
Deferred Charges to Future Taxation - Unfunded Ordinances	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>8,642,511</u>	<u>8,931,106</u>	<u>8,811,800</u>	\$ 91,736	27,570
Subtotal General Appropriations	42,016,457	42,386,026	39,202,375	3,156,081	27,570
Reserve for Uncollected Taxes	<u>3,177,258</u>	<u>3,177,258</u>	<u>3,177,258</u>	-	-
Total General Appropriations	<u>\$ 45,193,715</u>	<u>\$ 45,563,284</u>	<u>\$ 42,379,633</u>	<u>\$ 3,156,081</u>	<u>\$ 27,570</u>
Budget as Adopted		\$ 45,193,715			
Added by NJSA 40A:4-87		<u>369,569</u>			
		<u>\$ 45,563,284</u>			

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

	<u>2023</u>	<u>2022</u>
ASSETS		
ANIMAL CONTROL TRUST FUND		
Cash	\$ 50,019	\$ 61,624
	<u>50,019</u>	<u>61,624</u>
OTHER TRUST FUND		
Cash	6,665,897	7,474,449
Due from Current Fund	41,257	
Due from Sewer Utility Operating Fund	<u>124,493</u>	<u>65,463</u>
	<u>6,831,647</u>	<u>7,539,912</u>
UNEMPLOYMENT INSURANCE TRUST FUND		
Cash	544,365	523,924
Due from Current Fund	10,000	
Due from Water Utility Operating Fund	5,000	
Due from Sewer Utility Operating Fund	2,500	
Due from Other Trust Fund	<u>18,443</u>	<u>18,443</u>
	<u>580,308</u>	<u>542,367</u>
OPEN SPACE PRESERVATION TRUST FUND		
Cash	823,741	153,752
Due from Current Fund	<u>1,494</u>	<u>83,471</u>
	<u>825,235</u>	<u>237,223</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)		
Investments	5,826,331	4,961,350
Contributions Receivable	<u>182,457</u>	<u>185,808</u>
	<u>6,008,788</u>	<u>5,147,158</u>
Total Assets	<u>\$ 14,295,997</u>	<u>\$ 13,528,284</u>

TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022
(Continued)

	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE		
ANIMAL CONTROL TRUST FUND		
Due to Current Fund	\$ 27,302	\$ 43,368
Due to State of New Jersey	7	96
Reserve for Animal Control Expenditures	<u>22,710</u>	<u>18,160</u>
	<u>50,019</u>	<u>61,624</u>
OTHER TRUST FUND		
Due to Current Fund		1,588,076
Due to Unemployment Insurance Compensation Trust Fund	18,443	18,443
Due to Water Utility Operating Fund	312,238	383,278
Due to Sewer Utility Capital Fund	200,000	
Due to Affordable Housing Utility Operating Fund	59,905	
Due to General Capital Fund	98,000	
Encumbrances Payable	68,966	279,162
Reserve for Escrow Deposits	2,934,394	2,944,461
Payroll Deductions and Withholdings	(35,678)	(104,912)
Miscellaneous Reserves and Deposits	<u>3,175,379</u>	<u>2,431,404</u>
	<u>6,831,647</u>	<u>7,539,912</u>
UNEMPLOYMENT INSURANCE TRUST FUND		
Reserve for Unemployment Insurance Expenditures	<u>580,308</u>	<u>542,367</u>
	<u>580,308</u>	<u>542,367</u>
OPEN SPACE PRESERVATION TRUST FUND		
Encumbrances Payable		250
Reserve for Open Space Expenditures	<u>825,235</u>	<u>236,973</u>
	<u>825,235</u>	<u>237,223</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)		
Reserve for Length of Service Awards Program	<u>6,008,788</u>	<u>5,147,158</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 14,295,997</u>	<u>\$ 13,528,284</u>

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENT OF REVENUES - REGULATORY BASIS -
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>		<u>2022</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Amount to be Raised by Taxation	\$ 579,310	\$ 580,803	\$ 578,607	\$ 579,992
Interest Income	<u>-</u>	<u>7,209</u>	<u>-</u>	<u>944</u>
	<u>\$ 579,310</u>	<u>\$ 588,012</u>	<u>\$ 578,607</u>	<u>\$ 580,936</u>

EXHIBIT B-2

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

	<u>2023</u>	<u>2023</u>	<u>2023</u>
	<u>Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Reserved for Future Use	\$ 579,310	\$ -	\$ 579,310
	<u>\$ 579,310</u>	<u>\$ -</u>	<u>\$ 579,310</u>

STATEMENT OF EXPENDITURES - REGULATORY BASIS -
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>2022</u>	<u>2022</u>	<u>2022</u>
	<u>Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Reserved for Future Use	\$ 578,607	\$ 538,650	\$ 39,957
	<u>\$ 578,607</u>	<u>\$ 538,650</u>	<u>\$ 39,957</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 6,744,743	\$ 11,177,426
Cash with Fiscal Agents	26,721,629	26,656,763
Accrued Interest Receivable	113,410	
Due from Current Fund	839,403	
Due from Other Trust Fund	98,000	
Deferred Charges to Future Taxation		
Funded	36,060,000	24,570,000
Unfunded	<u>7,694,232</u>	<u>15,594,254</u>
	<u>\$ 78,271,417</u>	<u>\$ 77,998,443</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
General Serial Bonds	\$ 36,060,000	\$ 24,570,000
Bond Anticipation Notes	3,312,000	15,058,240
Improvement Authorizations		
Funded	2,386,484	1,309,944
Unfunded	3,801,036	4,339,258
Due to Current Fund		2,019,457
Contracts Payable	5,510,940	3,075,178
Reserve for Construction of DPW Garage	26,276,781	26,546,343
Capital Improvement Fund	642,187	650,437
Fund Balance	<u>281,989</u>	<u>429,586</u>
	<u>\$ 78,271,417</u>	<u>\$ 77,998,443</u>

There were bonds and notes authorized but not issued of \$4,382,232 and \$536,014 at December 31, 2023 and 2022 respectively.

**TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ 429,586	\$ 359,544
Increased by:		
Premium on Sale of Bond Anticipation Notes	50,342	28,626
Premium on Sale of Bonds	502,748	
Funded Improvement Authorizations Cancelled	<u>174,313</u>	<u>200,416</u>
	<u>727,403</u>	<u>229,042</u>
	<u>1,156,989</u>	<u>588,586</u>
Decreased by:		
Serial Bonds Cancelled	502,000	
Down Payment on Improvement Authorizations	373,000	
Anticipated as Current Fund Budget Revenue	<u>-</u>	<u>159,000</u>
	<u>875,000</u>	<u>159,000</u>
Balance, December 31	<u>\$ 281,989</u>	<u>\$ 429,586</u>

**TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2023 AND 2022**

ASSETS	<u>2023</u>	<u>2022</u>
OPERATING FUND		
Cash	\$ 3,653,325	\$ 7,780,489
Change Fund	50	50
Due from Current Fund	921,572	721,050
Due from Other Trust Fund	<u>312,238</u>	<u>383,278</u>
	<u>4,887,185</u>	<u>8,884,867</u>
Receivables With Full Reserves		
Consumer Accounts Receivable	<u>259,999</u>	<u>191,268</u>
Deferred Charges		
Overexpenditure of Appropriations	<u>14,698</u>	<u>-</u>
	<u>5,161,882</u>	<u>9,076,135</u>
CAPITAL FUND		
Cash	5,187,301	5,161,744
Due from Water Utility Operating Fund	279,020	457,766
Fixed Capital	19,793,587	19,793,587
Fixed Capital Authorized and Uncompleted	<u>13,244,271</u>	<u>13,244,271</u>
	<u>38,504,179</u>	<u>38,657,368</u>
Total Assets	<u>\$ 43,666,061</u>	<u>\$ 47,733,503</u>

TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
WATER UTILITY FUND
AS OF DECEMBER 31, 2023 AND 2022
(Continued)

	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE		
OPERATING FUND		
Liabilities		
Appropriation Reserves	\$ 309,658	\$ 489,737
Encumbrances Payable	349,398	398,297
Accounts Payable	9,159	11,073
Accrued Interest on Bonds and Notes Payable	45,380	37,057
Premium on Water Liens		2,200
Water Rent Overpayments	52,273	11,209
Due to Unemployment Trust Fund	5,000	
Due to Water Utility Capital Fund	279,020	457,766
Due to Sewer Utility Operating Fund	<u>1,431,091</u>	<u>5,015,349</u>
	2,480,979	6,422,688
Reserve for Receivables	259,999	191,268
Fund Balance	<u>2,420,904</u>	<u>2,462,179</u>
	<u>5,161,882</u>	<u>9,076,135</u>
CAPITAL FUND		
Contracts Payable	939,373	101,376
Bond Anticipation Notes		1,514,500
Serial Bonds Payable	5,421,000	4,027,000
Due to Current Fund	500	
Improvement Authorization		
Funded	3,531,468	3,086,270
Unfunded	2,222	1,438,606
Reserves for		
Amortization	25,398,205	25,278,205
Deferred Amortization	2,216,431	2,216,431
Various Improvements	24,115	24,115
Payment of Debt	4,816	4,816
Capital Improvement Fund	902,794	902,794
Fund Balance	<u>63,255</u>	<u>63,255</u>
	<u>38,504,179</u>	<u>38,657,368</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 43,666,061</u>	<u>\$ 47,733,503</u>

There were bonds and notes authorized but not issued in the amount of \$2,222 and \$1,722 at December 31, 2023 and 2022.

