

TOWN OF GUTTENBERG

**Financial Statements With
Supplementary Information**

December 31, 2023

(With Independent Auditors' Reports Thereon)

TOWN OF GUTTENBERG

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
Guttenberg, NJ 07093

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

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

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

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



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

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2023 and 2022, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

Other Matters

Other Information

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

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and



certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2024 on our consideration of the Town of Guttenberg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Guttenberg's internal control over financial reporting and compliance.

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

May 15, 2024



TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Current Fund:			
Cash	A-4	\$ 8,781,158	9,150,506
Due from State of New Jersey:			
Senior citizens' and veterans' deductions	A-8	33,993	34,213
		<u>8,815,151</u>	<u>9,184,719</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-5	424,961	291,688
Tax Title Liens	A-21	490,744	433,547
Revenue accounts receivable	A-6	50,248	39,298
Interfunds Receivable:			
Animal License Trust Fund	A-17	1,051	5,429
Community Development Trust Fund	A-17	407	220
Escrow Trust Fund	A-17	744	192
Other Trust Fund	A-17		41,243
Other Trust Fund - Redemption Trust	A-17	2,581	68
Other Trust Fund - Asset Forfeiture - Justice	A-17		3,464
Federal and State Grant Fund	A-17	835,678	1,100,360
General Capital Fund	A-17	434,424	522,679
		<u>2,240,838</u>	<u>2,438,188</u>
Deferred Charges:			
Emergency Appropriations	A-7		530,000
		<u>11,055,989</u>	<u>12,152,907</u>
State and Federal Grant Fund:			
Cash	A-4	1,122,298	1,180,053
Deferred Charges - Overexpenditures	A-23		200,651
Grants receivable	A-22	651,608	1,290,459
		<u>1,773,906</u>	<u>2,671,163</u>
		<u>\$ 12,829,895</u>	<u>14,824,070</u>

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-12	\$ 607,122	434,114
Encumbrances payable	A-13	1,611,426	1,625,429
Tax overpayments	A-14	50,538	11,259
Prepaid taxes	A-15	324,580	467,594
County Added Taxes Payable	A-11	6,366	10,414
Reserve for Amount Due to the Hudson County			
Treasurer - Court Fines and Costs	A-16	6,764	6,764
Emergency Note Payable	A-19		530,000
Interfunds Payable:			
Other Trust Fund	A-17	26,642	
Fire Prevention Trust Fund	A-17		300
Reserve for:			
Pension Deferral	A-20	228,137	228,137
Revaluation	A-20	17,130	17,130
Library Contribution	A-20	20,554	20,554
State Library Aid	A-20	11,262	11,262
Marriage License Fees Payable	A-20	1,025	
Municipal Relief Fund	A-20		39,581
Accounts Payable	A-20	47,943	2,575
Tax Appeals	A-20	358,472	308,472
		<u>3,317,961</u>	<u>3,713,585</u>
Reserve for receivables and other assets	A	2,240,838	2,438,188
Fund balance	A-1	<u>5,497,190</u>	<u>6,001,134</u>
		<u>11,055,989</u>	<u>12,152,907</u>
State and Federal Grant Fund:			
Matching Funds for Grants		95,000	95,000
Due to Current Fund	A-18	835,678	1,100,360
Appropriated reserves	A-23	823,412	1,409,533
Encumbrances Payable			4,034
Unappropriated reserves	A-24	<u>19,816</u>	<u>62,236</u>
		<u>1,773,906</u>	<u>2,671,163</u>
		<u>\$ 12,829,895</u>	<u>14,824,070</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2023 and 2022

	Dec. 31, <u>2023</u>	Dec. 31, <u>2022</u>
Revenue and other income realized:		
Fund balance utilized	\$ 3,300,000	2,600,000
Miscellaneous revenue anticipated	6,387,273	5,763,203
Receipts from delinquent taxes	288,802	467,807
Receipts from current taxes	30,759,497	29,882,067
Nonbudget revenues	503,092	469,900
Other credits to income:		
Unexpended balance of appropriation reserves	290,018	418,498
Appropriated Grant Reserves Cancelled	966,014	
Liabilities Canceled	92,566	
Interfunds Returned	1,173,655	
Total revenue	43,760,917	39,601,475
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	5,607,003	5,897,020
Other expenses	13,247,441	12,548,381
Deferred charges and statutory expenditures	2,215,005	1,482,822
Municipal debt service	1,999,603	1,622,687
County taxes	4,380,481	4,407,996
Due county for added taxes	6,366	10,414
Local district school taxes	11,321,822	11,321,822
Interfunds advanced	1,156,379	261,834
Grant receivables cancelled	958,473	
Refunds	72,288	25,996
Total expenditures	40,964,861	37,578,972
Excess in Revenue	2,796,056	2,022,503

TOWN OF GUTTENBERG

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

Current Fund

Year Ended December 31, 2023 and 2022

	Dec. 31, <u>2023</u>	Dec. 31, <u>2022</u>
Adjustments to income before fund balance- expenditures which are by statute deferred charges to budget of succeeding year	<u> </u>	<u>530,000</u>
Statutory excess to fund balance	2,796,056	2,552,503
Fund balance - January 1,	<u>6,001,134</u>	<u>6,048,631</u>
	8,797,190	8,601,134
Decreased by utilization as anticipated revenue	<u>3,300,000</u>	<u>2,600,000</u>
Fund balance - December 31,	\$ <u><u>5,497,190</u></u>	<u><u>6,001,134</u></u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Revenues-Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus anticipated	\$ 3,300,000	3,300,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	40,000	40,750	750
Other	100,000	150,309	50,309
Fees and permits:			
Other	100,000	99,509	(491)
Fines and costs municipal court	550,000	584,354	34,354
Parking meters	250,000	368,022	118,022
Interest and costs on taxes	75,000	74,755	(245)
Interest on investments and deposits	185,000	596,671	411,671
Municipal Relief Fund	79,161	79,144	(17)
Reserve for Municipal Relief Fund	39,581	39,581	
Energy Receipts Tax	484,020	485,440	1,420
Uniform Construction Code Fees	125,000	230,937	105,937
Interlocal Service Agreements:			
Board of Education - Shared Services	1,100,000	890,000	(210,000)
Board of Education - Shared Services - Recreation	230,000	230,000	
Public and Private Programs Offset by Revenues:			
Recycling Tonnage	16,313	16,313	
EPA Clean Water	394,000	394,000	
Local Health Infrastructure	100,376	100,376	
NJ Council on Arts	10,000	10,000	
Municipal Alliance	3,533	3,533	
Clean Communities - 2006	19,417	19,417	
Summer food	33,656	33,656	
Alcohol Education rehabilitation	5,971	5,971	
Bulletproof Vest Partnership	4,666	4,666	
Drive Sober get pulled Over	7,000	7,000	
Lead Grant	10,800	10,800	
American Rescue Plan - Revenue Loss	929,002	929,002	
Time Warner Franchise Fee	45,000	38,593	(6,407)
Verizon Franchise Fee	37,000	33,174	(3,826)
Capital Fund Balance	11,300	11,300	
Due From General Capital	500,000	500,000	
Reserve for Payment of Debt	400,000	400,000	
Total miscellaneous revenues	<u>5,885,796</u>	<u>6,387,273</u>	<u>501,477</u>
Receipts from delinquent taxes	<u>400,000</u>	<u>288,802</u>	<u>(111,198)</u>
Amount to be raised by taxes for support of municipal budget	<u>15,583,388</u>	<u>17,143,328</u>	<u>1,559,940</u>
Budget total	<u>\$ 25,169,184</u>	<u>27,119,403</u>	<u>1,950,219</u>
Nonbudget revenue		<u>503,092</u>	
		<u>\$ 27,622,495</u>	

TOWN OF GUTTENBERG
Statement of Revenues-Regulatory Basis
Current Fund
Year Ended December 31, 2023

Analysis of Realized Revenue

Allocation of current tax collections;	
Revenue from collections	\$ 30,759,497
Allocated to:	
Local district school tax	11,321,822
County taxes	4,386,847
	<u>15,708,669</u>
Balance for support of municipal	
budget appropriations	15,050,828
Reserve for uncollected taxes	2,092,500
	<u>\$ 17,143,328</u>
Receipts from:	
Delinquent tax collections	\$ 288,802
	<u>288,802</u>
	Delinquent Taxes 288,802
	Municipal Liens
	<u>\$ 288,802</u>

Analysis of Miscellaneous Revenue Not Anticipated

Miscellaneous	45,391
CARFAX	660
Death Certificates	5,050
Foreclosures	8,950
Wedding Fees	5,545
Towing	2,000
Insurance	41,715
Police Off Duty Administrative Fee	48,184
Library State Aid	6,615
Health Benefit Contributions	20,545
Tax Collector - PILOTS	232,294
PILOT - Housing Authority	85,843
DMV Inspection Fines	300
	<u>\$ 503,092</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-within "CAPS"					
Administrative and executive:					
Salaries and wages	\$ 450,000	430,000	425,243	4,757	
Other expenses	290,000	305,000	290,385	14,615	
Elections:					
Other expenses	12,500	9,600	9,594	6	
Financial administration:					
Salaries and wages	475,000	488,000	487,764	236	
Other expenses	175,000	225,000	202,582	22,418	
Assessment of taxes:					
Salaries and wages	77,000	45,000	42,420	2,580	
Other expenses	4,000	2,670	2,664	6	
Municipal Court:					
Salaries and wages	350,000	295,000	292,222	2,778	
Other Expenses	60,000	78,000	70,393	7,607	
Collection of taxes:					
Salaries and wages	65,000	52,000	50,000	2,000	
Other expenses	8,000	6,726	6,531	195	
Legal services and costs:					
Other expenses	240,000	445,000	417,831	27,169	
Public building and grounds:					
Other expenses	165,000	200,000	196,298	3,702	
Engineering:					
Other expenses	125,000	130,000	130,000		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Salaries and wages	14,000	15,000	14,459	541	
Other expenses	5,000	6,830	6,822	8	
Community Action Program:					
Other expenses	20,000	10,000	10,000		
Insurance:					
Insurance-Other	695,000	720,000	710,158	9,842	
Group Insurance for Employees	1,780,490	1,702,490	1,693,178	9,312	
Unemployment Insurance	1,000	1,000	1,000		
Insurance/Deductible	5,000				
PUBLIC SAFETY:					
Police:					
Salaries and wages	2,170,998	1,897,498	1,818,548	78,950	
Salaries and wages - ARP Revenue Loss	929,002	929,002	929,002		
Other expenses	240,000	420,000	410,614	9,386	
Emergency management services:					
Other expenses	5,000	360	351	9	
Volunteer Ambulance:					
Other expenses	25,000	25,000		25,000	
Fire Official/Inspector:					
Salaries and wages	120,000	120,200	120,187	13	
Other expenses	5,000	5,000	4,287	713	
Public Works:					
Street Cleaning:					
Salaries and wages	712,000	812,000	798,864	13,136	
Other expenses	285,000	270,000	259,799	10,201	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Recycling:					
Other expenses	137,655	112,655	106,100	6,555	
Solid Waste & Garbage Removal:					
Other expenses	919,778	759,278	711,587	47,691	
Snow Removal:					
Other expenses	82,000				
Health and Welfare:					
Public Health Services:					
Other expenses	55,000	40,000	25,059	14,941	
Recreation and Education:					
Recreation:					
Salaries and wages	125,000	140,000	134,683	5,317	
Other expenses	80,000	105,000	100,583	4,417	
Celebration of public event, anniversary or holiday - other expenses	80,000	80,000	79,896	104	
Senior Citizens Nutrition Program:					
Salaries and wages	170,000	102,000	99,063	2,937	
Other expenses	90,000	90,000	89,255	745	
Senior Citizens Transportation:					
Other expenses	35,000	45,000	41,486	3,514	
Senior Recreation Program:					
Other expenses	25,000	25,000	18,916	6,084	
Uniform construction code official:					
Salaries and wages	220,000	217,000	215,937	1,063	
Other expenses	5,000	5,000	4,268	732	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
License inspector:					
Salaries and wages	62,000	64,300	57,799	6,501	
Other expenses	2,500	2,575	2,575		
UNCLASSIFIED:					
Utilities:					
Electricity	180,000	135,000	127,476	7,524	
Street lighting	85,000	60,000	48,615	11,385	
Telephone	110,000	110,000	109,022	978	
Water	30,000	58,000	55,308	2,692	
Fire hydrant service	50,000	30,000	20,722	9,278	
Sewerage	30,000	10,000	1,156	8,844	
Gasoline	140,000	118,000	103,904	14,096	
Postage - all departments	32,000	32,000	28,582	3,418	
Technology	240,000	320,000	302,538	17,462	
Salary & Wage Adjustment	1	2		2	
Accumulated Absences	1	1		1	
Total Operations within "CAPS"	12,494,925	12,307,187	11,885,726	421,461	
Contingent	6,125	6,125	3,941	2,184	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Operations Including Contingent-within "CAPS"				423,645	
Detail:					
Salaries & Wages	5,940,002	5,607,003	5,486,191	120,812	
Other Expenses (Including Contingent)	6,561,048	6,706,309	6,403,476	302,833	
	12,501,050	12,313,312	11,889,667	423,645	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
DEFERRED CHARGES					
Overexpenditure of Grants	200,651	200,651	200,651		
Deficit in Recreation Trust	26,930	26,930	26,930		
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	375,000	375,000	353,168	21,832	
Public Employees Retirement system	326,932	327,877	327,873	4	
Police and Firemans Retirement System of N.J.	747,638	751,698	751,692	6	
DCRP	2,850	2,850	2,622	228	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,680,001	1,685,006	1,662,936	22,070	
Total General Appropriations for Municipal Purposes within "CAPS"	14,181,051	13,998,318	13,552,603	445,715	