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Anticipated	\$ 770,687	
Rents	4,620,663	\$ 4,733,552
Miscellaneous	212,652	66,860
Water Capital Fund Balance		43,197
Reserve for Payment of Debt		20,000
American Rescue Plan	759,863	1,371,158
Non-Budget Revenue	215,834	172,359
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	360,760	740,618
Cancellation of Prior Year Accounts Payable	<u>10,811</u>	<u>-</u>
	<u>6,951,270</u>	<u>7,147,744</u>
EXPENDITURES		
Budget Appropriations		
Salaries and Wages	1,263,727	1,191,411
Other Expenses	4,100,725	4,039,894
Capital Improvements		24,000
Debt Service	607,486	298,195
Statutory Expenditures	<u>264,618</u>	<u>251,500</u>
	<u>6,236,556</u>	<u>5,805,000</u>
Excess in Revenue	714,714	1,342,744
Adjustments to Income Before Fund Balance		
Deferred Charges to Budget of Succeeding Year	<u>14,698</u>	<u>-</u>
Statutory Excess to Fund Balance	729,412	1,342,744
Fund Balance, January 1	<u>2,462,179</u>	<u>1,334,435</u>
	3,191,591	2,677,179
Decreased by:		
Utilization as Anticipated Revenue	770,687	-
Utilization by Current Fund Budget	<u>-</u>	<u>215,000</u>
Fund Balance, December 31	<u>\$ 2,420,904</u>	<u>\$ 2,462,179</u>

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCES - REGULATORY BASIS
WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ 63,255	\$ 106,452
Decreased by:		
Anticipated as Revenue in Water Utility Operating Fund	<u>-</u>	<u>43,197</u>
Balance, December 31	<u>\$ 63,255</u>	<u>\$ 63,255</u>

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>		<u>2022</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Utilized	\$ 770,687	\$ 770,687		
Rents	4,730,000	4,620,663	\$ 4,500,000	\$ 4,733,552
American Rescue Plan	759,863	759,863	1,371,158	1,371,158
Tapping and Capacity Fees			100,000	66,860
Reserve for Payment of Debt			20,000	20,000
Miscellaneous	<u>65,000</u>	<u>212,652</u>	<u>43,197</u>	<u>43,197</u>
	<u>\$ 6,325,550</u>	<u>\$ 6,363,865</u>	<u>\$ 6,034,355</u>	<u>\$ 6,234,767</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Overexpended</u>	<u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>		
OPERATING						
Salaries and Wages	\$ 1,263,727	\$ 1,263,727	\$ 1,232,445	\$ 31,282		
Other Expenses	2,509,567	2,509,567	2,248,948	260,619		
Other Expenses - American Rescue Plan	771,158	771,158	759,863	11,295		
Insurance	820,000	820,000	813,538	6,462		
DEBT SERVICE						
Payment of Bond Principal	120,000	120,000	120,000	-		
Interest on Bonds	157,234	157,234	75,557			\$ 81,677
Interest on Notes	42,406	42,406	20,391			22,015
BCIA Capital Lease Obligations						
Principal	152,500	152,500	152,500	-		
Interest	239,038	239,038	239,038	-		
STATUTORY EXPENDITURES						
Public Employees Retirement System	171,920	171,920	171,920			
Social Security System	70,000	70,000	83,497		\$ 13,497	
Unemployment Compensation Insurance	5,000	5,000	5,000	-		
Defined Contribution Retirement Program	3,000	3,000	4,201	-	1,201	-
	<u>\$ 6,325,550</u>	<u>\$ 6,325,550</u>	<u>\$ 5,926,898</u>	<u>\$ 309,658</u>	<u>\$ 14,698</u>	<u>\$ 103,692</u>

TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,191,411	\$ 1,191,411	\$ 1,103,000	\$ 88,411	
Other Expenses	1,848,736	1,848,736	1,672,429	176,307	
Other Expenses - American Rescue Plan	1,371,158	1,371,158	1,371,158		
Insurance	820,000	820,000	638,147	181,853	
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	24,000	24,000	24,000		
DEBT SERVICE					
Payment of Bond Principal	240,000	240,000	240,000		
Interest on Bonds	62,550	62,550	48,195		\$ 14,355
Interest on Notes	10,000	10,000	10,000		
STATUTORY EXPENDITURES					
Public Employees Retirement System	150,000	150,000	150,000		
Social Security System	95,000	95,000	56,837	38,163	
Unemployment Compensation Insurance	5,000	5,000		5,000	
Defined Contribution Retirement Program	1,500	1,500	1,497	3	
Surplus (General Budget)	<u>215,000</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,034,355</u>	<u>\$ 6,034,355</u>	<u>\$ 5,530,263</u>	<u>\$ 489,737</u>	<u>\$ 14,355</u>

**TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
OPERATING FUND		
Cash	\$ 2,110,881	\$ 466,465
Due from Water Utility Operating Fund	1,431,091	5,015,349
Due from Sewer Utility Assessment Trust Fund	<u>336,219</u>	<u>307,340</u>
	3,878,191	5,789,154
Receivables with Full Reserves		
Sewer Rents Receivable	245,307	199,643
Deferred Charges		
Overexpenditure of Appropriations	<u>21,705</u>	<u>12,057</u>
	<u>4,145,203</u>	<u>6,000,854</u>
CAPITAL FUND		
Cash	1,667,881	2,047,649
Due from Sewer Utility Operating Fund	367,491	429,520
Due from Other Trust Fund	200,000	
Fixed Capital	26,815,492	26,815,492
Fixed Capital Authorized and Uncompleted	<u>2,305,500</u>	<u>2,305,500</u>
	<u>31,356,364</u>	<u>31,598,161</u>
ASSESSMENT TRUST FUND		
Cash	830,254	801,375
Assessments Receivable	<u>1,821</u>	<u>1,821</u>
	<u>832,075</u>	<u>803,196</u>
 Total Assets	 <u>\$ 36,333,642</u>	 <u>\$ 38,402,211</u>

TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE		
OPERATING FUND		
Appropriation Reserves	\$ 795,239	\$ 937,273
Encumbrances Payable	67,423	69,312
Accounts Payable	76	14,215
Sewer Overpayments	22,412	13,223
Accrued Interest on Bonds	21,209	16,825
Reserve for Arbitrage Rebate	45,000	45,000
Due to Current Fund	216,540	1,214,281
Due to Other Trust Fund	124,493	65,463
Due to Sewer Utility Capital Fund	367,491	429,520
Due to Unemployment Trust Fund	<u>2,500</u>	<u>-</u>
	1,662,383	2,805,112
Reserve for Receivables	245,307	199,643
Fund Balance	<u>2,237,513</u>	<u>2,996,099</u>
	<u>4,145,203</u>	<u>6,000,854</u>
CAPITAL FUND		
Contracts Payable	231,866	431,963
Serial Bonds Payable	2,271,000	1,561,000
Bond Anticipation Notes		770,500
Due to Current Fund	500	
Reserve for		
Amortization	26,815,492	26,755,492
Payment of Debt	19,242	19,242
Deferred Reserve for Amortization	33,750	33,750
Capital Improvement Fund	655,059	655,059
Improvement Authorizations		
Funded	1,305,183	635,653
Unfunded	750	711,980
Fund Balance	<u>23,522</u>	<u>23,522</u>
	<u>31,356,364</u>	<u>31,598,161</u>
ASSESSMENT TRUST FUND		
Due to Sewer Utility Operating Fund	336,219	307,340
Reserve for Assessments and Liens	1,821	1,821
Fund Balance	<u>494,035</u>	<u>494,035</u>
	<u>832,075</u>	<u>803,196</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 36,333,642</u>	<u>\$ 38,402,211</u>

There were bonds and notes authorized but not issued in the amount of \$750 and \$250 at December 31, 2023 and 2022.