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations-Excluded from "CAPS"					
Reserve for Tax Appeals	50,000	50,000	50,000		
911-Other Expenses	16,000	16,000	4,800	11,200	
Stormwater Management	25,000	25,000	5,621	19,379	
2023 CAP Exceptions:					
Health Insurance	269,510	269,510	269,510		
Garbage and Trash	280,222	280,222	280,222		
Recycling	87,345	87,345	87,345		
PFRS	111,714	111,714	111,714		
PERS	56,440	56,440	56,440		
Library Service-North Bergen:					
Other expenses	457,000	457,000	439,676	17,324	
North Hudson Regional Communication:					
Other expenses	175,000	177,000	177,000		
North Hudson Regional Fire & Rescue:					
Other expenses	2,900,000	2,957,168	2,957,168		
Guttenberg Board of Education					
Electric and Gas	130,000	248,000	248,000		
Sewer	10,000	10,000	10,000		
Water	20,000	20,000	20,000		
Public Works	160,000	160,000	160,000		
Snow Removal	15,000	15,000		15,000	
Security	765,000	765,000	666,496	98,504	
Recreation/Transportation	230,000	230,000	230,000		
Public and Private Programs Offset by Revenues					
Recycling Tonnage Grant	16,313	16,313	16,313		
Municipal Alliance Against Alcohol and Drug Abuse	3,533	3,533	3,533		

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Clean Communities	19,417	19,417	19,417		
Summer Food	33,656	33,656	33,656		
Local Health Infrastructure	100,376	100,376	100,376		
NJ Council on the Arts	10,000	10,000	10,000		
Body Armor Replacement Fund	4,666	4,666	4,666		
Alcohol Education and Rehabilitation	5,971	5,971	5,971		
Drive Sober or Get Pulled Over	7,000	7,000	7,000		
LEAD Grant	10,800	10,800	10,800		
EPA - Clean Water	394,000	394,000	394,000		
Total Operations-Excluded from "CAPS"	6,363,963	6,541,131	6,379,724	161,407	
Detail:					
Salaries and Wages					
Other Expenses	6,363,963	6,541,131	6,379,724	161,407	
Total Operations-Excluded from "CAPS"	6,363,963	6,541,131	6,379,724	161,407	
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	605,000	605,000	605,000		
Payment of Bond Anticipation and Capital Notes	207,095	207,095	207,095		
Interest on Bonds	726,375	726,375	718,743		7,632
Interest on Notes	463,200	468,765	468,765		
Total Municipal Debt Service-Excluded from "CAPS"	2,001,670	2,007,235	1,999,603		7,632

TOWN OF GUTTENBERG

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2023

<u>Description</u>	<u>Budget</u>	<u>Budget after modifications</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Deferred Charges- Municipal Excluded from "CAPS" Emergency Authorizations	530,000	530,000	530,000		
Total Deferred Charges-Municipal-Excluded from "CAPS"	530,000	530,000	530,000		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	8,895,633	9,078,366	8,909,327	161,407	7,632
Subtotal General Appropriations	23,076,684	23,076,684	22,461,930	607,122	7,632
Reserve for Uncollected Taxes	2,092,500	2,092,500	2,092,500		
Total General Appropriations	\$ 25,169,184	25,169,184	24,554,430	607,122	7,632
Adopted Budget		25,084,141			
Added by N.J.S.A. 40A:4-87		85,043			
	\$	<u>25,169,184</u>			
Analysis of Paid or Charged					
Deferred Charges			530,000		
Reserve for Uncollected Taxes			2,092,500		
Due to Federal and State Grant Fund			605,732		
Due to Federal and State Grant Fund - Deferred Charge			200,651		
Due to Other Trust Fund			26,930		
Reserve for Tax Appeals			50,000		
Reserve for Encumbrances			1,611,426		
Cash			19,437,191		
		\$	<u>24,554,430</u>		

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal License Fund:			
Cash	B-1	\$ <u>4,933</u>	<u>8,798</u>
Unemployment Compensation Trust Fund:			
Cash	B-1	<u>53,095</u>	<u>78,631</u>
Community Development Block Grant Trust Fund:			
Cash	B-1	11,247	11,060
Grants receivable	B-4	<u>321,674</u>	<u>321,674</u>
		<u>332,921</u>	<u>332,734</u>
Other Trust Funds:			
Cash	B-1	912,518	1,028,860
Accounts Receivable - Escrow	B-8	18,541	
Deferred Charges:			
Over-Expenditure of Reserve	B-9		26,930
Intrafund Receivables:	B-7	200	46
Interfund Receivables:			
Due from Current Fund	B-7	<u>26,642</u>	<u>300</u>
		<u>957,901</u>	<u>1,056,136</u>
		\$ <u><u>1,348,850</u></u>	<u><u>1,476,299</u></u>

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2023 and 2022

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal License Fund:			
Reserve for Animal License Expenditures	B-2	3,711	3,186
Due to State of New Jersey	B-3	171	183
Due to Current Fund	B-7	1,051	5,429
		<u>4,933</u>	<u>8,798</u>
Unemployment Compensation Trust Fund:			
Reserve for Expenditures	B-10	53,095	78,631
Community Development Block Grant Trust Fund:			
Reserve for Grant Expenditures	B-5	332,514	332,514
Due to Current Fund	B-7	407	220
		<u>332,921</u>	<u>332,734</u>
Other Trust Funds:			
Due to State-Marriage Licenses	B-6	1,250	1,250
Intrafunds Payable:	B-7	200	46
Interfunds Payable:			
Current Fund - Escrow	B-7	744	192
Current Fund	B-7	2,581	44,775
General Capital Fund	B-7	28,000	14,000
Reserve for:			
Other Trust Deposits	B-9	925,126	995,873
		<u>957,901</u>	<u>1,056,136</u>
		<u>\$ 1,348,850</u>	<u>1,476,299</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash:			
Checking	C-2,C-3	\$ 6,136,589	6,295,159
Grants Receivable:			
Hudson County Open Space Grant	C-6	200,324	344,726
State of New Jersey - Dept. of Transportation	C-7	1,356,112	2,293,612
State of New Jersey - Department of Environmental Protection, Green Acres Program	C-8	64,172	64,172
Hudson County - Community Development Block Grant	C-9	94,146	94,146
State of New Jersey - Office of Law & Public Safety	C-11	40,760	40,760
Due from Board of Education	C-10		42,182
Due from Other Trust Fund	C-19	28,000	14,000
Deferred charges to future taxation:			
Funded	C-4	16,130,000	16,735,000
Unfunded	C-5	15,080,706	12,649,166
		<u>\$ 39,130,809</u>	<u>38,572,923</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-12	16,130,000	16,735,000
Bond Anticipation notes	C-21	13,535,000	11,580,000
Capital Improvement Fund	C-13	759,146	899,146
Due to Current Fund	C-14	434,424	522,679
Reserve for:			
Contracts Payable	C-15	1,554,455	2,004,152
Payment of Debt	C-16	2,521,080	2,942,446
Grants Receivable	C-17	1,275,737	1,333,647
Green Acres	C-18	1,067	1,032
Sewer Improvements	C-19	74,500	46,500
Improvement authorizations:			
Funded	C-20	311,581	232,306
Unfunded	C-20	2,436,472	2,264,675
Fund Balance	C-1	<u>97,347</u>	<u>11,340</u>
		<u>\$ 39,130,809</u>	<u>38,572,923</u>

There were bonds and notes authorized but not issued at December 31, 2023 and December 31, 2022 of \$1,545,706 and \$1,069,166 respectively. See exhibit C-22.

See accompanying notes to financial statements.

TOWN OF GUTTENBERG

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

Year Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Balance - December 31, 2022	\$ <u>11,340</u>	<u>103,813</u>
Increased by:		
Premium received on Sale of		
Bond Anticipation Notes	<u>97,307</u>	<u>7,527</u>
	108,647	111,340
Decreased by:		
Budget Revenue - Due to Current Fund	<u>11,300</u>	<u>100,000</u>
Balance - December 31, 2023	\$ <u><u>97,347</u></u>	<u><u>11,340</u></u>

See Accompanying Notes to Financial Statements

TOWN OF GUTTENBERG

Comparative Balance Sheets-Regulatory Basis

Payroll Account

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ <u>3,891</u>	<u>6,478</u>
	\$ <u><u>3,891</u></u>	<u><u>6,478</u></u>
<u>Liabilities</u>		
Net Payroll Payable	\$ <u>3,891</u>	<u>6,478</u>
	\$ <u><u>3,891</u></u>	<u><u>6,478</u></u>

See accompanying notes to the financial statements.

TOWN OF GUTTENBERG

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Land	\$ 4,282,006	1,875,506
Buildings	3,378,500	3,378,500
Vehicles and equipment	<u>4,456,384</u>	<u>3,223,984</u>
	<u>\$ 12,116,890</u>	<u>8,477,990</u>

See accompanying notes to financial statements.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

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

The Town has the following funds and account group:

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

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

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

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

Unemployment Trust Fund - This fund is used to account for all employee deductions and budget appropriations and subsequent payment of unemployment compensation bills from the State of New Jersey.

Community Development Block Grant - This fund is used to account for the award and receipt of grant monies and subsequent expenditure of grants awarded through the Department of Housing and Urban Development passed through the County of Hudson as required by the grant agreements.

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

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

Payroll Account - This fund is used to account for the receipt and disbursement of net payroll and all deductions and withholdings.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

Basis of Accounting

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

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

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

Basis of Accounting, (continued)

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

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

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

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than March 31, of the fiscal year. The budget shall be adopted not later than April 28, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During the years ended December 31, 2023 and 2022, the Mayor and Council approved additional revenues and appropriations of \$85,043 and \$193,465, respectively, in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were also approved by the governing body in 2023 and 2022.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

Basis of Accounting, (continued)

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

Encumbrances - Contractual orders outstanding at June 30 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

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

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

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

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

Basis of Accounting, (continued)

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

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Town of Guttenberg has developed a fixed assets accounting and reporting system.

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

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

No depreciation has been provided for in the financial statements.

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

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

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

Use of Estimates

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

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

Impact of Recently Issued Accounting Principles

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

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

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

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

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

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

Impact of Recently Issued Accounting Principles, (continued)

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

C. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Plans

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

Police and Firemens' Retirement System (PFRS)

Plan Description

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

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

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

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2023	\$376,773	\$829,456	\$2,622
2022	309,017	691,287	2,658
2021	278,124	668,245	2,507

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

The following pension information is as of June 30, 2022 which is the latest information available. This information is eighteen months prior to December 31, 2023. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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

Public Employees Retirement System (PERS)

At December 31, 2023, the Town had a liability of \$4,508,966 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 that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Town's proportion was .0298777678 percent, which was an increase of .0034912322 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2023, the Town recognized pension expense of \$376,773. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$32,544	\$28,699
Changes of assumptions	13,970	675,171
Net difference between projected and actual earnings on pension plan investments	186,622	
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>924,140</u>	<u>526,222</u>
Total	<u><u>\$1,157,276</u></u>	<u><u>\$1,230,092</u></u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(386,775)
2024	(197,049)
2025	(96,097)
2026	209,647
2027	(461)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,972,782,878
Town's Proportion	.0298777678%	.0263865356%

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Mortality Rates

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Town's proportionate share of the pension liability	\$5,803,573	\$4,508,966	\$3,407,204

Pension Plan Fiduciary Net Position

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS)

The following pension information is as of June 30, 2022 which is the latest information available. This information is eighteen months prior to December 31, 2023. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

At December 31, 2023, the Town had a liability of \$7,300,161 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 that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Town's proportion was .0637771600 percent, which was an increase of .004462860 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2023, the Town recognized pension expense of \$829,456. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$330,425	\$447,234
Changes of assumptions	20,007	918,946
Net difference between projected and actual earnings on pension plan investments	668,480	
Changes in proportion and differences between Town contributions and proportionate share of contributions	<u>1,231,366</u>	<u>557,702</u>
Total	<u>\$2,250,278</u>	<u>\$1,923,882</u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

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

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(365,124)
2024	(233,337)
2025	(222,280)
2026	464,308
2027	4,475
Thereafter	4,690

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 years for 2022, 2021, 2020, 2019, 2018 and 2017, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$2,136,793,985	\$817,271,932
Collective deferred inflows of resources	2,805,919,493	6,875,738,520
Collective net pension liability	13,483,472,009	9,364,849,587
Town's Proportion	.0637771600%	.0593143000%

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

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

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

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

Mortality Rates

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

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 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 to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Town's proportionate share of the pension liability	\$10,500,057	\$7,300,161	\$4,636,232

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 2. PENSION PLANS, (continued)

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

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

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Town 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 Town 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 Town's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Town for the PFRS special funding situation is \$1,299,215 and \$1,219,323, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Town for the PFRS special funding situation is \$149,895 and \$135,797, respectively, which is more than the actual contributions the State made on behalf of the Town of \$161,746 and \$105,922, respectively. The State's proportionate share attributable to the Town 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 Town's financial statements.

Pension Plan Fiduciary Net Position

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 3. LONG-TERM DEBT

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

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2023</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable - General Obligation Debt	<u>\$16,735,000</u>	<u>\$</u>	<u>\$605,000</u>	<u>\$16,130,000</u>	<u>\$605,000</u>
Other Liabilities:					
Deferred PERS/PFRS Pension Obligation	<u>43,224</u>	<u></u>	<u>27,826</u>	<u>15,398</u>	<u>15,398</u>
	<u><u>\$16,778,224</u></u>	<u><u>\$0</u></u>	<u><u>\$632,826</u></u>	<u><u>\$16,145,398</u></u>	<u><u>\$620,398</u></u>
	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>	Amounts Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable - General Obligation Debt	<u>\$17,340,000</u>	<u>\$</u>	<u>\$605,000</u>	<u>\$16,735,000</u>	<u>\$605,000</u>
Other Liabilities:					
Deferred PERS/PFRS Pension Obligation	<u>69,889</u>	<u></u>	<u>26,665</u>	<u>42,224</u>	<u>27,826</u>
	<u><u>\$17,409,889</u></u>	<u><u>\$0</u></u>	<u><u>\$631,665</u></u>	<u><u>\$16,777,224</u></u>	<u><u>\$632,826</u></u>

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$29,665,000	\$28,315,000	\$29,940,000
Authorized but not issued General Bonds and Notes	<u>1,545,706</u>	<u>1,069,168</u>	<u>286,666</u>
	<u>31,210,706</u>	<u>29,384,168</u>	<u>30,226,666</u>
<u>Less:</u>			
Funds Temporarily Held to Pay Bonds and Notes	<u>2,521,080</u>	<u>2,942,445</u>	<u>3,997,383</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u><u>\$28,689,626</u></u>	<u><u>\$26,441,723</u></u>	<u><u>\$26,229,283</u></u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 3. LONG-TERM DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of (2.319)% for 2023.