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED		
Fund Balance Utilized	\$ 2,000,000	\$ 2,000,000
Rents	5,704,744	5,649,300
Sewer Utility Capital Fund Balance		17,967
Non-Budget Revenues	194,809	77,654
Other Credits		
Unexpended Balance of Appropriation Reserves	848,521	908,998
Cancelled Prior Year Accounts Payable	<u>7,008</u>	<u>-</u>
Total Income	<u>8,755,082</u>	<u>8,653,919</u>
EXPENDITURES		
Budget Appropriations		
Operating	6,491,415	6,252,268
Capital Improvements	-	8,575
Debt Service	502,397	150,951
Deferred Charges and Statutory Expenditures	163,504	153,050
Refund of Prior Year Revenue	<u>-</u>	<u>25,685</u>
Total Expenditures	<u>7,157,316</u>	<u>6,590,529</u>
Excess in Revenue	1,597,766	2,063,390
Adjustments to Income Before Fund Balance		
Deferred Charges to Budget of Succeeding Year	<u>9,648</u>	<u>-</u>
Statutory Excess to Fund Balance	1,607,414	2,063,390
Fund Balance, January 1	<u>2,996,099</u>	<u>3,298,709</u>
	4,603,513	5,362,099
Decreased by:		
Utilization as Anticipated Revenue	2,000,000	2,000,000
Utilization by Current Fund Budget	<u>366,000</u>	<u>366,000</u>
Fund Balance, December 31	<u><u>\$ 2,237,513</u></u>	<u><u>\$ 2,996,099</u></u>

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
SEWER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ 23,522	\$ 41,489
Decreased by:		
Anticipated as Sewer Utility Operating Budgeted Revenue	<u>-</u>	<u>17,967</u>
Balance, December 31	<u>\$ 23,522</u>	<u>\$ 23,522</u>

COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
SEWER UTILITY ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Balance, January 1	<u>\$ 494,035</u>	<u>\$ 494,035</u>
Balance, December 31	<u>\$ 494,035</u>	<u>\$ 494,035</u>

TOWNSHIP OF MAHWAH
COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2024

	<u>2023</u>		<u>2022</u>	
	<u>Anticipated</u>	<u>Realized</u>	<u>Anticipated</u>	<u>Realized</u>
Fund Balance Utilized	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Sewer Rents	5,518,668	5,704,744	4,914,531	5,649,300
Sewer Utility Assessment Fund Balance	<u>-</u>	<u>-</u>	<u>17,967</u>	<u>17,967</u>
	<u>\$ 7,518,668</u>	<u>\$ 7,704,744</u>	<u>\$ 6,932,498</u>	<u>\$ 7,667,267</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>			
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Overexpended</u>
OPERATING						
Salaries and Wages	\$ 1,196,181	\$ 1,196,181	\$ 845,503	\$ 350,678		
Other Expenses	518,040	518,040	263,760	254,280		
Insurance	882,000	882,000	821,174	60,826		
NW Bergen County Utilities Authority	3,895,194	3,895,194	3,769,115	126,079		
DEBT SERVICE						
Payment of Bond Principal	60,000	60,000	60,000			
Interest on Bonds	24,901	24,901	34,285			\$ 9,384
Interest on Notes	21,574	21,574	16,574		\$ 5,000	
BCIA Capital Lease Obligations						
Principal	152,500	152,500	152,500			
Interest	239,038	239,038	239,038			
STATUTORY EXPENDITURES						
Contribution to						
Public Employees Retirement System	98,240	98,240	98,240			
Social Security System	60,000	60,000	56,624	3,376		
Unemployment Compensation Insurance	2,500	2,500	2,500			
Defined Contribution Retirement System	2,500	2,500	2,764			264
Surplus (General Budget)	<u>366,000</u>	<u>366,000</u>	<u>366,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,518,668</u>	<u>\$ 7,518,668</u>	<u>\$ 6,728,077</u>	<u>\$ 795,239</u>	<u>\$ 5,000</u>	<u>\$ 9,648</u>

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 1,153,387	\$ 1,153,387	\$ 764,373	\$ 389,014	
Other Expenses	316,881	316,881	233,265	83,616	
Insurance	802,000	802,000	663,046	138,954	
NW Bergen County Utilities Authority	3,980,000	3,980,000	3,660,000	320,000	
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	8,575	8,575	8,575		
DEBT SERVICE					
Payment of Bond Principal	120,000	120,000	120,000		
Interest on Bonds	27,605	27,605	25,951		\$ 1,654
Interest on Notes	5,000	5,000	5,000		
STATUTORY EXPENDITURES					
Contribution to					
Public Employees Retirement System	90,000	90,000	90,000		
Social Security System	59,000	59,000	55,846	3,154	
Unemployment Compensation Insurance	2,500	2,500		2,500	
Defined Contribution Retirement System	1,550	1,550	1,515	35	
Surplus (General Budget)	<u>366,000</u>	<u>366,000</u>	<u>366,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,932,498</u>	<u>\$ 6,932,498</u>	<u>\$ 5,993,571</u>	<u>\$ 937,273</u>	<u>\$ 1,654</u>

**TOWNSHIP OF MAHWAH
BALANCE SHEET - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY FUND
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
OPERATING FUND		
Cash	\$ 488,353	\$ 133,996
Due from Current Fund	7,872	60,667
Due from Other Trust Fund	<u>59,905</u>	<u>-</u>
	556,130	194,663
Deferred Charges		
Operating Deficit	<u>14,697</u>	<u>14,697</u>
	<u>570,827</u>	<u>209,360</u>
CAPITAL FUND		
Due from Affordable Housing Utility Operating Fund	177,749	
Due from Current Fund	2,189	
Fixed Capital	<u>11,088,000</u>	<u>11,088,000</u>
	<u>11,267,938</u>	<u>11,088,000</u>
Total Assets	<u>\$ 11,838,765</u>	<u>\$ 11,297,360</u>
LIABILITIES, RESERVES AND FUND BALANCE		
OPERATING FUND		
Appropriation Reserves	\$ 151,005	\$ 195,916
Encumbrances Payable	2,544	13,444
Due to Affordable Housing Utility Capital Fund	<u>177,749</u>	<u>-</u>
	331,298	209,360
Fund Balance	<u>239,529</u>	<u>-</u>
	<u>570,827</u>	<u>209,360</u>
CAPITAL FUND		
Bond Anticipation Notes	11,088,000	11,088,000
Capital Improvement Fund	11,400	
Fund Balance	<u>168,538</u>	<u>-</u>
	<u>11,267,938</u>	<u>11,088,000</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 11,838,765</u>	<u>\$ 11,297,360</u>

There were no bonds and notes authorized but not issued at December 31, 2023 and 2022.