<u>2023</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District debt	\$	\$	\$0
General debt	<u>31,210,708</u>	<u>2,521,080</u>	<u>28,689,628</u>
	<u><u>\$31,210,708</u></u>	<u><u>\$2,521,080</u></u>	<u><u>\$28,689,628</u></u>

Net debt of \$28,689,628 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,237,413,074 equals 2.319%.

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of (2.222)% for 2022.

<u>2022</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District debt	\$	\$	\$0
General debt	<u>29,384,168</u>	<u>2,942,445</u>	<u>26,441,723</u>
	<u><u>\$29,384,168</u></u>	<u><u>\$2,942,445</u></u>	<u><u>\$26,441,723</u></u>

Net debt of \$26,441,723 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,190,251,406 equals 2.222%.

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

	<u>2023</u>	<u>2022</u>
3 ½% of equalized valuation basis (municipal)	\$43,309,458	\$41,658,799
Net Debt	<u>28,689,628</u>	<u>26,441,723</u>
Remaining borrowing power	<u><u>\$14,619,830</u></u>	<u><u>\$15,217,076</u></u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 3. LONG-TERM DEBT, (continued)

The Town's long-term debt consisted of the following at December 31, 2023 and 2022:

Paid by Current Fund:

	<u>2023</u>	<u>2022</u>
\$19,150,000 General Obligation Bonds, due in annual installments of \$600,000 to \$1,190,000 through August 2042, interest at 3.00%-5.00%	<u>\$16,130,000</u>	<u>\$16,735,000</u>
	<u>\$16,130,000</u>	<u>\$16,735,000</u>

Aggregate bonded debt service requirements are as follows:

		<u>General Capital Debit</u>	
		<u>Serial Bonds</u>	
<u>Year</u>	<u>Total Debit Services</u>	<u>Principal</u>	<u>Interest</u>
2024	\$1,300,875	\$605,000	\$695,875
2025	1,285,625	620,000	665,625
2026	1,254,625	620,000	634,625
2027	1,253,625	650,000	603,625
2028	1,251,125	680,000	571,125
2029-33	6,258,025	3,870,000	2,388,025
2034-38	6,255,850	4,650,000	1,605,850
2039-42	<u>5,002,750</u>	<u>4,435,000</u>	<u>567,750</u>
	<u>\$23,862,500</u>	<u>\$16,130,000</u>	<u>\$7,732,500</u>

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

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

	<u>2023</u>	<u>2022</u>
General Capital Fund	<u>\$1,545,706</u>	<u>\$1,069,166</u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2023 and 2022, the Town had \$13,535,000 and \$11,580,000 respectively, in outstanding General Capital Fund bond anticipation notes.

	<u>Balance</u> <u>Dec. 31,</u> <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31,</u> <u>2023</u>
<u>General Capital Notes Payable</u>				
BNY Mellon Capital Markets LLC	\$	\$13,535,000	\$	\$13,535,000
TD Securities (USA) LLC	<u>11,580,000</u>	<u> </u>	<u>11,580,000</u>	<u> </u>
	<u>\$11,580,000</u>	<u>\$13,535,000</u>	<u>\$11,580,000</u>	<u>\$13,535,000</u>
	<u>Balance</u> <u>Dec. 31,</u> <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31,</u> <u>2022</u>
<u>General Capital Notes Payable</u>				
Jeffries LLC, NY	\$12,600,000	\$	\$12,600,000	\$
TD Securities (USA) LLC	<u> </u>	<u>11,580,000</u>	<u> </u>	<u>11,580,000</u>
	<u>\$12,600,000</u>	<u>\$11,580,000</u>	<u>\$12,600,000</u>	<u>\$11,580,000</u>

NOTE 5. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2023 and 2022 which as been appropriated as revenue in the 2024 and 2023 budgets is as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	<u>\$3,293,788*</u>	<u>\$3,300,000</u>

*Introduced Budget

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 6. ACCRUED SICK AND VACATION BENEFITS

The Town no longer permits employees to accrue unused sick and vacation pay; therefore, there is no liability for unpaid compensation at December 31, 2023.

NOTE 7. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$-0- of the Town's bank balance of \$18,519,242 and \$18,071,116, respectively, was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 8. LEASE OBLIGATIONS

The Borough, as a lessee, has entered into the following leases which meet the requirements of GASB 87:

M-10 - Office Space

On October 1, 2019, the Town entered into a lease agreement with Zhonghai Realty, L.L.C. for a five year period (60) months, to utilize space as an office/library resource room and annex. This lease runs through September 30, 2024, and the terms of the agreement include a monthly payment with a 3% increase each year compounded annually.

M-4A - Office Space

On May 1, 2018, the Town entered into a lease agreement with Zhonghai Realty, L.L.C. for a five year period (60) months, to utilize space as an office/library resource room and annex. This lease expired April 30, 2023, but was renewed for an additional 60 month term on May 1, 2023. The terms of the agreement include a monthly payment with a 3% increase each year compounded annually. This new lease expires April 30, 2028 with a new lessor, Yan Wang.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the leases payable were \$49,610 and \$182,227, respectively.

As a result of the regulatory basis of accounting previously describe in note 1, such balances are not recorded on the Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the Current Fund.

The following is a summary of the lease obligation principal and interest payments to maturity:

<u>Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	86,005	9,331	95,336
2025	39,648	6,399	46,047
2026	43,108	4,338	47,446
2027	46,788	2,099	48,887
2028	<u>16,288</u>	<u>170</u>	<u>16,458</u>
	<u>231,837</u>	<u>22,337</u>	<u>254,174</u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 9. FIXED ASSETS

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

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2023</u>
Land	\$1,875,506	\$2,406,500	\$	\$4,282,006
Building	3,378,500			3,378,500
Equipment & Vehicles	<u>3,223,984</u>	<u>1,299,126</u>	<u>66,726</u>	<u>4,456,384</u>
	<u>\$8,477,990</u>	<u>\$3,705,626</u>	<u>\$66,726</u>	<u>\$12,116,890</u>
	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2022</u>
Land	\$1,875,506	\$	\$	\$1,875,506
Building	3,378,500			3,378,500
Equipment & Vehicles	<u>2,749,640</u>	<u>546,305</u>	<u>71,961</u>	<u>3,223,984</u>
	<u>\$8,003,646</u>	<u>\$546,305</u>	<u>\$71,961</u>	<u>\$8,477,990</u>

(1) Land values were increased to agree to amount reported in the annual fixed asset report. The appraisal company made updates for some properties based on the current assessed value. For continuity in reporting, the land value was updated to be in agreement with the fixed asset report.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 10. DUE TO/FROM OTHER FUNDS

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

\$1,051	Due to the Current Fund from the Animal License Trust Fund for the current years' statutory excess and balance of current year interest earnings.
407	Due to the Current Fund from the Community Development Trust Fund for the balance of current year interest earnings.
26,642	Due to the Other Trust Fund from the Current Fund for the deferred charge budget appropriation - recreation, the reimbursement of marriage license fees paid in error less the balance of current year interest earnings..
744	Due to the Current Fund from the Escrow Trust Fund for the town share of interest earned on developer deposits.
2,581	Due to the Current Fund from Other Trust - Redemption Account for the balance of current year's interest earnings and excess redemption deposits.
28,000	Due to the General Capital Fund from the Other Trust fund for developer deposits for sewer improvements.
835,678	Due to the Current Fund from the Federal and State Grant Fund to correct deposit errors, interest earned on investments, cancelled appropriated grant reserves less cancelled grant receivables, the deferred charge for prior year over-expenditures raised in the 2023 budget and grants deposited in current in error.
434,424	Due to the Current Fund from the General Capital fund for budget revenue not transferred, excess appropriation of interest on notes transferred less the balance of current year interest earnings.
<u>200</u>	Due to the Public Defender Trust Fund from the POAA Trust Fund to correct a deposit error.
<u>\$1,329,727</u>	

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB)

In addition to the pension described in Note 2, the Town provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

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

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

Total OPEB Liability

The following other post employment benefit information for special funding situation is as of June 30, 2022 which is the latest information available. This information is eighteen months prior to December 31, 2023. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information for special funding situation is available.

At December 31, 2023, the Town had a liability of \$17,630,836 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Town's proportion of the net OPEB liability was based on a projection of the Town's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers a in the plan. At June 30, 2022 the Town's proportion was .1091720000 percent which was an increase of .0134810000 percent from its proportion measured as of June 30, 2021.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

For the year ended December 31, 2023, the Town recognized OPEB expense (benefit) of \$197,975. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$910,475	\$3,268,008
Changes of assumptions	2,352,908	6,017,065
Net difference between projected and actual earnings on OPEB plan investments	4,641	
Changes in proportion	<u>3,993,656</u>	<u>1,755,092</u>
Total	<u>\$7,261,680</u>	<u>\$11,040,165</u>

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

Year ended June 30:	
2023	\$(1,597,602)
2024	(1,599,012)
2025	(1,262,716)
2026	(563,936)
2027	(126,433)
Thereafter	(867,350)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

Actual Assumptions and Other Inputs

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

Salary increases*:

Public Employees' Retirement System
(PERS)

2.75% to 6.55%

Rate for all future years

based on years of service

Police and Firemen's Retirement System
(PFRS)

3.25% to 16.25%

Rate for all future years

based on years of service

Mortality:

PERS

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

PFRS

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

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

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

Discount Rate

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

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 11. OTHER POST RETIREMENT BENEFITS (OPEB), (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

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

	June 30, 2022		
	1% Decrease <u>2.54%</u>	At Current Discount Rate <u>3.54%</u>	1% Increase <u>4.54%</u>
Town's proportionate share of Net OPEB liability	\$20,437,689	\$17,630,836	\$15,372,461

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

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

	June 30, 2022		
	1% Decrease <u> </u>	Healthcare Cost Trend Rate <u> </u>	1% Increase <u> </u>
Town's proportionate share of Net OPEB liability	\$14,956,769	\$17,630,836	\$21,055,563

NOTE 12. CONTINGENT LIABILITIES

A. Grants

The Town received financial assistance from the State of New Jersey and the U.S. Government in the form of grants and revenue sharing entitlements. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. During 2021, the Town is subject to the requirements of the Single Audit Act Amendments of 1996 which mandated that all Federal grant revenues and expenditures be audited in conjunction with a municipal audit. In addition, substantially all State grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 12. CONTINGENT LIABILITIES, (continued)

B. Other Litigation

The Town is involved in several other claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters are not likely to have a material adverse effect on the financial position of the Town.

Tax Appeals

The Town has a substantial pending tax appeal case outstanding as of December 31, 2023. This case involves a large assessment and there is substantial exposure as noted below:

A. Summit House. Corp. V. Guttenberg

(Tax Years 2022, 2023 & 2024 are pending in the Tax Court)

The Summit House Corp. is the owner of a 183-unit cooperative located at 7100 Boulevard East. At an assessment of \$24,800,000.00, it is the largest single assessment of any property located in the Town. The Plaintiff has filed appeals of the assessment in 2022, 2023 and 2024.

Given the value of the property, even a small reduction in assessment could lead to a substantial refund. The initial demand from Plaintiff's counsel was \$22,000,000.00, calling for a value that would reduce about \$2,800,000 a year off the assessment, which would lead to a total of approximately \$330,000 in refunds over the three pending tax years (2022-2024).

At this stage of litigation, the parties have exchanged discovery and are in the process of discussing settlement of the case. As the 2021 tax appeal was amicably resolved at \$22,000,000 and a Judgment was entered by the Tax Court of New Jersey, Plaintiff may very well move for an application of the Freeze Act (*N.J.S.A. 54:51A-8*) assuring a 2022 and 2023 assessment reduction of the subject property to \$22,000,000. I anticipate further settlement discussion and a probable resolution within the next ninety (90) days. In the alternative, the Tax Court would most likely schedule a trial date in late 2024/early 2025 based upon the current Court calendar.

NOTE 13. ECONOMIC DEPENDENCY

The Town receives a substantial amount of its support from Federal and State governments. A significant reduction in the level of support, if this were to occur, may cause an increase in the local tax rate, and could also have a detrimental effect on the level of service that the Town would be able to provide.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 14. NORTH HUDSON REGIONAL FIRE AND RESCUE

Second Amended and Restated Consolidated Municipal Services Agreement for the Formation of a Joint Meeting Pursuant to N.J.S.A. 40:48B-1 et seq., known as North Hudson Regional Fire and Rescue (the “Agreement”)

Background of the Agreement

On December 30, 1998, the Town adopted a resolution approving it to enter into a joint contract with the municipalities of North Bergen, Union City, Weehawken and West New York (the “Other Municipalities”), in order to form a joint meeting pursuant to the Consolidated Municipal Services Act, N.J.S.A. 40:48B-1 et seq. (the “Act”). The entity created by the formation of this joint meeting is known as the North Hudson Regional Fire and Rescue (the “NHRFR”), which is a public body, corporate and politic, constituting a political subdivision of the State of New Jersey, having all powers and authorities permitted by the Act. The purpose of the NHRFR is to provide for the joint operation of fire protection, rescue and emergency services, and other related governmental services.

The NHRFR was in effect from October 1, 1998, as the Other Municipalities had already formed the Agreement before the Town entered on December 30, 1998. The term of the Agreement expires September 30, 2023, but may be subject to earlier termination pursuant to the Act. The operations of the NHRFR commenced on January 1, 1999. The NHRFR is governed by a five member management committee, consisting of one representative from each municipality, and this committee may appoint one or two executive director(s), and other such officers, employees and counsel as it deems necessary. A municipality’s admission to or withdrawal from the NJFRF requires four votes from the management committee.