TOWNSHIP OF MAHWAH
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME REALIZED		
Rents	\$ 605,692	\$ 264,866
Non-Budget Revenue	24,477	437
Other Credits		
Unexpended Balance of Appropriation Reserves	<u>209,360</u>	<u>-</u>
Total Income	<u>839,529</u>	<u>265,303</u>
EXPENDITURES		
Budget Appropriations		
Operating	<u>600,000</u>	<u>280,000</u>
Total Expenditures	<u>600,000</u>	<u>280,000</u>
Excess (Deficiency) in Revenue Over (Under) Expenditures	239,529	(14,697)
Operating Deficit	-	<u><u>\$ (14,697)</u></u>
Fund Balance, January 1	<u>-</u>	
Fund Balance, December 31	<u><u>\$ 239,529</u></u>	

COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Increased by:		
Premium on Bond Anticipation Notes	<u>\$ 168,538</u>	<u>\$ -</u>
Balance, December 31	<u><u>\$ 168,538</u></u>	<u><u>\$ -</u></u>

**TOWNSHIP OF MAHWAH
STATEMENT OF REVENUES - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>		<u>2022</u>	
	<u>Budget After Modification</u>	<u>Actual</u>	<u>Budget After Modification</u>	<u>Actual</u>
Rents	\$ 600,000	\$ 605,692	\$ 280,000	\$ 264,866
	<u>\$ 600,000</u>	<u>\$ 605,692</u>	<u>\$ 280,000</u>	<u>\$ 264,866</u>

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 81,750	\$ 81,750	\$ 68,720	\$ 13,030
Other Expenses	225,000	225,000	114,275	110,725
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	11,400	11,400	11,400	-
DEBT SERVICE				
Interest on Notes	254,600	254,600	254,600	
STATUTORY EXPENDITURES				
Contribution to				
Public Employees Retirement System	14,500	14,500		14,500
Social Security System	12,250	12,250		12,250
Unemployment Compensation Insurance	500	500	-	500
	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ 448,995</u>	<u>\$ 151,005</u>

**TOWNSHIP OF MAHWAH
STATEMENT OF EXPENDITURES - REGULATORY BASIS
AFFORDABLE HOUSING UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages		\$ 40,000	\$ 28,742	\$ 11,258
Other Expenses	<u>-</u>	<u>240,000</u>	<u>55,342</u>	<u>184,658</u>
	<u>\$ -</u>	<u>\$ 280,000</u>	<u>\$ 84,084</u>	<u>\$ 195,916</u>

**TOWNSHIP OF MAHWAH
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
ASSETS		
Land	\$ 54,921,900	\$ 54,921,900
Buildings	25,396,400	25,396,400
Machinery and Equipment	<u>30,490,906</u>	<u>30,390,832</u>
Total Assets	<u>\$ 110,809,206</u>	<u>\$ 110,709,132</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 110,809,206</u>	<u>\$ 110,709,132</u>

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Mahwah (the "Township") was incorporated in 1944 and operates under the Faulkner Act, an elected Mayor and Council plan B form of government. The Mayor is elected to a four-year term and the seven council members are elected at-large to four-year staggered terms. The Mayor is the Chief Executive Officer of the Township. The Township Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances. A Township Administrator is appointed by the Township Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water, sewer and affordable housing utilities, and general administrative services.

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

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the municipal library, volunteer fire department or volunteer emergency medical services, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Township has the following funds and account group:

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

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

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

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

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

Open Space Preservation Trust Fund - This fund is used to account for resources, which have accumulated from a dedicated tax, to be used for the preservation of open space, recreation and farmland property.

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

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

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Affordable Housing Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's affordable housing utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the affordable housing utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the water and sewer utility funds. The Township's infrastructure is not reported in the account group.

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Utility Revenues/Receivables – Water and sewer utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's water and sewer utility operating funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts. Affordable Housing utility charges are based on rental agreements entered into or assumed by the Township.

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

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

Incurred But Not Reported (IBNR) Reserves and Claims Payable - The Township has not created a reserve for any potential unreported self-insurance losses which have taken place but in which the Township has not received notices or report of losses (i.e. IBNR). Additionally, the Township has not recorded a liability for those claims filed, but which have not been paid (i.e. claims payable). 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 potential claims are recorded as a long-term obligation in the proprietary funds and government-wide financial statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

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

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

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

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

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

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

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

General Fixed Assets are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

No depreciation has been provided for in the financial statements.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the water, sewer and affordable housing utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utilities does not record depreciation on fixed assets.

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds (except Open Space)
Capital Funds

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

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The Governing Body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2023 and 2022 the Township Council increased the original current fund budget by \$240,122 and \$369,569. The increases were funded by additional aid allotted to the Township. In addition, during 2022, the Township Council increased the affordable housing budget by \$280,000. This increase was funded by rents anticipated to be received by the Township. The Governing Body also approved several budget transfers during 2023 and 2022.

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>2023</u>			
Current Fund			
Insurance			
Employee Group Insurance	\$ 5,110,000	\$ 5,136,584	\$ 26,584
Water Utility Operating Fund			
Social Security System	70,000	83,497	13,497
Defined Contribution Retirement Prg.	3,000	4,201	1,201
Sewer Utility Operating Fund			
Interest on Bonds	24,901	34,285	9,384
Defined Contribution Retirement Prg.	2,500	2,764	264

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Township's deposits was \$76,096,473 and \$77,951,832 and bank and brokerage firm balances of the Township's deposits amounted to \$77,451,913 and \$78,759,408, respectively. The Township's deposits which are displayed on the various fund balance sheets as "cash" or "cash with fiscal agents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 47,183,501	\$ 46,798,050
Uninsured and Collateralized	<u>30,268,412</u>	<u>31,961,358</u>
	<u>\$ 77,451,913</u>	<u>\$ 78,759,408</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2023 and 2022, the Township's bank balances of \$30,268,412 and \$30,961,358 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by Township's Agent in the Township's Name	\$ 26,721,629	\$ 26,656,763
Collateral held by pledging financial institution's trust department but not in the Township's name	<u>3,546,783</u>	<u>5,304,595</u>
	<u>\$ 30,268,412</u>	<u>\$ 31,961,358</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts. As of December 31, 2023 and 2022 the Township had the following investments:

	<u>Valuation Basis</u>	<u>2023</u>	<u>2022</u>
Investment:			
Lincoln Financial LOSAP Retirement Fund (Unaudited)	Fair Value	\$ 5,826,331	\$ 4,961,350
New Jersey Cash Management Fund	Book Value	<u>782,078</u>	<u>744,004</u>
		<u>\$ 6,608,409</u>	<u>\$ 5,705,354</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial credit risk. As of December 31, 2023 and 2022, \$6,608,409 and \$5,705,354 of the Township's investments was exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 5,826,331	\$ 4,961,350
Collateral held by pledging financial institution's trust department but not in the Township's name	<u>782,078</u>	<u>744,004</u>
	<u>\$ 6,608,409</u>	<u>\$ 5,705,354</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Township does not have an investment policy that would further limit its investment choices. As of December 31, 2023 and 2022, the Borough's investment in Lincoln Financial Group was rated A2 and A1, respectively, by Moody's Investors Services.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Township's investment in a single issuer. The Township places no limit in the amount the Township may invest in any one issuer. More than five (5) percent of the Township's investments are in Lincoln Financial Group. These investments are 88% and 87%, respectively, of the Township's total investments at December 31, 2023 and 2022.

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

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

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2023 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>
<u>2023</u>					
Property Taxes	\$ 413,454				\$ 413,454
Tax Title Liens	167,816				167,816
Utility Rents	-	\$ 259,999	\$ 245,307		505,306
	<u>\$ 581,270</u>	<u>\$ 259,999</u>	<u>\$ 245,307</u>		<u>\$ 1,086,576</u>

In 2023, the Township collected \$491,819 and \$390,911 from delinquent taxes and utility charges and fees, which represented 76% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2022.

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Water</u>	<u>Utility</u>	<u>Sewer</u>	<u>Total</u>
<u>2022</u>					
Property Taxes	\$ 533,965				\$ 533,965
Tax Title Liens	111,204				111,204
Utility Rents	-	\$ 191,268	\$ 199,643		390,911
	<u>\$ 645,169</u>	<u>\$ 191,268</u>	<u>\$ 199,643</u>		<u>\$ 1,036,080</u>

In 2022, the Township collected \$323,712 and \$464,941 from delinquent taxes and utility charges and fees, which represented 76% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2021.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2023</u>		<u>2022</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund				
Regular Fund	\$ 532,617	\$ 1,823,787	\$ 4,865,182	\$ 1,875,872
Grant Fund		287,775	1,010,684	
Trust Fund:				
Animal Control		27,302		43,368
Other Trust	165,750	688,586	65,463	1,989,797
Unemployment Trust	35,943		18,443	
Open Space Preservation	1,494		83,471	
General Capital Fund	937,403			2,019,457
Water Utility Fund:				
Operating	1,233,810	1,715,111	1,104,328	5,473,115
Capital	279,020	500	457,766	
Sewer Utility Fund:				
Operating	1,767,310	711,024	5,322,689	1,709,264
Capital	567,491	500	429,520	
Assessment		336,219		307,340
Affordable Housing Utility				
Operating	67,777	177,749	60,667	
Capital	<u>179,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,768,553</u>	<u>\$ 5,768,553</u>	<u>\$ 13,418,213</u>	<u>\$ 13,418,213</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or to cover cash balances which were in an overdraft position.

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance</u> <u>December 31</u>	<u>Subsequent Year</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
<u>2023</u>			
Current Fund			
Overexpenditure of Appropriations	\$ 26,584		\$ 26,584
Water Utility Operating Fund			
Overexpenditure of Appropriations	14,698	\$ 14,698	
Sewer Utility Operating Fund			
Overexpenditure of Appropriations	21,705	21,705	
Affordable Housing Utility Operating Fund			
Operating Deficit	14,697	14,697	

<u>2022</u>			
Sewer Utility Operating Fund			
Overexpenditure of Appropriations	\$ 12,057		\$ 12,057
Affordable Housing Utility Operating Fund			
Operating Deficit	14,697		14,697

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>2023</u>		<u>2022</u>	
	<u>Fund Balance</u> <u>December 31</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>	<u>Fund Balance</u> <u>December 31</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 10,608,364	\$ 5,910,000	\$ 5,371,651	\$ 5,403,898
Non-Cash Surplus	29,816	-	3,788	-
	<u>\$ 10,638,180</u>	<u>\$ 5,910,000</u>	<u>\$ 5,375,439</u>	<u>\$ 5,403,898</u>
Water Utility Operating Fund				
Cash Surplus	\$ 2,406,206	719,537	\$ 2,462,179	770,687
Non-Cash Surplus	14,698	-	-	-
	<u>\$ 2,420,904</u>	<u>719,537</u>	<u>\$ 2,462,179</u>	<u>770,687</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 7 FUND BALANCES APPROPRIATED (Continued)

	2023		2022	
	<u>Fund Balance</u> <u>December 31</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>	<u>Fund Balance</u> <u>December 31</u>	<u>Utilized</u> <u>in Subsequent</u> <u>Year's Budget</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 2,215,808	\$ 1,300,372	\$ 2,984,042	\$ 2,366,000 *
Non-Cash Surplus	<u>21,705</u>	<u>-</u>	<u>12,057</u>	<u>-</u>
	<u>\$ 2,237,513</u>	<u>\$ 1,300,372</u>	<u>\$ 2,996,099</u>	<u>\$ 2,366,000</u>
Affordable Housing Utility Operating Fund				
Cash Surplus	\$ 224,832	\$ 100,862		
Non-Cash Surplus	<u>14,697</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 239,529</u>	<u>100,862</u>	<u>\$ -</u>	<u>-</u>

* Sewer Utility Fund Balance utilized includes amounts that are anticipated in the Current Fund budget of the subsequent year.

NOTE 8 FIXED ASSETS

A. General Fixed Assets

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

	<u>Balance,</u> <u>December 31,</u> <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>December 31,</u> <u>2023</u>
<u>2023</u>				
Land	\$ 54,921,900			\$ 54,921,900
Buildings and Improvements	25,396,400			25,396,400
Machinery and Equipment	<u>30,390,832</u>	<u>\$ 337,074</u>	<u>\$ 237,000</u>	<u>30,490,906</u>
	<u>\$ 110,709,132</u>	<u>\$ 337,074</u>	<u>\$ 237,000</u>	<u>\$ 110,809,206</u>
	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
<u>2022</u>				
Land	\$ 54,921,900			\$ 54,921,900
Buildings and Improvements	22,084,400	\$ 3,312,000		25,396,400
Machinery and Equipment	<u>27,393,382</u>	<u>2,997,450</u>	<u>-</u>	<u>30,390,832</u>
	<u>\$ 104,399,682</u>	<u>\$ 6,309,450</u>	<u>\$ -</u>	<u>\$ 110,709,132</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

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

<u>Water Utility Fund</u>	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Fixed Capital				
System and System Improvements	\$ 18,557,959			\$ 18,557,959
Land, Plant, Building and Building Improvements	1,014,457			1,014,457
Vehicles and Equipment	<u>221,171</u>	<u>-</u>	<u>-</u>	<u>221,171</u>
	<u>\$ 19,793,587</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 19,793,587</u>
	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Fixed Capital				
System and System Improvements	\$ 18,557,959			\$ 18,557,959
Land, Plant, Building and Building Improvements	1,014,457			1,014,457
Vehicles and Equipment	<u>221,171</u>	<u>-</u>	<u>-</u>	<u>221,171</u>
	<u>\$ 19,793,587</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 19,793,587</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 FIXED ASSETS (Continued)

B. Utility Funds Fixed Assets

<u>Sewer Utility Fund</u>	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Fixed Capital				
System and System Improvements	\$ 26,815,492	\$ -	-	\$ 26,815,492
	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Fixed Capital				
System and System Improvements	\$ 26,515,492	\$ 300,000	-	\$ 26,815,492
<u>Affordable Housing Utility Fund</u>	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Fixed Capital				
Buildings and Improvements	\$ 11,088,000	\$ -	-	\$ 11,088,000
	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<u>2022</u>				
Fixed Capital				
Buildings and Improvements	\$ -	\$ 11,088,000	-	\$ 11,088,000

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT

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

The Township's debt is summarized as follows:

	<u>2023</u>	<u>2022</u>
Issued		
General		
Bonds and Bond Anticipation Notes	\$ 39,372,000	\$ 39,628,240
Water Utility		
Bonds and Bond Anticipation Notes	5,421,000	5,541,500
Sewer Utility		
Bonds and Bond Anticipation Notes	2,271,000	2,331,500
Affordable Housing Utility		
Bond Anticipation Notes	<u>11,088,000</u>	<u>11,088,000</u>
	58,152,000	58,589,240
Less Funds Temporarily Held to Pay Bonds and Notes	<u>24,058</u>	<u>24,058</u>
Net Debt Issued	58,127,942	58,565,182
Authorized But Not Issued		
General		
Bonds and Notes	4,382,232	536,014
Water Utility		
Bonds and Notes	2,222	1,722
Sewer Utility		
Bonds and Notes	<u>750</u>	<u>250</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 62,513,146</u>	<u>\$ 59,103,168</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the Township's Annual Debt Statement and indicates a statutory net debt of .600% and .589% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 43,754,232		\$ 43,754,232
School Debt	545,000	\$ 545,000	
Utility Debt	<u>18,782,472</u>	<u>18,782,472</u>	<u>-</u>
Total	<u>\$ 63,081,704</u>	<u>\$ 19,327,472</u>	<u>\$ 43,754,232</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 40,164,254	\$ 238,028	\$ 39,926,226
School Debt	1,620,000	\$ 1,620,000	
Utility Debt	<u>18,962,972</u>	<u>18,962,972</u>	<u>-</u>
Total	<u>\$ 60,747,226</u>	<u>\$ 20,821,000</u>	<u>\$ 39,926,226</u>

Statutory Borrowing Power

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

	<u>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 255,444,308	\$ 237,192,288
Less: Net Debt	<u>43,754,232</u>	<u>39,926,226</u>
Remaining Borrowing Power	<u>\$ 211,690,076</u>	<u>\$ 197,266,062</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
\$10,215,000, 2012 General Improvement Refunding Bonds due in annual installment of \$1,000,000 on October 15, 2024, interest at 4.00%	\$ 1,000,000	\$ 2,010,000
\$25,960,000, 2020 General Improvement Bonds, due in annual installments of \$1,973,000 to \$2,150,000 through January 15, 2033, interest at 0.05% to 4.00%.	20,585,000	22,560,000
\$14,475,000, 2023 General Improvement Refunding Bonds due in annual installments of \$800,000 to \$1,600,000 through January 15, 2034, interest at 1.00% to 4.00%	<u>14,475,000</u>	<u>-</u>
	<u>\$ 36,060,000</u>	<u>\$ 24,570,000</u>

Utility Bonds

The Township pledges revenue from operations to pay debt service on utility bonds issued. The water and sewer utility bonds outstanding at December 31 are as follows:

Water Utility	<u>2023</u>	<u>2022</u>
\$4,507,000, 2020 Bonds, due in annual installments of \$120,000 to \$207,000 through January 15, 2045, interest at 0.05% to 4.00%	\$ 3,907,000	\$ 4,027,000
\$1,514,000, 2023 Bonds, due in annual installments of \$59,000 to \$110,000 through January 15, 2041, interest at 1.00% to 4.00%	<u>1,514,000</u>	<u>-</u>
	<u>\$ 5,421,000</u>	<u>\$ 4,027,000</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Utility Bonds (Continued)

Sewer Utility	<u>2023</u>	<u>2022</u>
\$1,801,000, 2020 Bonds, due in annual installments of \$60,000 to \$120,000 through January 15, 2041, interest at 0.05% to 3.0%	\$ 1,501,000	\$ 1,561,000
\$770,000, 2023 Bonds, due in annual installments of \$30,000 to \$55,000 through January 15, 2041, interest at 1.0% to 3.0%	<u>770,000</u>	<u>-</u>
	<u>\$ 2,271,000</u>	<u>\$ 1,561,000</u>

The Township's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Calendar Year	<u>General Capital</u>		<u>Water Utility</u>		<u>Sewer Utility</u>		Total
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2024	\$ 3,735,000	\$ 1,092,681	\$ 179,000	\$ 91,859	\$ 90,000	\$ 42,638	\$ 5,231,178
2025	3,355,000	934,975	190,000	83,934	95,000	38,626	4,697,535
2026	3,365,000	863,750	195,000	79,846	95,000	36,626	4,635,222
2027	3,390,000	758,450	195,000	73,759	95,000	33,676	4,545,885
2028	3,425,000	634,725	255,000	65,484	95,000	30,226	4,505,435
2029-2033	17,190,000	1,431,300	1,335,000	197,695	505,000	100,488	20,759,483
2034-2038	1,600,000	32,000	1,410,000	52,803	835,000	28,083	3,957,886
2039-2043			1,265,000	7,005	461,000	2,646	1,735,651
2044-2045	<u>-</u>	<u>-</u>	<u>397,000</u>	<u>203</u>	<u>-</u>	<u>-</u>	<u>397,203</u>
	<u>\$ 36,060,000</u>	<u>\$ 5,747,881</u>	<u>\$ 5,421,000</u>	<u>\$ 652,588</u>	<u>\$ 2,271,000</u>	<u>\$ 313,009</u>	<u>\$ 50,465,478</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within One Year
<u>2023</u>					
General Capital Fund:					
Bonds Payable	<u>\$ 24,570,000</u>	<u>\$ 14,475,000</u>	<u>\$ 2,985,000</u>	<u>\$ 36,060,000</u>	<u>\$ 3,735,000</u>
Water Utility Capital Fund:					
Bonds Payable	<u>\$ 4,027,000</u>	<u>\$ 1,514,000</u>	<u>\$ 120,000</u>	<u>\$ 5,421,000</u>	<u>\$ 179,000</u>
Sewer Utility Capital Fund:					
Bonds Payable	<u>\$ 1,561,000</u>	<u>\$ 770,000</u>	<u>\$ 60,000</u>	<u>\$ 2,271,000</u>	<u>\$ 90,000</u>
	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within One Year
<u>2022</u>					
General Capital Fund:					
Bonds Payable	<u>\$ 28,240,000</u>	<u>\$ -</u>	<u>\$ 3,670,000</u>	<u>\$ 24,570,000</u>	<u>\$ 2,985,000</u>
Water Utility Capital Fund:					
Bonds Payable	<u>\$ 4,267,000</u>	<u>\$ -</u>	<u>\$ 240,000</u>	<u>\$ 4,027,000</u>	<u>\$ 120,000</u>
Sewer Utility Capital Fund:					
Bonds Payable	<u>\$ 1,681,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 1,561,000</u>	<u>\$ 60,000</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

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

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, December 31, 2022	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2023
<u>2023</u>						
<u>General Capital Fund</u>						
Road Program	2.33%	6/1/2023	\$ 4,366,000		\$ 4,366,000	
Acquisition of Property	2.80%	6/1/2023	3,312,000		3,312,000	
	5.00%	5/31/2024		\$ 3,312,000		\$ 3,312,000
Various Capital Improvements	2.33%	6/1/2023	7,380,240	-	7,380,240	-
Total General Capital Fund			<u>\$ 15,058,240</u>	<u>\$ 3,312,000</u>	<u>\$ 15,058,240</u>	<u>\$ 3,312,000</u>
<u>Water Utility Capital Fund</u>						
Various Improvements	2.80%	6/1/2023	<u>\$ 1,514,500</u>	<u>\$ -</u>	<u>\$ 1,514,500</u>	<u>\$ -</u>
<u>Sewer Utility Capital Fund</u>						
Various Improvements	2.80%	6/1/2023	<u>\$ 770,500</u>	<u>\$ -</u>	<u>\$ 770,500</u>	<u>\$ -</u>
<u>Affordable Housing Utility Capital Fund</u>						
Acquisition of Property	2.33%	6/1/2023	\$ 11,088,000		\$ 11,088,000	
	5.00%	5/31/2024	-	\$ 11,088,000	-	\$ 11,088,000
			<u>\$ 11,088,000</u>	<u>\$ 11,088,000</u>	<u>\$ 11,088,000</u>	<u>\$ 11,088,000</u>
	Rate (%)	Maturity Date	Balance, December 31, 2021	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2022
<u>2022</u>						
<u>General Capital Fund</u>						
Road Program	2.33%	6/1/2023		\$ 4,366,000		\$ 4,366,000
Acquisition of Property	2.80%	6/1/2023		3,312,000		3,312,000
Various Capital Improvements	2.33%	6/1/2023	-	7,380,240	-	7,380,240
Total General Capital Fund			<u>\$ -</u>	<u>\$ 15,058,240</u>	<u>\$ -</u>	<u>\$ 15,058,240</u>
<u>Water Utility Capital Fund</u>						
Various Improvements	2.80%	6/1/2023	<u>\$ -</u>	<u>\$ 1,514,500</u>	<u>\$ -</u>	<u>\$ 1,514,500</u>
<u>Sewer Utility Capital Fund</u>						
Various Improvements	2.80%	6/1/2023	<u>\$ -</u>	<u>\$ 770,500</u>	<u>\$ -</u>	<u>\$ 770,500</u>
<u>Affordable Housing Utility Capital Fund</u>						
Acquisition of Property	2.33%	6/1/2023	<u>\$ -</u>	<u>\$ 11,088,000</u>	<u>\$ -</u>	<u>\$ 11,088,000</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

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

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Commitment</u>	<u>Estimated Date of Completion</u>
<u>2023</u>		
Acquisition of Vehicles and Equipment	\$ 2,305,893	2024
Road Improvements	635,120	2024
Various Building and HVAC Repairs	1,327,202	2024
Municipal Pool Repairs and Upgrades	257,782	2024
Repairs to Wells and Pumping Stations (Water)	690,245	2024
Purchase and Installation of Water Meters	117,341	2024
Repairs to Pumping Stations (Sewer)	206,630	2024
<u>2022</u>		
Repairs to Pumping Stations	\$ 446,929	2023
Various Building and HVAC Repairs	474,400	2023
Municipal Pool Repairs and Upgrades	797,344	2023

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal time, sick leave and compensation time in lieu of overtime 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 \$3,774,303 and \$3,189,404 at December 31, 2023 and 2022, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2023 and 2022, the Township has reserved in the Other Trust Fund \$360,000 and \$185,000, respectively, to fund compensated absences in accordance with NJSA 40A:4-39.