Required Contributions by the Town

The Town adopted an ordinance on December 30, 1998, authorizing the sale, lease transfer, conveyance or other disposition of and improvement of real and personal property to the NHRFR, pursuant to New Jersey Statutes. The Town has agreed to convey two parcels of its real property, the value of which will be determined by a qualified appraiser. The Town had also agreed to convey four items of its personal property, which consist of vehicles with an aggregate minimum purchase price of \$341,000. The estimated proceeds of all property conveyed, real and personal, was approximately \$1,000,000.

The Town was required to contribute \$1,500,000 annually to the NHRFR. This annual contribution is subject to an increase based on the percentage of increase of the total fire and rescue related appropriations over the base year (SFY 1998) of the Other Municipalities. The Agreement also contains provisions for cost and budget balance allocations, and a growth value adjustment to be made in calendar year 2001, but these provisions do not pertain to the Town. As of December 31, 2023, the town budgeted \$2,900,000 and contributed \$2,957,168.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 15. TAXES COLLECTED IN ADVANCE

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

	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
Prepaid Taxes	<u>\$324,580</u>	<u>\$467,594</u>
Cash Liability for Taxes Collected in Advance	<u><u>\$324,580</u></u>	<u><u>\$467,594</u></u>

NOTE 16. EMERGENCY NOTES

As permitted under N.J.S.A. 40A:4-46, local governments may make emergency appropriations, after adoption of the annual budget, for purposes unforeseen at the time of adoption. Any local unit may borrow money and issue its negotiable notes to meet these emergency appropriations. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

On December 31, 2023 and 2022 the Borough had \$-0- and \$530,000, respectively, in outstanding Current Fund Emergency notes.

The following activity related to emergency notes occurred during the period ended December 31, 2023:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>
<u>2023</u>				
Emergency Notes Payable:				
Amboy Bank	<u>\$530,000</u>	\$ <u> </u>	<u>\$530,000</u>	\$ <u>-0-</u>
	<u><u>\$530,000</u></u>	<u>\$0</u>	<u><u>\$530,000</u></u>	<u><u>\$ </u></u>

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 17. RISK MANAGEMENT

The Town of Guttenberg is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has obtained insurance coverage to guard against these events which will provide minimum exposure to the Town should they occur. During the year ended December 31, 2023, the Town did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Town of Guttenberg is a member of the Garden State Municipal Joint Insurance Fund (the "GSMJIF"). The GSMJIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The Town of Guttenberg pays an annual assessment to the GSMJIF and should it be determined that payments received by the GSMJIF are deficient, additional assessments may be levied.

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

The GSMJIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Garden State Municipal Joint Insurance Fund.

The Town of Guttenberg continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

TOWN OF GUTTENBERG
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 18: OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Town of Guttenberg is \$1,164,019 which will be available for use until December 31, 2024.

NOTE 19. SUBSEQUENT EVENT

The Town has evaluated subsequent events through May 15, 2024, the date which the financial statements were available to be issued, and no other items were noted for disclosure.

SUPPLEMENTARY DATA

TOWN OF GUTTENBERG

Supplementary Data

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax rate	3.994	3.877	3.882
Apportionment of tax rate:			
Local school	1.446	1.444	1.446
County	0.560	0.563	0.589
Municipal	1.988	1.870	1.847

<u>Year Ended December 31,</u>	<u>Assessed Valuation</u>
2023	\$ 783,493,221
2022	784,093,616
2021	785,315,316

Comparison of Tax Levies and Collections Currently

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

<u>Year Ended December 31,</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2023	\$ 31,338,120	30,759,497	98.15%
2022	30,471,025	29,882,067	98.07%
2021	30,470,533	29,256,745	96.02%

TOWN OF GUTTENBERG

Supplementary Data

Delinquent Taxes and Tax Title Liens

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

<u>Year Ended December 31,</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2023	490,744	424,961	915,705	2.92%
2022	433,547	291,688	725,235	2.38%
2021	379,058	540,152	919,210	3.02%

Property Acquired By Tax Title Lien Liquidation

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

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

<u>Year</u>	<u>Amount</u>
2023	\$ None
2022	None
2021	None

Comparative Schedule of Fund Balances

	<u>Year Ended December 31,</u>	<u>Year ended</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2023	\$ 5,497,191	3,293,788 *
	2022	6,001,134	3,300,000
	2021	6,048,631	2,600,000
	2020	5,282,605	2,250,000
	2019	6,758,172	2,100,000

* - Based on the introduced budget

TOWN OF GUTTENBERG

Supplementary Data

Official in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Name of corporate surety</u>
Wayne Zitt	Mayor		
William Hokien	Councilmember		
Richard Delafuente	Councilmember		
Monica Fundora	Councilmember		
Juana Malave	Councilmember		
John D. Habermann	Councilmember		
Ariana Moure	Town Attorney		
Cosmo Cirillo	Town Administrator		
John Di Stefano	Director of Revenue & Finance,	1,000,000	(A)
	Deputy Tax Collector, Tax Search Officer		
Vincent Buono	CFO/Tax Collector	1,000,000	(A)
Johanna Fermaint	Deputy Tax Clerk		
Cosmo Cirillo	Acting Town Clerk		
Lilia Munoz	Municipal Court Judge	1,000,000	(A)
Charles Daglian	Municipal Court Judge	1,000,000	(A)
Bleydeliz Collado	Court Administrator	1,000,000	(A)
Jesenia Rivera	Deputy Court Administrator		

(A) Coverage provided through the Garden State Municipal Joint Insurance Fund. Coverage is provided up to \$1,000,000 per occurrence.

TOWN OF GUTTENBERG

Schedule of Cash - Collector/Treasurer

Current Fund

Year Ended December 31, 2023

	Regular <u>Fund</u>	Federal and State Grant <u>Fund</u>
Balance - December 31, 2022	\$ 9,150,506	1,180,053
Increased by receipts:		
Revenue accounts receivable	4,380,104	
Miscellaneous revenues not anticipated	503,092	
Taxes receivable	30,569,705	
Senior citizens and veterans deductions	11,220	
Prepaid Taxes	324,580	
Interfunds	1,185,734	
Tax Overpayments	133,639	
Various Reserves	11,420	
Grants Receivable		286,110
Unappropriated grant reserves		5,840
Due to Current Fund		1,011,311
	<u>37,119,494</u>	<u>1,303,261</u>
	<u>46,270,000</u>	<u>2,483,314</u>
Decreased by disbursements:		
2023 budget appropriations	19,437,191	
2022 appropriation reserves	1,721,582	
Tax overpayment refunds	1,794	
Local district school tax	11,321,822	
County taxes	4,380,481	
County added taxes	10,414	
Various Reserves	12,970	
Interfunds	300	
Refunds	72,288	
Emergency Note	530,000	
Prior Year Encumbrance Paid		4,034
Due to Current Fund		1,131,143
Appropriated Reserves		225,839
	<u>37,488,842</u>	<u>1,361,016</u>
Balance, December 31, 2023	\$ <u>8,781,158</u>	<u>1,122,298</u>

TOWN OF GUTTENBERG
Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2023

<u>Year</u>	Balance, Dec. 31,	2023 Levy	Added Taxes	<u>Collected</u> <u>2022</u>	<u>2023</u>	Senior & Veteran's <u>Deductions</u>	Transferred to Tax Title <u>Liens</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2023</u>
2022	\$ 291,688				288,802			2,886	
2023		31,292,720	45,400	467,594	30,280,903	11,000	57,197	96,465	424,961
	\$ 291,688	31,292,720	45,400	467,594	30,569,705	11,000	57,197	99,351	424,961
				Cash Receipts	30,569,705				
					\$ 30,569,705				

Analysis of 2023 Tax Levy

Tax yield:
General property tax
Added tax (R.S.54:4-63.1 et seq.)

\$	31,292,720
	<u>45,400</u>
\$	<u>31,338,120</u>

Tax levy:
Local district school tax (abstract)
County tax (abstract)
Local tax for municipal purpose (abstract)
Additional tax levies

\$	11,321,822
	4,386,847
	15,583,387
	<u>46,064</u>
\$	<u>31,338,120</u>

TOWN OF GUTTENBERG

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collected</u>	Balance, Dec. 31, <u>2023</u>
Clerk:				
Licenses:				
Alcoholic beverages	\$	40,750	40,750	
Other		150,309	150,309	
Fees and permits		99,509	99,509	
Construction Code Official-fees and permits		230,937	230,937	
Municipal Court fines and costs	39,298	595,304	584,354	50,248
Parking meters		368,022	368,022	
Interest and cost on taxes		74,755	74,755	
Interest on investments		596,671	596,671	
Municipal Relief Fund		79,144	79,144	
Reserve for Municipal Relief Fund		39,581	39,581	
Energy Receipts Tax		485,440	485,440	
Board of Education - Shared Services		890,000	890,000	
Board of Education - Shared Services - Recreation		230,000	230,000	
Time Warner Franchise Fee		38,593	38,593	
Verizon Franchise Fee		33,174	33,174	
Capital Fund Balance		11,300	11,300	
Due From General Capital		500,000	500,000	
Reserve for payment of debt		400,000	400,000	
American Rescue Plan - Revenue Loss		929,002	929,002	
	<u>\$ 39,298</u>	<u>5,792,491</u>	<u>5,781,541</u>	<u>50,248</u>
Due from General Capital			411,300	
Reserve for Municipal Relief Fund			39,581	
Due from Federal and State Grant Fund			929,002	
Interest on Investments			21,554	
Cash			4,380,104	
			<u>\$ 5,781,541</u>	

TOWN OF GUTTENBERG

Schedule of Deferred Charges - Emergency Appropriations

Current Fund

Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	Raised in <u>2023 Budget</u>
<u>Emergency Appropriations:</u>		
Administrative & Executive - Salaries & Wages	\$ 30,000	30,000
Gasoline	45,000	45,000
Police - Other Expenses	100,000	100,000
Police - Salaries & Wages	75,000	75,000
Recreation - Salaries & Wages	105,000	105,000
Street Cleaning - Other Expenses	100,000	100,000
Street Cleaning - Salaries & Wages	<u>75,000</u>	<u>75,000</u>
	\$ <u><u>530,000</u></u>	<u><u>530,000</u></u>

Exhibit A-8**TOWN OF GUTTENBERG****Schedule of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions****Current Fund****Year Ended December 31, 2023**

Balance - December 31, 2022		\$	34,213
Increased by:			
Senior citizens' and veterans' deductions per tax billings			<u>11,250</u>
			45,463
Decreased by:			
Deductions Disallowed	\$	250	
Cash received		<u>11,220</u>	
			<u>11,470</u>
Balance - December 31, 2023		\$	<u><u>33,993</u></u>

Exhibit A-9**Schedule of Local District School Taxes Payable****Current Fund****Year Ended December 31, 2023**

Increased by:			
2023 Levy		\$	<u>11,321,822</u>
Decreased by:			
Cash Disbursed		\$	<u><u>11,321,822</u></u>

TOWN OF GUTTENBERG
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2023

Increased by:		
County Tax Levy	\$	4,289,099
County Open Space Preservation Levy		<u>91,382</u>
		<u>4,380,481</u>
Decreased by:		
Cash Disbursed	\$	<u><u>4,380,481</u></u>

**Schedule of Due County for Added
and Omitted Taxes**
Current Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$	10,414
Increased by:		
2023 Added Levy		<u>6,366</u>
		16,780
Decreased by:		
Cash Disbursed		<u>10,414</u>
Balance - December 31, 2023	\$	<u><u>6,366</u></u>

TOWN OF GUTTENBERG, N.J.

Schedule of 2022 Appropriation Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	\$ 80	80		80
Financial Administration	49	49		49
Collection of Taxes	26	26		26
Assessment of Taxes	20	20		20
Municipal Court	29	29		29
Police	75	75		75
Fire Inspector	13	13		13
Streets and Roads	42	42		42
Recreation	344	344		344
Senior Citizens Nutrition Program	5	5		5
Uniform Construction Code	19	19		19
License Inspector	14	14		14
Accumulated Absences	1	1		1
Total Salaries and Wages Within "CAPS"	717	717		717
Other Expenses Within "CAPS":				
Administrative and Executive	16,291	22,858	22,857	1
Financial Administration	50	16,435	16,057	378
Collection of Taxes	5	5		5
Assessment of Taxes	5	3,935	3,934	1
Municipal Court	255	255	200	55
Legal Services	10,199	18,254	18,254	
Planning Board	27	27		27
Uniform Construction Code	205	205		205
License Inspector	11	11		11
Engineering	10,681	1,706	1,705	1
Insurance - Other	1,940	6,540	6,506	34
Group Insurance for Employees	5	5		5
Police	2,055	54,963	48,129	6,834
Fire Inspector	13	13		13
Streets and Roads	1,160	7,714	6,614	1,100
Snow Removal	1,016			
Recycling	7,349	1,345	1,333	12
Solid Waste & Garbage Removal	47,669	47,833	47,833	
Public Buildings and Grounds	2,571	12,338	11,186	1,152
Public Health Services	390	390		390
Recreation	872	872		872
Celebration of Public Events	1,533	912	879	33
Senior Citizens Nutrition Program	2	7,765	4,163	3,602

TOWN OF GUTTENBERG, N.J.

Schedule of 2022 Appropriation Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Senior Citizens Transportation	4,861	8,361	8,335	26
Senior Recreation Program	376	376		376
Electricity	16,185	4,286	4,227	59
Street Lighting	4,081	331	328	3
Telephone	2,979	79	29	50
Water	13,569	69		69
Fire Hydrant Service	456	456		456
Sewerage	7,620	20		20
Gasoline	15,699	10,899	10,871	28
Postage - All Departments	4,554	3,054	3,042	12
Technology	298	298		298
Contingent	6,125	6,125		6,125
Total Other expenses Within "CAPS"	<u>181,107</u>	<u>238,735</u>	<u>216,482</u>	<u>22,253</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)			(12,211)	12,211
DCRP	192	192		192
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>192</u>	<u>192</u>	<u>(12,211)</u>	<u>12,403</u>
Total Reserves Within "CAPS"	<u>182,016</u>	<u>239,644</u>	<u>204,271</u>	<u>35,373</u>
Other Expenses Excluded From "CAPS":				
911 Other Expenses	4,618	51,618	47,000	4,618
Stormwater Management	1,243	6,443		6,443
North Hudson Regional Communication		84,500	84,500	
North Hudson Regional Fire and Rescue	157,796	1,588,898	1,431,102	157,796
Guttenberg Board of Education				
Electric and Gas	28,700			
Sewer	16,739			
Water	6,248			
Public Works	22			
Snow Removal	36,684			
Security		88,397	2,652	85,745
Recreation/Transportation	5			
Library Services-North Bergen	43	43		43

TOWN OF GUTTENBERG, N.J.

Schedule of 2022 Appropriation Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Total Other Expenses Excluded from "CAPS"	<u>252,098</u>	<u>1,819,899</u>	<u>1,565,254</u>	<u>254,645</u>
Total Reserves Excluded from "CAPS"	<u>252,098</u>	<u>1,819,899</u>	<u>1,565,254</u>	<u>254,645</u>
Total Reserves	\$ <u><u>434,114</u></u>	<u><u>2,059,543</u></u>	<u><u>1,769,525</u></u>	<u><u>290,018</u></u>

Appropriation reserves	434,114
Encumbrances	<u>1,625,429</u>
	\$ <u><u>2,059,543</u></u>

Cash Disbursements	1,721,582
Accounts Payable	<u>47,943</u>
	\$ <u><u>1,769,525</u></u>

Exhibit A-13

TOWN OF GUTTENBERG
Schedule of Reserve for Encumbrances

Current Fund**Year Ended December 31, 2023**

Balance - December 31, 2022	\$ 1,625,429
Increased by:	
2023 Encumbrances	<u>1,611,426</u>
	3,236,855
Decreased by:	
Transferred to appropriation reserves	<u>1,625,429</u>
Balance - December 31, 2023	\$ <u><u>1,611,426</u></u>

Exhibit A-14**Schedule of Tax Overpayments****Current Fund****Year Ended December 31, 2023**

Balance - December 31, 2022	\$ 11,259
Increased by:	
Cash Receipts	<u>133,639</u>
	144,898
Decreased by:	
Cash Disbursements	\$ 1,794
Cancelled to Operations	<u>92,566</u>
	<u>94,360</u>
Balance - December 31, 2023	\$ <u><u>50,538</u></u>

Exhibit A-15

TOWN OF GUTTENBERG

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ 467,594
Increased by:	
Prepaid Taxes Collected	<u>324,580</u>
	792,174
Decreased by:	
Applied to 2023 Taxes	<u>467,594</u>
Balance - December 31, 2023	\$ <u><u>324,580</u></u>

Exhibit A-16

**Schedule of Amount Due to the Hudson County Treasurer -
Court Fines and Costs**

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>6,764</u>
Balance - December 31, 2023	\$ <u><u>6,764</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds Due from/(to) Other Funds

Current Fund

Year Ended December 31, 2023

	Balance Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2023</u>
Trust Funds:				
Animal License Trust Fund	\$ 5,429	1,134	5,512	1,051
CDBG Trust Fund	220	407	220	407
Other Trust Fund - Redemption Account	68	4,099	1,586	2,581
Other Trust Fund	41,243	21,799	89,684	(26,642)
Other Trust Fund - Asset Forfeiture - Justice	3,464		3,464	
Escrow Trust Fund	192	744	192	744
Fire Prevention Trust Fund	(300)	300		
General Capital Fund	522,679	633,544	721,799	434,424
Federal and State Grant Fund	<u>1,100,360</u>	<u>2,037,664</u>	<u>2,302,346</u>	<u>835,678</u>
	<u>\$ 1,673,355</u>	<u>2,699,691</u>	<u>3,124,803</u>	<u>1,248,243</u>
Cash Receipts	\$		12,079	
Budget Revenue		411,300	500,000	
Interest on Notes - Excess Appropriation transferred		1,287		
Deferred Charge - Due to Other Trust Fund - Recreation			26,930	
Deferred Charge - Due to Federal and State Grant Fund			200,651	
Grant Receivables - Cancelled			958,472	
Appropriated Grant Reserves - Cancelled		966,014		
Interfunds Returned - Cash Receipts			1,173,655	
Cash Disbursements		300		
Interfunds Advanced		1,156,379		
Deposit Errors		2,681		
Statutory Excess		1,041		
Interest Earned		<u>160,689</u>	<u>253,016</u>	
	\$	<u>2,699,691</u>	<u>3,124,803</u>	

TOWN OF GUTTENBERG**Schedule of Due from/(to) Current Fund****Federal and State Grant Fund****Year Ended December 31, 2023**

Balance - December 31, 2022	\$	(1,100,360)
-----------------------------	----	-------------

Increased by:

Interest on Investments	\$	32,746	
Deposit errors		49,563	
Unappropriated Grant		60,339	
Canceled Appropriated Grant Reserves		966,014	
Cash Receipts		929,002	
		<u>2,037,664</u>	
			(3,138,024)

Decreased by:

Cash Disbursements		1,100,360	
Unappropriated Grant		12,079	
Canceled Grant Recievable		958,473	
Deferred Charge		200,651	
Cash Disbursements - Interest		30,783	
		<u>2,302,346</u>	

Balance - December 31, 2023	\$	<u><u>(835,678)</u></u>
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Analysis of Balance

Federal and State Grant Fund Account	834,282
Alcohol Education and Rehabilitation Account	1,396
	<u><u>\$ 835,678</u></u>

TOWN OF GUTTENBERG

Schedule of Emergency Note Payable

Current Fund

Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2022</u>	<u>Decreased</u>
Emergency Appropriations	Dec. 30, 2022	Mar. 31, 2023	4.20%	\$ 530,000	530,000
				\$ 530,000	530,000

TOWN OF GUTTENBERG

Schedule of Various Reserves

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
Reserve for:				
Pension Deferral	\$ 228,137			228,137
Revaluation	17,130			17,130
Library Contribution - North Bergen	20,554			20,554
State Library Aid	11,262			11,262
Marriage Licenses		1,025		1,025
Municipal Relief Fund	39,581		39,581	
Accounts Payable	2,575	47,943	2,575	47,943
Tax Appeals	308,472	50,000		358,472
DCA Fees Payable		10,395	10,395	
	<u>\$ 627,711</u>	<u>109,363</u>	<u>52,551</u>	<u>684,523</u>
Cash Receipts		11,420		
Cash Disbursements			12,970	
Utilitized as Budget Revenue			39,581	
Transfer from 2022 Appropriation Reserves		47,943		
Transfer from 2023 Budget Appropriations		50,000		
		<u>\$ 109,363</u>	<u>52,551</u>	

TOWN OF GUTTENBERG

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ 433,547
Increased by:	
Transferred from taxes receivable	<u>57,197</u>
Balance - December 31, 2023	\$ <u><u>490,744</u></u>

TOWN OF GUTTENBERG

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Purpose</u>	Balance, Dec. 31, <u>2022</u>	2023 Budget Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2023</u>
Alcohol Education and Rehabilitation Fund	\$	5,971	5,971		
County of Hudson - ARP Funds	929,002			(929,002)	
Body Armor Replacement Fund - 2021					
Body Armor Replacement Fund - 2023		4,666			4,666
Clean Communities	640			(640)	
Clean Communities		19,417	19,417		
CDBG-CV Funds - Food Pantry Program	57,902				57,902
CDBG-CV Funds - Senior Bus Service	100,000				100,000
Click it or Ticket	7,000			(7,000)	
Drunk Driving Enforcement Fund	3,033			(3,033)	
Drive Sober or Get Pulled Over	125			(125)	
Drive Sober or Get Pulled Over		7,000	7,000		
Lead Grant		10,800	10,800		
NJ Council on Arts		10,000	7,500		2,500
Local Health Infrastructure		100,376	100,376		
EPA Clean Water		394,000			394,000
Municipal Alliance	1,149			(1,149)	
Municipal Alliance	3,046		3,046		
Municipal Alliance - 2023	3,825		1,768	(1,573)	484
Municipal Alliance		3,533			3,533
BMHAS Municipal Alliance	1,281				1,281
National Endowment for the Arts - Promotion of the Arts Grant	25,000				25,000
Recreation Opportunities for Individuals with Disabilities	200			(200)	
FY21 Strengthening Local Public Health Capacity Program	857			(857)	
FY22 Strengthening Local Public Health Capacity Program	23,628		23,628		
Summer Food Program - 2020	8,935			(8,935)	
Summer Food Program - 2021	320			(320)	
Summer Food Program - 2022	2,088		939	(1,149)	
Summer Food Program - 2023		33,656	33,656		
Urban Enterprise Zone - Remaining Balance	4,490			(4,490)	
Urban Enterprise Zone - Remaining Balance - 2020	78,479		16,237		62,242
Urban Enterprise Zone - Remaining Balance - 2021	39,459		39,459		
Recycling Tonnage Grant		16,313	16,313		
	<u>\$ 1,290,459</u>	<u>605,732</u>	<u>286,110</u>	<u>(958,473)</u>	<u>651,608</u>
		Cash Receipts	<u>286,110</u>		
			<u>\$ 286,110</u>		

TOWN OF GUTTENBERG
Schedule of Appropriated Grant Reserves
Federal and State Grant Fund
Year Ended December 31, 2023

<u>Purpose</u>	Balance, Dec. 31, <u>2022</u>	Budget <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2023</u>
Alcohol Education and Rehabilitation Grant	\$				
2023		5,971			5,971
2022	6,159				6,159
2021	7,270				7,270
2020	3,418				3,418
2019	8,439				8,439
2018	6,078				6,078
2017	3,439				3,439
2016	3,505				3,505
2015	1,531		240		1,291
American Rescue Plan	165,544		(4,034)		169,578
American Rescue Plan - Hudson County	929,002			929,002	
Body Armor Replacement Fund					
2022	1,444				1,444
2021	2,096				2,096
2020	346				346
CDBG-CV Funds - Food Pantry Program	38,787				38,787
CDBG-CV Funds - Senior Bus Service	13,080		13,080		
Clean Communities Grant					
2023		19,417			19,417
2022	17,312				17,312
2021	8,470		1,318		7,152
Click it or Ticket					
Drive Sober or Get Pulled Over - 2023		7,000	7,000		
Drive Sober or Get Pulled Over - 2016	83			83	
Bulletproof Vest Partnership Program		4,666			4,666
Highway Safety Grant	390			390	
NJ Council On The Arts		10,000	9,750		250
Lead Grant		10,800			10,800
Municipal Alliance		3,533			3,533
Municipal Alliance - 2023	8,831		7,713		1,118
Municipal Alliance - Match 2023	1,325			1,325	
Municipal Alliance	2,649			2,649	
Municipal Alliance - Match	2,426			2,426	
Municipal Alliance - Match	2,414			2,414	
Municipal Alliance	1,677			1,677	
Municipal Alliance - Match	2,414			2,414	
Municipal Alliance - Match	1,757			1,757	
Municipal Alliance - Match	2,414			2,414	
Municipal Alliance - Match	322			322	
National Endowment for the Arts - Promotion of the Arts Grant	3,373				3,373

TOWN OF GUTTENBERG
Schedule of Appropriated Grant Reserves
Federal and State Grant Fund
Year Ended December 31, 2023

<u>Purpose</u>	Balance, Dec. 31, <u>2022</u>	Budget <u>Appropriations</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, Dec. 31, <u>2023</u>
Recycling Tonnage Grant -					
2023		16,313			16,313
2022	15,530				15,530
2021	14,840				14,840
2019	14,535				14,535
2017	14,379				14,379
Local Public Health Capacity Grant		100,376	100,376		
Strengthening Local Public Health Capacity Program					
FY2021	50		50		
Summer Food Program - 2023		33,656	33,656		
Summer Food Program	512			512	
Summer Food Program	4,257			4,257	
Summer Food Program	1,505			1,505	
Summer Food Program	13,412		994	12,418	
EPA Clean Water Grant		394,000			394,000
Urban Enterprise Zone - Remaining Funds	449			449	
Urban Enterprise Zone - Remaining Funds	44,610		16,237		28,373
Urban Enterprise Zone - Remaining Funds	39,459		39,459		
	<u>\$ 1,409,533</u>	<u>605,732</u>	<u>225,839</u>	<u>966,014</u>	<u>823,412</u>
Adopted Budget		520,689			
Added by N.J.S.A. 40A:4-87		85,043			
		<u>\$ 605,732</u>			
Cash Disbursements			<u>225,839</u>		
			<u>\$ 225,839</u>		

TOWN OF GUTTENBERG

Schedule of Unappropriated Grant Reserves

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Purpose</u>	Balance, Dec. 31, <u>2022</u>	<u>Received</u>	Due to <u>Current</u>	Balance, Dec. 31, <u>2023</u>
Body Armor Replacement Fund	\$ 1,897	2,420		4,317
Strengthening Local Public Health - 2023	60,339		60,339	
Summer Food Program		3,420		3,420
National Opioid Settlement		12,079		12,079
	<u>\$ 62,236</u>	<u>17,919</u>	<u>60,339</u>	<u>19,816</u>
	Cash Receipts	5,840		
	Due from Current Fund	12,079		
		<u>\$ 17,919</u>		

TOWN OF GUTTENBERG

Schedule of Cash - Treasurer

Trust Funds

Year Ended December 31, 2023

	Animal License Fund	Unemployment Compensation Fund	Community Development Block Grant	Other Trust Funds
Balance - December 31, 2022	\$ 8,798	78,631	11,060	1,028,860
Increased by:				
Employee payroll deductions		13,899		
Budget Appropriation		1,000		
Dog License Fees	2,178			
State Fees	287			
Interest Earned on investments	93	2,688	407	24,011
Interfunds				30,931
Intrafund				246
Miscellaneous Reserves				1,438,126
	2,558	17,587	407	1,493,314
	11,356	96,218	11,467	2,522,174
Decreased by:				
State Fees	299			
Interfunds	5,512		220	81,642
Reserve Expenditures	612			
Unemployment Claims payable		43,123		
Miscellaneous Reserves				1,528,014
	6,423	43,123	220	1,609,656
Balance - December 31, 2023	\$ 4,933	53,095	11,247	912,518