B. Capital Financing Agreement

On August 1, 2021, the Township entered into an agreement with the Bergen County Improvement Authority ("the Authority") for the lease of a facility site for the purpose of the planning, design, construction and equipping of a new public works facility. Under the terms of the agreement, the Authority will provide for the permanent financing of the cost of the construction and improvement of the facility by the issuance of revenue bonds payable, in part, from rentals to be received by the Authority from the Township. The Township's obligation to make rental payments under the lease agreement is a valid and binding obligation of the Township and if such payments are not made, such payments shall be payable from the levy of ad valorem taxes upon all the taxable property in the Township without limitation as to rate or amount. The lease term commenced on August 25, 2021, the date of issuance and delivery of the Bonds by the Authority and shall terminate on the first date upon which all rentals due and owing have been paid in full. The future principal and interest minimum lease payments at December 31, 2023:

<u>Years Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 640,000	\$ 924,900	\$ 1,564,900
2025	670,000	892,150	1,562,150
2026	705,000	857,775	1,562,775
2027	745,000	821,525	1,566,525
2028	780,000	783,400	1,563,400
2029-2033	4,525,000	3,293,800	7,818,800
2034-2038	5,580,000	2,244,600	7,824,600
2039-2043	6,810,000	1,010,000	7,820,000
2044	<u>1,535,000</u>	<u>30,700</u>	<u>1,565,700</u>
	<u>\$ 21,990,000</u>	<u>\$ 10,858,850</u>	<u>\$ 32,848,850</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 OTHER LONG-TERM LIABILITIES

Changes in Other Long-Term Liabilities

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

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

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 3,189,404	\$ 584,899		\$ 3,774,303	
Capital Financing Agreements	22,600,000		\$ 610,000	21,990,000	\$ 640,000
Net Pension Liability - PERS (1)	14,695,808			14,695,808	
Net Pension Liability - PFRS (1)	21,876,870			21,876,870	
Net OPEB Liability	<u>72,957,936</u>	<u>4,133,554</u>	<u>1,613,289</u>	<u>75,478,201</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 135,320,018</u>	<u>\$ 4,718,453</u>	<u>\$ 2,223,289</u>	<u>\$ 137,815,182</u>	<u>\$ 640,000</u>

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

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 3,363,762		\$ 174,358	\$ 3,189,404	
Capital Financing Agreements	22,600,000			22,600,000	\$ 610,000
Net Pension Liability - PERS	10,875,767	\$ 3,820,041		14,695,808	
Net Pension Liability - PFRS	13,793,629	8,083,241		21,876,870	
Net OPEB Liability	<u>108,716,489</u>	<u>-</u>	<u>35,758,553</u>	<u>72,957,936</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 159,349,647</u>	<u>\$ 11,903,282</u>	<u>\$ 35,932,911</u>	<u>\$ 135,320,018</u>	<u>\$ 610,000</u>

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

Employer and Employee Pension Contributions

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2023, 2022 and 2021, the Township, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 2,485,685	\$ 1,227,994	\$ 21,965
2022	2,199,432	1,075,152	19,405
2021	2,243,431	979,802	10,531

In addition for the years ended December 31, 2023, 2022 and 2021 the Township had no required contribution for long-term disability insurance premiums (LTDI).

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

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

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

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

Public Employees Retirement System (PERS)

At December 31, 2022, the Township reported a liability of \$14,695,808 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Township's proportionate share of the net pension liability was based on the ratio of the Township's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Township's proportionate share was .09738 percent, which was an increase of .00558 percent from its proportionate share measured as of June 30, 2021 of .09180 percent.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2022, the pension system has determined the Township's pension benefit to be \$810,946 for PERS based on the actuarial valuations which is less than the actual contribution reported in the Township's financial statements of \$1,075,152. At December 31, 2022, the Township's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Township's financial statements are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 106,068	\$ 93,537
Changes of Assumptions	45,532	2,200,544
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	608,246	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>1,284,675</u>	<u>160,500</u>
Total	<u><u>\$ 2,044,521</u></u>	<u><u>\$ 2,454,581</u></u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (1,071,198)
2024	(618,573)
2025	(465,324)
2026	735,704
2027	1,009,331
Thereafter	<u>-</u>
	<u><u>\$ (410,060)</u></u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

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

Mortality Rates

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

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

Discount Rate

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

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

<u>2022</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 18,879,808</u>	<u>\$ 14,695,808</u>	<u>\$ 11,135,055</u>

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

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2022 the Township reported a liability of \$21,876,870 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Township's proportionate share of the net pension liability was based on the ratio of the Township's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Township's proportionate share was .19113 percent, which was an increase of .00242 percent from its proportionate share measured as of June 30, 2021 of .18871 percent.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the pension system has determined the Township pension benefit to be \$143,067 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Township's financial statements of \$2,199,432. At December 31, 2022, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Township's financial statements are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 990,206	\$ 1,340,256
Changes of Assumptions	59,956	2,753,866
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,003,278	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>1,121,848</u>	<u>1,824,942</u>
Total	<u>\$ 4,175,288</u>	<u>\$ 5,919,064</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (2,004,914)
2024	(1,615,127)
2025	(1,437,020)
2026	865,577
2027	(63,340)
Thereafter	<u>2,511,048</u>
	<u>\$ (1,743,776)</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

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

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

Mortality Rates

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

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

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

Discount Rate

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>2022</u>			
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 30,017,428</u>	<u>\$ 21,876,870</u>	<u>\$ 15,099,816</u>

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

Special Funding Situation – PFRS

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

At December 31, 2022, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$3,893,441. For the year ended December 31, 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$449,200 which is less than the actual contribution the State made on behalf of the Township of \$484,715. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PFRS net pension liability attributable to the Township was .19113 percent, which was an increase of .00242 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .18871 percent. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

Pension Plan Fiduciary Net Position

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Plan Description

The Township provides a postemployment healthcare plan (OPEB) for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Township. In accordance with Township ordinance, the Township can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Township provides postretirement medical and dental insurance benefits for retirees and their dependents who meet certain eligibility requirements.

Employees Covered by Postemployment Benefits

At December 31, 2023 and 2022, the following employees were covered by postemployment health care benefits:

	<u>2023</u>	<u>2022</u>
Active Employees	119	119
Inactive Employees Entitled to But Not Yet Receiving Benefits	<u>15</u>	<u>12</u>
	<u>134</u>	<u>131</u>

At December 31, 2023 and 2022, the Township's total OPEB liabilities were \$75,478,201 and \$72,957,936, respectively. Net OPEB liability was measured as of December 31, 2023 and 2022, respectively, and the OPEB liability was determined by an actuarial valuation as of December 31, 2022, which was ruled forward to December 31, 2023 utilizing 2023 retire costs.

For the years ended December 31, 2023 and 2022, the Township has determined it's OPEB expense to be \$1,945,849 and \$1,437,186, respectively, based on the actuarial valuations which are less than and more than the actual contributions reported in the Township's financial statements of \$1,613,289 and \$1,570,378, respectively. At December 31, 2023 and 2022, the Township's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Township's financial statements are from the following sources:

	<u>2023</u>		<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 13,632,335	\$ 29,526,935	\$ 14,725,664	\$ 31,842,410
Changes of Assumptions	<u>380,664</u>	<u>7,057,917</u>	<u>-</u>	<u>7,642,812</u>
Total	<u>\$ 14,012,999</u>	<u>\$ 36,584,852</u>	<u>\$ 14,725,664</u>	<u>\$ 39,485,222</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	\$ (1,775,625)
2025	(1,775,625)
2026	(1,775,625)
2027	(1,775,625)
2028	(1,775,625)
Thereafter	<u>(13,693,728)</u>
	<u>\$ (22,571,853)</u>

Actuarial Assumptions

The Township's total OPEB liability reported for the year ended December 31, 2023 was based on the December 31, 2023 measurement date as determined by an actuarial valuation as of December 31, 2023. The total OPEB liability reported for the year ended December 31, 2022 was based on the December 31, 2022 measurement date as determined by an actuarial valuation as of December 31, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<i>Mortality</i>	<i>PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2023</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates – prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after the completing 25 years of service</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>3.72% Based on the Bond Buyer 20 Index as of December 31, 2022 3.26% Based on the Bond Buyer 20 Index as of December 31, 2023</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Trend</i>	<i>Medical: 5.1% in 2023, reducing by 0.2% per annum, leveling at 4.5% per annum in 2026 Drug: 6.0% in 2023, reducing by 0.5% per annum, leveling at 4.5% per annum in 2026 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions (Continued)

- Attribution Period – The attribution period begins with the date of hire and ends with the full benefits eligibility date.
- Per Capita Cost Methods – The valuation reflects per capita net premium costs based on actual 2022 medical and prescription drug premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors to age 65. At age 65, Medicare Advantage becomes the primary payor of medical benefits and aging factors are no longer applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the rate of medical trend.
- Actuarial Valuation Method – Entry Age Normal Funding Method based on a level percentage of salary. 2023 payroll was reported at \$13.709 million.

The actuarial assumptions used in the December 31, 2023 and 2022 valuations were based on the results of actuarial experience studies as of December 31, 2023 and 2022, respectively.

Changes in the Total OPEB Liability

The change in the Township's OPEB liability for the years ended December 31, 2023 and 2022 based on measurement dates of December 31, 2023 and 2022, respectively, are as follows:

	Total OPEB Liability 2023	Total OPEB Liability 2022
Balance - Beginning of Year	\$ 72,957,936	\$ 108,716,489
Changes for the Year:		
Service Cost	1,000,237	1,000,237
Interest on the Total OPEB Liability	2,721,237	2,243,990
Differences Between Expected and Actual Experience	-	(34,157,885)
Changes in Assumptions	412,080	(3,274,517)
Benefit Payments	(1,613,289)	(1,570,378)
Net Changes	2,520,265	(35,758,553)
Balance - End of Year	\$ 75,478,201	\$ 72,957,936

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Township's net OPEB liability as of December 31, 2023 and 2022 calculated using the discount rate of 3.26% and 3.72%, respectively, as well as what the Township's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) and (2.72%), respectively or 1-percentage-point higher (4.26%) and (4.72%) respectively than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
<u>2023</u>			
Net OPEB Liability	<u>\$ 88,849,769</u>	<u>\$ 75,478,201</u>	<u>\$ 65,600,443</u>
	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
<u>2022</u>			
Net OPEB Liability	<u>\$ 85,189,622</u>	<u>\$ 72,957,936</u>	<u>\$ 63,786,773</u>

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

The following presents the Township's net OPEB liability as of December 31, 2023 and 2022 calculated using the healthcare trend rates as disclosed above as well as what the Township's net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2023</u>			
Net OPEB Liability	<u>\$ 66,477,682</u>	<u>\$ 75,478,201</u>	<u>\$ 87,529,854</u>
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2022</u>			
Net OPEB Liability	<u>\$ 64,650,575</u>	<u>\$ 75,957,936</u>	<u>\$ 83,973,735</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 14 RISK MANAGEMENT

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

The Township has established a group insurance benefit plan for its employees and their eligible dependents. The Township and its retirees contribute to fund the entire cost of the plan. Claims are paid directly by the plan up to a maximum benefit per person, per lifetime of \$1,000,000, with any excess benefit being reimbursed through a Re-Insurance Agreement with Sirius America Insurance Company. The reinsurance policy also contains an aggregate loss provision in the amount of \$80,000 per occurrence/employee/event. The Township has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2023 and 2022. In addition, the Township has not created a liability for reserves for any potential unreported losses which have taken place but in which the Township has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company might be unable to meet their obligations to the Township under existing reinsurance agreements. As of December 31, 2023 and 2022 the Township reported a deficit in the Other Trust Fund \$431,506 and \$86,160 for the payment of self-insurance claims.

Estimates of claims payable and claims incurred, but not reported (IBNR) at December 31, 2023 and 2022 were determined based on claim information supplied by the claims administrator and actuary. The unpaid claims liability of \$1,253,274 and \$1,304,108 at December 31, 2023 and 2022, respectively is determined based on the requirements of the Governmental Accounting Standards Board, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities for the group insurance benefit plan for the current and previous year are as follows:

	<u>2023</u>	<u>2022</u>
Unpaid Claims, January 1	\$ 1,304,108	\$ 956,888
Incurred Claims	<u>7,379,746</u>	<u>5,949,948</u>
	8,683,854	6,906,836
Claim Payments	<u>(7,430,580)</u>	<u>(5,602,728)</u>
Unpaid Claims, December 31	<u><u>\$ 1,253,274</u></u>	<u><u>\$ 1,304,108</u></u>

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 14 RISK MANAGEMENT (Continued)

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

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

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>Township</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2023	\$ 17,500			\$ 580,308
2022			\$ 413	542,367
2021		\$ 18,720	6,218	538,352

NOTE 15 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. As of December 31, 2023 and 2022, the Township reserved \$2,236,860 and \$1,736,860, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 15 CONTINGENT LIABILITIES (Continued)

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

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2023 and 2022, the Township has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

The Township of Mahwah Length of Service Award Program (the Plan) was created by a Township ordinance adopted on November 7, 2012 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 Township of Mahwah approved the adoption of the Plan at the general election held on November 6, 2012.

The first year of eligibility for entrance into the Plan was calendar year 2013. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

The Township of Mahwah has contributed \$1,659 and \$1,659 for 2023 and 2022, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Township contributions were \$182,457 and \$185,808 for 2023 and 2022, respectively.

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

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

NOTE 18 LEASES RECEIVABLE

The Township entered into non-cancellable leases for the use of cell tower space to several third parties. The initial lease receivable is determined at the present value of payments expected to be received during the lease term. The Township recognized \$433,444 and \$477,276 as lease revenue for 2023 and 2022, respectively. As of December 31, 2023, the Township estimates its receivable for lease payments exclusive of future interest earnings to be \$1,237,526.

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

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 381,913	\$ 39,989	\$ 421,902
2025	405,472	31,072	436,544
2026	257,425	18,018	275,443
2027	152,430	7,835	160,265
2028	<u>40,286</u>	<u>932</u>	<u>41,218</u>
Total	<u>\$ 1,237,526</u>	<u>\$ 97,846</u>	<u>\$ 1,335,372</u>

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

The Township of Mahwah'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 Township of Mahwah's primary revenue source for supporting its budget. The Township of Mahwah 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 Township functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Township. However, as of the date of audit, even though the Township finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Township have not been materially and adversely affected due to the COVID-19 outbreak.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

The degree of any such impact on the operations and finances of the Township 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 Township and its economy. The Township is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

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

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

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Township 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 Township will be required to provide periodic reports detailing the accounting of the use of funds.

The Township had received \$2,742,316 from the Plan and has utilized all of the funds as of December 31, 2023. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

TOWNSHIP OF MAHWAH
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 20 SUBSEQUENT EVENTS

Debt Authorized

As of the date of the audit, the Township has adopted ordinances to fund various capital improvements in the respective funds.

<u>Fund</u>	<u>Authorization of Bonds or Notes</u>
General Capital	\$ 6,034,427
Water Capital	3,208,000
Sewer Capital	495,000
Housing Utility Capital	572,000

The Township has not issued nor awarded the sale of said bonds or notes as of the date of audit.

Bond Anticipation Notes

On May 30, 2024 the Township issued bond anticipation notes in the amount of \$14,400,000 to temporarily finance expenditures related to various capital projects. The Township has awarded the sale of said notes to TD Securities at an interest rate of 4.25%. These notes dated May 30, 2024 will mature on May 30, 2025.

APPENDIX C

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

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_____, 2025

Township Council of the
Township of Mahwah, in the
County of Bergen, New Jersey

Dear Council Members:

We have acted as bond counsel to the Township of Mahwah, in the County of Bergen, New Jersey (the "Township"), in connection with the issuance by the Township of its \$25,112,000* General Obligation Bonds, Series 2025, consisting of \$10,712,000* General Improvement Bonds and \$14,400,000* Redevelopment Bonds, each dated the date hereof (collectively, the "Bonds"). In order to render the opinions herein, we have examined laws, documents and records of proceedings, or copies thereof, certified or otherwise identified to us as we have deemed necessary.

The Bonds are issued pursuant to the Local Bond Law of the State of New Jersey and a resolution of the Township adopted April 21, 2025 pursuant to N.J.S.A. 40A:2-26(f), in all respects duly approved, and the various bond ordinances referred to therein, each in all respects duly approved and published as required by law.

In our opinion, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, moratorium or similar laws or application by a court of competent jurisdiction of legal or equitable principles relating to the enforcement of creditors' rights, the Bonds are valid and legally binding obligations of the Township, and the Township has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

On the date hereof, the Township has covenanted in its Arbitrage and Tax Certificate (the "Certificate") to comply with certain continuing requirements that must be satisfied subsequent to the issuance of the Bonds in order to preserve the tax-exempt status of the Bonds pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Pursuant to Section 103 of the Code, failure to comply with these requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. In the event that the Township continuously complies with its covenants and in reliance on representations, certifications of fact and statements of reasonable expectations made by the Township in the Certificate, it is our opinion that, 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, and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to alternative minimum tax under Section 55 of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. Further, in our opinion, based upon existing law, interest on the Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. These opinions are based on existing statutes, regulations, administrative pronouncements and judicial decisions.

This opinion is issued as of the date hereof. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever.

Very truly yours,

*Preliminary, subject to change.

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