TOWN OF GUTTENBERG

Schedule of Reserve for Expenditures

Animal License Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$	3,186
Increased by:		
Dog License Fees		<u>2,178</u>
		5,364
Decreased by:		
Reserve Expenditures	\$	612
Statutory Excess		<u>1,041</u>
		<u>1,653</u>
Balance - December 31, 2023	\$	<u><u>3,711</u></u>

Dog License Fees Collected

2021	1,659
2022	<u>2,052</u>

\$ 3,711

TOWN OF GUTTENBERG

**Schedule of Due to State of New Jersey-
Animal License Fees**

Animal License Trust Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$	183
Increased by:		
2023 Fees Collected		<u>287</u>
		470
Decreased by:		
Paid to State Treasurer		<u>299</u>
Balance - December 31, 2023	\$	<u><u>171</u></u>

TOWN OF GUTTENBERG

**Schedule of Community Development Block
Grants Receivable**

Community Development Block Grant Trust Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>321,674</u>
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Balance - December 31, 2023	\$ <u><u>321,674</u></u>
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Analysis of Balance

70th Street Improvements - 3-03K1-17	67,000
70th St. Sewer Improvements - 3-03K1-18	72,000
2021 68-69th Street - Palisades Ave Street Imps. - 3-03K1-21	94,146
2022 68-70th Street Imps. - 3-03K1-22	88,528
	\$ <u><u>321,674</u></u>

TOWN OF GUTTENBERG

**Schedule of Reserve for Community
Development Block Grants Expenditures**

Community Development Block Grant Trust Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>332,514</u>
Balance - December 31, 2023	\$ <u><u>332,514</u></u>

TOWN OF GUTTENBERG

Schedule of Amount Due to State of New Jersey

Other Trust Funds

Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>1,250</u>
Balance - December 31, 2023	\$ <u><u>1,250</u></u>

Analysis of Balance

Marriage License Fees - 1st Quarter of 2015	600
Marriage License Fees - 3rd Quarter of 2015	25
Marriage License Fees - 4th Quarter of 2015	525
Marriage License Fees - 2nd Quarter of 2020	25
Marriage License Fees - 4th Quarter of 2020	450
Marriage License Fees - 1st Quarter of 2021	(375)
	\$ <u><u>1,250</u></u>

TOWN OF GUTTENBERG

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2023

	Balance Due from/(to) Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, from/(to) Dec. 31, <u>2023</u>
Animal License Fund:				
Current Fund	\$ (5,429)	1,134	5,512	(1,051)
Community Development Block Grant Fund:				
Current Fund	(220)	407	220	(407)
Other Trust Fund:				
Escrow Trust - Current Fund	(192)	744	192	(744)
Current Fund - Redemption Account	(68)	4,099	1,586	(2,581)
Current Fund	(41,243)	21,799	89,684	26,642
Current Fund - Asset Forfeiture, Dept. of Justice	(3,464)		3,464	
POAA Trust	(46)		46	
General Capital Fund	(14,000)	28,000	14,000	(28,000)
Fire Prevention Trust Fund:				
Current Fund	300	300		
Intrafunds:				
Public Defender - Due from POAA Trust			200	200
POAA Trust Fund - Due to Public Defender	46	246		(200)
	<u>\$ (64,316)</u>	<u>56,729</u>	<u>114,904</u>	<u>(6,141)</u>

Cash Receipts	\$ 31,177	
Cash Disbursements		87,374
Deferred Charge - 2023 Budget Appropriation - Recreation		26,930
Statutory Excess	1,041	
Deposit errors		200
Reimbursement for Expenses Paid		400
Interest on Investments	<u>24,511</u>	
	<u>\$ 56,729</u>	<u>114,904</u>

TOWN OF GUTTENBERG

**Schedule of Accounts Receivable
Other Trust - Escrow**

Year Ended December 31, 2023

Increased by:	
71st and Broadway Engineering Fees	\$ <u>18,541</u>
 Balance - December 31, 2023	 \$ <u><u>18,541</u></u>

TOWN OF GUTTENBERG

Schedule of Miscellaneous Reserves

Other Trust Funds

Year Ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2023</u>
Reserve for:				
Tax Redemptions	\$ 42,079	796,564	814,297	24,346
Snow Removal	175,000			175,000
P.O.A.A.	41,200	8,813	27,288	22,725
Law Enforcement Trust	31,295	43,233	64,922	9,606
Fireman's Training	382			382
Recreation Trust	(26,930)	48,205	2,024	19,251
Annual Celebrations	18,175	12,200		30,375
Fire Prevention	1,254	18,789		20,043
71st & Broadway Project - Engineering		33,541	31,062	2,479
Builders Escrow Deposits	215,276	76,709	81,448	210,537
Police Special Detail	171,443	362,717	326,424	207,736
Public Defender	6,112	5,200		11,312
Asset Forfeitures - Equitable Sharing				
Justice	2,472	55,456	24,224	33,704
Treasury	84	3		87
Senior Citizens	6,457	13,339	12,597	7,199
Tax Sale Premiums	251,200	400	135,900	115,700
Food Pantry	8,444	9,028	7,828	9,644
Accumulated Leave	25,000			25,000
	<u>\$ 968,943</u>	<u>1,484,197</u>	<u>1,528,014</u>	<u>925,126</u>
Cash Receipts		1,438,126		
Cash Disbursements			1,528,014	
Accounts Receivable - Escrow		18,541		
Budget Appropriation - Deferred Charge - Recreation		26,930		
Interfund		600		
		<u>\$ 1,484,197</u>	<u>1,528,014</u>	

TOWN OF GUTTENBERG

**Schedule of Reserve for Unemployment
Compensation Insurance**

Unemployment Insurance Compensation Trust

Year Ended December 31, 2023

Balance - December 31, 2022		\$	78,631
Increased by:			
Employee Payroll Deductions	\$	13,899	
Interest earnings		2,688	
Budget Appropriation		<u>1,000</u>	
			<u>17,587</u>
			96,218
Decreased by:			
Payment of Unemployment Insurance Claims			<u>43,123</u>
Balance - December 31, 2023		\$	<u><u>53,095</u></u>

TOWN OF GUTTENBERG**Schedule of Cash - Treasurer****General Capital Fund****Year Ended December 31, 2023**

Balance - December 31, 2022		\$	6,295,159
Increased by receipts:			
Premium on Sale of Notes	\$	97,307	
Due to/(from) Current Fund		222,244	
Due to/(from) Other Trust		14,000	
Grant Receipts		1,081,901	
Due from Guttenberg Board of Education		42,182	
Budget Appropriation - Paydown on Notes		207,095	
Reserve for Green Acres		35	
Bond Anticipation Notes		13,535,000	
			<u>15,199,764</u>
			21,494,923
Decreased by disbursements:			
Due to/(from) Current Fund		721,799	
Contracts Payable		2,004,152	
Bond Anticipation Notes		11,580,000	
Improvement Authorizations		1,052,383	
			<u>15,358,334</u>
Balance - December 31, 2023		\$	<u><u>6,136,589</u></u>

TOWN OF GUTTENBERG

Schedule of General Capital Fund Cash

General Capital Fund

Year Ended December 31, 2023

Capital Improvement Fund	\$ 759,146
Reserve for Payment of Debt	2,521,080
Grants Receivable - NJ Department of Transportation	(1,356,112)
Grant Receivable - Hudson County Open Space	(200,324)
Grant Receivable - State of NJ, Green Acres Program	(64,172)
Grant Receivable - Hudson County Community Development	(94,146)
Grant Receivable - Office of Law and Public Safety	(40,760)
Reserve for Grants Receivable	1,275,737
Reserve for Sewer Improvements	74,500
Due to Current Fund	434,424
Due from Other Trust Fund	(28,000)
Contracts Payable	1,554,455
Reserve for Green Acres	1,067
Fund Balance	97,347

Improvement description

6-2008/18-2012/		
26-2013/16-2014	Improvements to Waterfront Park	25,464
08-2011	Various Capital Improvements	
2-2012/8-		
2018/28-2018	Construction of Building and Imps. to the Anna L. Klein School for Community, Recreational and Educational Purposes	363,830
17-2012/3-2013	Improvements to 68th Street, Sec. 4	67,143
25-2013	Various Street Improvements	60,149
27-2013	Sewer Repairs - Broadway & 70th Street	6,386
13-2014	Improvements to 69th Street	41,417
16-2015/26-		
2017/24-2019	Various Capital Improvements	10,386
7-2016	Acquisition and Installation of a Generator	35,612
22-2017	70th Street Road and Related Sewer Imps.	10,411
20-2018	Renovation of Monument Park	12,445
21-2018/14-2019	Renovations to Veteran's Park	95,371
25-2018	Sewer Improvements	3,583
12-2019	Road Imps. to Broadway & Bellevue	57,936
31-2019	Acquisition and Imps. to 506 70th Street - Park Development	26,493
28-2020	Traffic Signal & Road Improvements	648
18-2021	Combined Sewer Overflow Sewer System Imps.	
20-2021	Various Capital Improvements	74,504
11-2022	Acquisition of Property	17,500
20-2022	Installation of Traffic Signals on Broadway at Various Intersections	176,678
8-2023	Various Sewer Improvements	342,367
18-2023	Roof Replacement - Town Hall	70,212
26-2023	Various Capital Improvements	(296,188)
		<u>\$ 6,136,589</u>

TOWN OF GUTTENBERG

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

General Capital Fund

Year Ended December 31, 2023

Balance - December 31, 2022	\$ 16,735,000
Decreased by:	
Budget appropriations:	
Serial Bonds	<u>605,000</u>
Balance - December 31, 2023	<u><u>\$ 16,130,000</u></u>

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance number	Improvement description	\$	Balance, Dec. 31, 2022	2023 Authorizations	Decreased by:	Balance, Dec. 31, 2023	Analysis of Balance December 31, 2023	
							Funded by Bond Anticipation Notes	Unexpended improvement authorization
08-2011 2-2012	Various Capital Improvements Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes		666			666		
17-2012	Improvements to 68th Street, Section 4		125,519		21,365	104,154		104,154
16-2014	Improvements to Waterfront Park		49,368			49,368		49,368
26-2017	Various Capital Improvements		2			2		2
22-2017	70th Street Road and Sewer Imps.		199,323		23,947	175,376	175,376	
08-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes		1,398,449		26,551	1,371,898	1,371,898	
20-2018	Renovation of Monument Park		29,919		6,945	22,974	22,974	
21-2018	Renovations to Veteran's Park		371,548		30,952	340,596	335,696	4,900
25-2018	Sewer Improvements		1,875,949		24,051	1,851,898	1,851,898	
28-2018	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreational and Educational purposes		654,712		11,288	643,424	643,424	
12-2019	Road Imps. to Broadway & Bellevue		360,000		18,948	341,052	341,052	
24-2019	Various Capital Improvements		1,310,050		56,223	1,253,827	1,253,777	50
31-2019	Acquisition & Improvements to 506 70th Street - Park Development		237,500		8,190	229,310	226,810	2,500
28-2020	Traffic Signal and Road Improvements		1,700,000			1,700,000	1,700,000	
18-2021	Combined Sewer Overflow Sewer System Imps.		1,425,000			1,425,000	1,425,000	
20-2021	Various Capital Improvements		2,028,661			2,028,661	2,025,000	3,661

TOWN OF GUTTENBERG

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance number	Improvement description	Balance, Dec. 31, 2022	2023 Authorizations	Decreased by:	Balance, Dec. 31, 2023	Analysis of Balance December 31, 2023	
						Funded by Bond Anticipation Notes	Unexpended improvement authorization Expenditures
11-2022	Acquisition of Property	332,500			332,500		332,500
20-2022	Installation of Traffic Signals on Broadway at Various Intersections	550,000			550,000	550,000	
8-2023	Various Sewer Improvements		950,000		950,000	950,000	
18-2023	Roof Replacement - Town Hall		665,000		665,000	662,095	2,905
26-2023	Various Capital Improvements		1,045,000		1,045,000		748,812
		<u>\$ 12,649,166</u>	<u>2,660,000</u>	<u>228,460</u>	<u>15,080,706</u>	<u>13,535,000</u>	<u>296,854</u>
							<u>1,248,852</u>
Budget Appropriation - Principal Paydown on Notes							
				207,095			
Reserve for Payment of Notes/Debt				<u>21,365</u>			
				<u>\$ 228,460</u>			
						Improvement Authorizations - Unfunded	
						Less: Unexpended note proceeds	
						Ord. 26-2017	10,386
						Ord. 22-2017	10,411
						Ord. 08-2018	364,496
						Ord. 20-2018	12,445
						Ord. 21-2018/14-2019	37,461
						Ord. 25-2018	3,583
						Ord. 12-2019	57,936
						Ord. 31-2019	26,493
						Ord. 28-2020	648
						Ord. 20-2021	74,504
						Ord. 20-2022	176,678
						Ord. 08-2023	342,367
						Ord. 26-2023	70,212
							<u>1,187,620</u>
							<u>\$ 1,248,852</u>

TOWN OF GUTTENBERG

Schedule of Grants Receivable

Hudson County Open Space Trust Fund

General Capital Fund

Year Ended December 31, 2023

Balance - December 31, 2022		\$	344,726
Increased by:			
Grant Awards			<u>57,910</u>
			402,636
Decreased by:			
Cash Receipts	\$	144,401	
Cancelled		<u>57,911</u>	
			<u>202,312</u>
Balance - December 31, 2023		\$	<u><u>200,324</u></u>
<u>Analysis of Balance</u>			
	Ord. 31-2019		97,218
	Ord. 35-2020		45,196
	Ord. 27-2023		<u>57,910</u>
		\$	<u><u>200,324</u></u>

Exhibit C-7**TOWN OF GUTTENBERG****Schedule of Grants Receivable - State of New Jersey
Department of Transportation****General Capital Fund****Year Ended December 31, 2023**

Balance - December 31, 2022	\$ 1,043,612
Increased by:	
Grant Awards	<u>1,250,000</u>
	2,293,612
Decreased by:	
Cash Receipts	<u>937,500</u>
Balance - December 31, 2023	\$ <u><u>1,356,112</u></u>

Analysis of Balance

Ord. 22-2017: 70th Street Road and related Sewer Imps.	223,270
Ord. 12-2019: Imps. to Broadway and Bellevue	240,000
Ord. 28-2020: Park Avenue Traffic Signal	580,342
Ord. 20-2022: Traffic Signals on Broadway at Various Intersections	<u>312,500</u>
	\$ <u><u>1,356,112</u></u>

Exhibit C-8**TOWN OF GUTTENBERG****Schedule of Grants Receivable - State of New Jersey
Green Acres Program****General Capital Fund****Year Ended December 31, 2023**

Balance - December 31, 2022	\$ <u>64,172</u>
Balance - December 31, 2023	\$ <u><u>64,172</u></u>

Analysis of Balance

Ord. 6-2008/18-2012: Improvements to Waterfront Park	\$ <u><u>64,172</u></u>
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Exhibit C-9

TOWN OF GUTTENBERG
Schedule of Grants Receivable -
Hudson County Community Development Block Grant
General Capital Fund
Year Ended December 31, 2023

Increased by:	
Grant Awards	\$ <u>94,146</u>
Balance - December 31, 2023	\$ <u><u>94,146</u></u>

Exhibit C-10

Schedule of Amount Due from the
Guttenberg Board of Education
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>42,182</u>
Decreased by:	
Cash Receipts	\$ <u><u>42,182</u></u>

Exhibit C-11

Schedule of Grants Receivable - State of New Jersey
Office of Law and Public Safety
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ <u>40,760</u>
Balance - December 31, 2023	\$ <u><u>40,760</u></u>

	<u>Analysis of Balance</u>
Ord. 20-2021 - Acquisition of Body Cameras	\$ <u><u>40,760</u></u>

TOWN OF GUTTENBERG

Schedule of Serial Bonds

General Capital Fund

Year Ended December 31, 2023

Purpose	Date of issue	Original issue	Maturities of bonds outstanding		Interest rate	Balance, Dec. 31, 2022	Decreased	Balance, Dec. 31, 2023
			Date	Amount				
General Obligation Bonds	Jun. 7, 2018	19,150,000	Aug. 1, 2024	605,000	5.00%	16,735,000	605,000	16,130,000
			Aug. 1, 2025	620,000	5.00%			
			Aug. 1, 2026	620,000	5.00%			
			Aug. 1, 2027	650,000	5.00%			
			Aug. 1, 2028	680,000	5.00%			
			Aug. 1, 2029	715,000	4.00%			
			Aug. 1, 2030	745,000	4.00%			
			Aug. 1, 2031	770,000	4.00%			
			Aug. 1, 2032	805,000	4.00%			
			Aug. 1, 2033	835,000	4.00%			
			Aug. 1, 2034	870,000	3.25%			
			Aug. 1, 2035	895,000	3.50%			
			Aug. 1, 2036	930,000	3.50%			
			Aug. 1, 2037	960,000	3.50%			
			Aug. 1, 2038	995,000	3.50%			
			Aug. 1, 2039	1,030,000	5.00%			
			Aug. 1, 2040	1,080,000	5.00%			
			Aug. 1, 2041	1,135,000	5.00%			
			Aug. 1, 2042	1,190,000	5.00%			
						\$ 16,735,000	605,000	16,130,000

Exhibit C-13

TOWN OF GUTTENBERG
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ 899,146
Decreased by:	
Appropriated to Finance	
Improvement Authorizations	<u>140,000</u>
Balance - December 31, 2023	<u><u>\$ 759,146</u></u>

Exhibit C-14

Schedule of Interfund (Receivable)/Payable - Due to Current Fund
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ 522,679
Increased by:	
Interest on Investments	\$ 220,907
Budgeted Revenue	
Fund Balance	11,300
Reserve for Payment of Debt	400,000
Deposit Errors	50
Unexpended Budget Appropriation -	
Interest on Bond Anticipation Notes	<u>1,287</u>
	<u>633,544</u>
	1,156,223
Decreased by:	
Cash Disbursements	<u>721,799</u>
Balance - December 31, 2023	<u><u>\$ 434,424</u></u>

Exhibit C-15**TOWN OF GUTTENBERG****Schedule of Contracts Payable****General Capital Fund****Year Ended December 31, 2023**

Increased by:

Charges to Improvement Authorizations	\$	<u>1,554,455</u>
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Balance - December 31, 2023	\$	<u><u>1,554,455</u></u>
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Exhibit C-16**Schedule of Reserve for Payment of Debt****General Capital Fund****Year Ended December 31, 2023**

Balance - December 31, 2022	\$	2,942,445
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Decreased by:

Utilized as:

Budget Revenue - Due to Current	\$	400,000
Paydown Authorized not Issued		<u>21,365</u>

	<u>421,365</u>
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Balance - December 31, 2023	\$	<u><u>2,521,080</u></u>
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Ord. 2-2012	1,405,193
Ord. 24-2019	160,089
Ord. 28-2020	894,658
Ord. 20-2021	<u>61,140</u>
\$	<u><u>2,521,080</u></u>

Exhibit C-17

TOWN OF GUTTENBERG
Schedule of Reserve for Grants Receivable
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ 1,333,647
Decreased by:	
Cancelled	<u>57,910</u>
Balance - December 31, 2023	<u>\$ 1,275,737</u>
Ord. 20-2021: Office of Law & Public Safety, Acquisition of Body Cameras	40,760
Ord. 28-2020: Department of Transportation - Park Ave. Signal	580,342
Ord. 22-17: Department of Transportation	233,270
Ord. 12-2019: Department of Transportation	240,000
Ord. 31-2019: Hudson County Open Space Trust Fund	97,219
Ord. 20-2022: Hudson County CDBG	94,146
	<u>\$ 1,285,737</u>

Exhibit C-18

Schedule of Reserve for Green Acres
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ 1,032
Increased by:	
Interest Earnings	<u>35</u>
Balance - December 31, 2023	<u>\$ 1,067</u>

TOWN OF GUTTENBERG
Schedule of Reserve for Sewer Improvements
General Capital Fund
Year Ended December 31, 2023

Balance - December 31, 2022	\$ 46,500
Increased by:	
Developer Deposits - Due from Other Trust	<u>28,000</u>
Balance - December 31, 2023	<u><u>\$ 74,500</u></u>

TOWN OF GUTTENBERG
Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2022		Authorized	Expended	Balance, Dec. 31, 2023	
				Funded	Unfunded			Funded	Unfunded
6-2008/18-2012/26-2013/16-2014-2-2012/2-2018/28-2018	Improvements to Waterfront Park	Mar. 24, 2008	450,000 \$	25,464	49,370			25,464	49,370
	Construction of Building and Improvements to the Anna L. Klein School for Community, Recreation and Educational Purposes	May 29, 2012 Mar. 28, 2018 Nov. 28, 2018 Oct. 22, 2012 Feb. 25, 2013 Sept. 23, 2013 Dec. 30, 2013 Feb. 23, 2015 Oct. 14, 2014 Oct. 26, 2015, Nov. 27, 2017, Oct. 30, 2019, Dec. 28, 2020	20,335,000 1,500,000 700,000 250,000 120,000 850,000 744,680 400,000 470,000		364,496				364,496
17-2012/3-2013	Imprs. to 68th Street, Section 4			45,778	125,519			67,143	104,154
25-2013	Various Street Improvements			60,149				60,149	
27-2013/1-2015	Sewer Repairs - Broadway & 70th Street			6,386				6,386	
13-2014	Improvements to 69th Street			41,417				41,417	
16-2015/20-2015/26-2017/24-2019/35-2020	Various Capital Improvements				200,621		190,185		10,436
7-2016	Acq. and Installation of a Generator	Apr. 25, 2016	180,000	35,612				35,612	
22-2017	70th Street Road and related Sewer Imps.	Oct. 23, 2017	650,000		16,643		6,232		10,411
20-2018	Renovations to Monument Park	Sept. 7, 2018	212,000		12,445				12,445
		Sept. 7, 2018, Jun. 24, 2019, Nov. 27, 2023							
21-2018/14-2019-25-2018/36-2020	Renovations to Veteran's Park Sewer Improvements	Oct. 29, 2018 Dec. 28, 2020	725,000 2,000,000		42,361 2,397	57,910	(1,186)	57,910	42,361 3,583
12-2019	Road Improvements to Broadway & Bellevue	Jun. 24, 2019	360,000		57,936				57,936
31-2019	Acquisition/Improvements to 506 70th Street - Park Development	Dec. 27, 2019	250,000		24,627		(4,366)		28,993
28-2020	Traffic Signal and Road Improvements	Dec. 28, 2020	1,700,000		2,595		1,947		648
18-2021	Combined Sewer Overflow Sewer System Imps.	Jun. 30, 2021	1,500,000		111,963		111,963		
20-2021	Various Capital Improvements	Jul. 29, 2021	2,130,073		625,820		547,655		78,165

TOWN OF GUTTENBERG

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance number	Improvement description	Ordinance Date	Amount	Balance, Dec. 31, 2022		Authorized	Expended	Balance, Dec. 31, 2023	
				Funded	Unfunded			Funded	Unfunded
11-2022 20-2022	Acquisition of Property Installation of Traffic Signals on Broadway at Various Intersections	Jul. 25, 2022	350,000	17,500	332,500			17,500	332,500
8-2023	Various Sewer Improvements	Nov. 28, 2022	1,800,000		295,382		118,704		176,678
18-2023	Roof Replacement - Town Hall	Mar. 27, 2023				1,000,000	657,633		342,367
26-2023	Various Capital Improvements	Jun. 26, 2023				700,000	626,883		73,117
		Nov. 27, 2023				1,100,000	351,188		748,812
				\$ 232,306	2,264,675	2,857,910	2,606,838	311,581	2,436,472
				Capital Improvement Fund					
						140,000			
						Grants Receivable 57,910			
						Deferred Charges Unfunded 2,660,000			
						\$ 2,857,910			
						Cash Disbursements \$ 1,052,383			
						Contracts Payable 1,554,455			
						\$ 2,606,838			

TOWN OF GUTTENBERG

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2023

Ord. Number	Purpose	Date of original issue	Original issue	Date of Maturity	Interest rate	Balance, Dec. 31, 2022	Increased	Decreased	Balance, Dec. 31, 2023
22-2017	70th Street Road and related Sewer Imps.	Oct. 24, 2019	455,000	Oct. 18, 2024	5.00%	199,323	175,376	199,323	175,376
8-2018	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	1,425,000	Oct. 18, 2024	5.00%	1,398,449	1,371,898	1,398,449	1,371,898
20-2018	Renovation of Monument Park	Oct. 24, 2019	201,400	Oct. 18, 2024	5.00%	29,919	22,974	29,919	22,974
21-2018/14-2019	Renovations to Veteran's Park	Oct. 24, 2019	897,600	Oct. 18, 2024	5.00%	366,648	335,696	366,648	335,696
25-2018	Sewer Improvements	Oct. 24, 2019	1,900,000	Oct. 18, 2024	5.00%	1,875,949	1,851,898	1,875,949	1,851,898
28-2018/2-2012	Amend 2-2012: Building Imps. - Anna L. Klein	Oct. 24, 2019	666,000	Oct. 18, 2024	5.00%	654,712	643,424	654,712	643,424
12-2019	Road Improvements to Broadway & Bellevue	Oct. 20, 2020	360,000	Oct. 18, 2024	5.00%	360,000	341,052	360,000	341,052
24-2019	Various Capital Improvements	Oct. 20, 2020	1,310,000	Oct. 18, 2024	5.00%	1,310,000	1,253,777	1,310,000	1,253,777
31-2019	Acquisition/Improvements to 506 70th Street	Oct. 20, 2020	235,000	Oct. 18, 2024	5.00%	235,000	226,810	235,000	226,810
28-2020	Traffic Signal and Road Improvements	Oct. 20, 2021	1,700,000	Oct. 18, 2024	5.00%	1,700,000	1,700,000	1,700,000	1,700,000
18-2021	Combined Sewer Overflow Sewer System Imps.	Oct. 20, 2021	1,425,000	Oct. 18, 2024	5.00%	1,425,000	1,425,000	1,425,000	1,425,000
20-2021	Various Capital Improvements	Oct. 20, 2021	2,025,000	Oct. 18, 2024	5.00%	2,025,000	2,025,000	2,025,000	2,025,000
20-2022	Installation of Traffic Signals on Broadway at Various Intersections	Oct. 19, 2023	550,000	Oct. 18, 2024	5.00%		550,000		550,000
8-2023	Various Sewer Improvements	Oct. 19, 2023	950,000	Oct. 18, 2024	5.00%		950,000		950,000
18-2023	Roof Replacement - Town Hall Building	Oct. 19, 2023	662,095	Oct. 18, 2024	5.00%		662,095		662,095
						\$ 11,580,000	13,535,000	11,580,000	13,535,000
						Cash	2,162,095		
						Renewed	11,372,905	11,372,905	
						Budget Appropriation - Principal Paydown	207,095	207,095	
						\$	13,535,000	11,580,000	

TOWN OF GUTTENBERG

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Mayor and
Members of the Town Council
Town of Guttenberg
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Town of Guttenberg in the County of Hudson as of and for the year ended December 31, 2023 and the related notes to the financial statements, and have issued our report thereon dated May 15, 2024, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Town of Guttenberg in the accompany comments and recommendations section of this report.

Compliance and Other Matters

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

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

Purpose of this Report

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

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

May 15, 2024





WIELKOTZ & COMPANY ^{LLC}
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND N.J. OMB CIRCULAR 15-08**

Honorable Mayor and
Members of the Town Council
Town of Guttenberg
Guttenberg, NJ 07093

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Town of Guttenberg's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and the N.J. Office of Management and Budget Circular 15-08 Compliance Supplement that could have a direct and material effect on each of Town of Guttenberg's major federal and state programs for the year ended December 31, 2023. Town of Guttenberg's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Guttenberg complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance 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 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform and N.J. OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



We are required to be independent of Town of Guttenberg and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Town of Guttenberg's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Town of Guttenberg's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Town of Guttenberg's compliance based on our audit. 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, the Uniform Guidance, and N.J. OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Town of Guttenberg's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town of Guttenberg's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Town of Guttenberg's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Town of Guttenberg's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08.

Government Auditing Standards requires the auditor to perform limited procedures on Town of Guttenberg's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Town of Guttenberg's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Steven D. Wielkottz

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

Wielkottz & Company, LLC

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

May 15, 2024

TOWN OF GUTTENBERG
Schedule of Expenditures of Federal Awards
Year ended December 31, 2023

Federal grantor Federal and State Grant Fund:	Program	Assistance Listing number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/ Cancelled	(MEMO) Cumulative Expenditures
Department of Transportation	State and Community Highway Safety									
	National Highway Traffic Safety									
	Occupant Protection Grant - Click it or Ticket	20.616			2022	7,000	\$		7,000	7,000
	Alcohol Impaired Driving Countermeasures Incentive Grant									
	Drive Sober or Get Pulled Over	20.601			2015	5,000			75	5,000
	Drive Sober or Get Pulled Over	20.601			2016	5,000			(83)	4,917
	Drive Sober or Get Pulled Over	20.601			2016	5,000			50	5,000
	Drive Sober or Get Pulled Over	20.601			2023	7,000	7,000	7,000		7,000
U.S. Department of Justice	Bulletproof Vest Partnership	16.607			2023	4,666				
(1) U.S. Department of the Treasury Coronavirus Aid, Relief and Economic Security Act	CARES Act	21.019			2020	1,037,377				1,037,377
(1) U.S. Department of Health and Human Services Centers for Disease Control and Prevention	Strengthening Local Public Health Capacity Program	93.323			7/1/22-6/30/23	274,735	100,376	100,376	(60,339)	100,376
					7/1/21-6/30/22	291,042	23,628			291,042
					12/1/20-6/30/21	142,236		50	857	142,236
	National Opioid Settlement	93.788			1/1/23-12/31/23	12,079	12,079			
(2) U.S. Department of Housing and Urban Development Passed through County of Hudson	CDBG-CV Public Service Grant - Food Pantry Program	14.218			2021	57,902				19,115
	CDBG-CV Public Service Grant - Senior Bus Program	14.218			2021	100,000		13,080		100,000
(1) U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	Promotion of the Arts Partnership Agreements	21.017			3/3/21-12/31/24	864,019		(4,034)		698,475
National Endowment for the Arts		45.024			9/1/17-9/30/18	25,000				21,627
U.S. Department of Health and Human Services	FY23 Congressionally Directed Spending	93.493				394,000				
	Galaxy Towers CSO Chamber Project									
Department of Agriculture	Summer Food Program	10.559			2014	23,703			(512)	23,191
		10.559			2020	25,591			3,174	19,829
		10.559			2021	30,698		994	(12,098)	17,286
		10.559			2022	23,268	939		1,149	23,268
		10.559			2023	33,656	37,076	33,656		33,656
	<i>Total Federal and State Grant Fund</i>						181,098	151,122	(60,727)	
Current Fund:										
(1) U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds	Revenue Loss	21.017			3/3/21-12/31/24	300,000	929,002	929,002		300,000
	<i>Total Current Fund</i>						929,002	929,002		

TOWN OF GUTTENBERG

Schedule of Expenditures of Federal Awards

Year ended December 31, 2023

Trust Funds:	Federal grantor	Program	Assistance Listing number	FAIN number	Grant or State Project number	Grant period	Award Amount	Cash Received	Expenditures	Adjustment/Cancelled	(MEMO) Cumulative Expenditures
U.S. Department of Justice		Equitable Sharing Program	16.922			2023		54,997	24,224	460	24,224
U.S. Department of Treasury		Equitable Sharing Program	21.016			2023				4	325
<i>Total Trust Funds</i>											
<i>Total Community Development Trust Fund</i>											
<i>Total Federal Financial Assistance</i>											
								\$ 1,165,097	1,104,348	(60,263)	

Note: This schedule was subject to an audit in accordance with the Uniform Guidance.

(1) - Passed through the State of New Jersey

(2) - Passed through the County of Hudson

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2023

<u>State grantor</u>	<u>Program</u>	<u>Grant period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Cancelled</u>	<u>(MEMO) Cumulative Expenditures</u>
Federal and State Grant Fund: Department of Commerce & Economic Development	Urban Enterprise Zone Assistance Fund	2023 \$	78,479	55,696	16,237	*	50,106
		2022	39,459		39,459	*	39,459
		2011	24,038			4,041	23,588
				<u>55,696</u>	<u>55,696</u>	<u>4,041</u>	*
Department of Community Affairs Office of Recreation	Recreation Opportunities for Individuals with Disabilities	2019	16,666			200	16,666
						<u>200</u>	*
Department of Environmental Protection	Recycling Tonnage Grant	2023	16,313	16,313			*
	Recycling Tonnage Grant	2022	15,530				*
	Recycling Tonnage Grant	2021	14,840				*
	Recycling Tonnage Grant	2019	14,535				*
	Recycling Tonnage Grant	2017	14,378				*
	Clean Communities Program	2023	19,417	19,417			*
	Clean Communities Program	2022	17,312		1,318		*
	Clean Communities Program	2021	16,642				8,172
	Clean Communities Program	2005-06	7,530	<u>35,730</u>	<u>1,318</u>	<u>640</u>	7,530
						<u>640</u>	*
Department of Law and Public Safety	Body Armor Grant	2022	1,897	2,420			*
	Body Armor Grant	2022	1,444				*
	Body Armor Grant	2021	2,096				*
	Body Armor Grant	2020	2,682				2,336
	Highway Safety	2006-07	1,945			(390)	1,555
Department of Law and Public Safety	Drunk Driving Enforcement Fund	2012	6,899			3,033	3,866
				<u>2,420</u>		<u>2,643</u>	*
County of Hudson (I)	Municipal Alliance	2023-2024	3,533				*
		2022	1,281				*
		2022-2023	8,831	4,814	7,713		1,281
		Match	1,325			(1,325)	*
		2021-2022	5,298			1,573	2,802
		Match	1,325			(322)	1,003
		2020-2021	2,649			(1,500)	*
		Match	2,426			(2,426)	*
		2018-2019	9,655			(1,677)	7,978
		Match	2,414			(2,414)	*
		Match	2,414			(2,414)	*
		Match	2,414			(2,414)	*
		Match	2,414	<u>4,814</u>	<u>7,713</u>	<u>(1,757)</u>	357
						<u>(14,676)</u>	*

TOWN OF GUTTENBERG
Schedule of Expenditures of State Awards and Other Financial Assistance
Year ended December 31, 2023

<u>State grantor</u>	<u>Program</u>	<u>Grant number</u>	<u>Grant period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Cancelled</u>	<u>(MEMO) Cumulative Expenditures</u>
Administrative Offices of the Courts	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2023	5,971	5,971			*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2022	6,159				*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2021	7,270				*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2020	3,418				*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2019	8,439				*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2018	6,078				*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2017	4,439				*
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2016	3,505				300
	Alcohol Education and Rehabilitation Fund	098-9735-760-001	2015	2,711		240		720
					<u>5,971</u>	<u>240</u>		
NJ Department of Community Affairs Housing & Community Resources	New Jersey State Council on the Arts		2023	10,000	7,500	9,750		9,750
	Lead Assistance Grant	23-100-022-8020-304	2023	10,800	10,800			
<i>Total State and Federal Grant Fund</i>								
					<u>122,931</u>	<u>74,717</u>	<u>(7,152)</u>	*
<i>General Capital Fund:</i>								
Department of Transportation State Aid Highway Projects Highway Planning and Construction	Municipal Aid - Traffic Signals on Broadway - Various Intersections - Ord. 20-2022		2022	650,000	487,500	365,539		365,539
	Municipal Aid - Traffic Signals on Broadway - Various Intersections - Ord. 20-2022		2021	600,000	450,000	600,000		600,000
	Municipal Aid - Park Avenue Traffic Signal - Ord. 28-2020		2020	775,000		56,111		745,634
	Municipal Aid - Broadway & Bellevue Ave - Ord. 12-2019		2019	240,000				240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2017	240,000				240,000
	Municipal Aid - Broadway & Bellevue Ave - Ord. 22-2017		2016	215,000				215,000
					<u>937,500</u>	<u>1,021,650</u>		
Department of Law and Public Safety	Body Worn Cameras - Ord. 20-2021		2021	101,900		2,000		99,123
	Green Acres Program - Waterfront Park Imp. - Ord. 18-2012		2012	62,263				62,263
	Green Acres Program - Waterfront Park Imp. - Ord. 6-2008		2007-08	155,000				155,000
<i>Total General Capital Fund</i>								
					<u>937,500</u>	<u>1,023,650</u>		*
<i>Total State Financial Assistance</i>								
					<u>1,060,431</u>	<u>1,098,367</u>	<u>(7,152)</u>	*

TOWN OF GUTTENBERG

Schedule of Expenditures of State Awards and Other Financial Assistance

Year ended December 31, 2023

<u>State grantor</u>	<u>Program</u>	<u>Grant number</u>	<u>Grant period</u>	<u>Award Amount</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Cancelled</u>	<u>(MEMO) Cumulative Expenditures</u>
<u>Other Financial Assistance:</u> Hudson County Open Space	Renovations to Veterans Park	Ord. 27-2023		57,910				*
	Acquisition/Imps. To All Access Park Property	Ord. 35-2020		500,000	144,401	144,401		*
	Acquisition/Imps. To 506 70th Street							*
	Park Development	Ord. 31-2019		97,218	144,401	144,401		*
	<i>Total Other Financial Assistance</i>				<u>144,401</u>	<u>144,401</u>		*
	<i>Total State and Other Financial Assistance</i>				<u>1,204,832</u>	<u>1,242,768</u>	<u>(7,152)</u>	*

Note: This schedule was subject to an audit in accordance with N.J. OMB 2015-08.

(1) - Passed through the State of New Jersey

**TOWN OF GUTTENBERG
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Town of Guttenberg, County of Hudson. The Town is defined in Note 1A to the Town's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Town's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules do not agree with amounts reported in the Town's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the Town's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$929,002	\$	\$	\$929,002
Federal and State Grant Fund	151,122	74,717		225,839
General Capital Fund		1,023,650	144,401	1,168,051
Trust Fund	<u>24,224</u>	<u> </u>	<u> </u>	<u>24,224</u>
Total Current Fund	<u>\$1,104,348</u>	<u>\$1,098,367</u>	<u>\$144,401</u>	<u>\$2,347,116</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

**TOWN OF GUTTENBERG
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

NOTE 5. INDIRECT COST RATE

The Town of Guttenberg has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: adverse - USGAAP
unmodified - regulatory

Internal control over financial reporting:

- | | | |
|---|-----------|-------------------|
| 1. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> no |
| 2. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |

Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no
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Federal Awards Section

Dollar threshold used to determine type A programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____ yes	_____ <u>X</u> no
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Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

- | | | |
|---|-----------|---------------------|
| 1. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none |
| 2. Material weakness(es) identified? | _____ yes | _____ <u>X</u> no |

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ yes	_____ <u>X</u> no
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Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
21.017 (A)	Coronavirus State and Federal Fiscal Recovery Funds

(A) Tested as a major Type A Program

**TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

State Awards Section

Dollar threshold used to determine type A programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? yes X none

2. Material weakness(es) identified? yes X no

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes X no

Identification of major programs:

GMIS Number(s)

480-078-6320 (A)

Name of State Program

New Jersey Department of
Transportation - municipal aid

(A) Tested as a major Type A Program

**TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

Section II – Financial Statement Findings

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

NONE

TOWN OF GUTTENBERG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)

STATUS OF PRIOR YEAR FINDINGS

This section identifies the status of prior year audit findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 15-08, as amended.

NONE

TOWN OF GUTTENBERG

GENERAL COMMENTS

Contracts and Agreements

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

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

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

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

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

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

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

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

Collection and Disposal of Recyclables and Solid Waste
Sewer Improvements

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Chapter 75 of the Public Laws of 1991 of the State of New Jersey authorizes the governing body of each municipality by resolution to fix the rate of interest to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent, and

TOWN OF GUTTENBERG

GENERAL COMMENTS, (continued)

WHEREAS, the provisions of said statute provides that the rate of interest to be so charged may be fixed at a rate not to exceed 8% per annum on the first \$1,500 of delinquency, and a rate of 18% per annum on any amount in excess of \$1,500.

WHEREAS, the statute further provides that the governing body may provide that no interest shall be charged if payment is made within the tenth calendar day following the date which the same became payable, and

It appears from our test of the collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 6, 2023 and was complete.

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

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

	<u>Number of Liens</u>
Year Ended December 31, 2023	7
Year Ended December 31, 2022	7
Year Ended December 31, 2021	8

**TOWN OF GUTTENBERG
DECEMBER 31, 2023**

GENERAL COMMENTS

Finance:

1. Not all grant awards were properly appropriated in the budget or through NJSA 40A:4-87.
2. Business Registration Certificates were not obtained/made available for all vendors in which annual expenditures exceeded 15% of the bid threshold.
3. There were instances where vendors receiving payments in excess of IRS thresholds were not issued required Form 1099's.
4. Prior year liabilities for state dog license and state marriage license fees and current year marriage license fees were not remitted to the state.

RECOMMENDATIONS

Finance:

1. All grant awards should be appropriated through the adoption of the annual budget or through NJSA 40A:4-87.
2. Purchasing policies be enhanced to ensure that all Business Registration Certificates are obtained and on file for those vendors in which year to date expenditures exceed 15% of the Bid Threshold.
3. Vendors that are compensated in excess of \$600 receive a Form 1099 as required by IRS Rev. Rul. 2003-66.
4. The outstanding liabilities for state fees owed for both dog and marriage licenses be processed and paid.

TOWN OF GUTTENBERG

Status of Prior Year Audit Findings/Recommendations

A review was performed on all prior year recommendations and corrective action was taken on all, with the exception of the comments preceded with an “*”.

Acknowledgment

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

Respectfully submitted,

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

May 15, 2024